

Memorandum

To: Missouri Public Service Commission Official Case File
Case No. XM-2005-0105

From: Adam McKinnie, Telecommunications Department
William Voight / 3-22-05 /s/ William K. Haas 03/23/05
Utility Operations Division/Date General Counsel's Office/Date

**Subject: Staff Recommendation for Application Seeking Commission Approval of
Competitive Company Transaction**

Date: 3-22-05

The Telecommunications Department Staff (Staff) recommends the Commission (check, as applicable):

- ☐ Approve Merger ☐ Approve Consolidation ☒ Approve Sale of Assets
- ☐ Approve Name Change
- ☐ Cancel Certificate(s) & Tariff(s) ☐ Approve Certificate(s) & Tariff(s)

According to Commission rules, competitively classified companies are required to provide minimal information in applications to merge, consolidate or sell/transfer assets. According to 4 CSR 240-3.520(1), as in effect on the date of the application, competitive telecommunications companies are exempt from the requirement to provide the reasons the proposed transaction is not detrimental to the public interest. Nevertheless, based on the limited information provided to Staff, Staff does not believe this particular transaction will be detrimental to the public interest. This transaction solely involves competitively classified companies and is not detrimental to the public interest since a customer has/will receive advance notice and can freely switch to another provider. The following chart summarizes this transaction.

Companies Involved in Transaction	Customer Served By ("X", if applicable)		Sale of Assets ("X", if applicable)		Certificates* (If applicable, indicate "C" to cancel, "A" to approve)			Tariffs* (If applicable, indicate Tariff PSC MO Nos.)	
	Before	After	Seller	Buyer	IXC	Local	Basic Local	Cancel	Approve
Network US, Inc. d/b/a CA Affinity		X		X					X**
Connect America, Inc.	X		X						

*See attachment to Staff recommendation for further details associated with approving certificates or tariffs.

** Staff recommends tariff filing YX-2005-0554, with an effective date of 4-4-05, be allowed to go into effect. Note this tariff filing is also related to XM-2005-0124.

Appendix A

Merger, Consolidation, Sell or Transfer Assets

Will affected customers be switched to a different company?

☐ No☒ Yes

☒ Customers have been notified of the change of carriers and of the right to switch to another service provider. A copy of the notification is attached to the Application.

Company Name Change Notification

☐ Company has notified its customers of the name change. A copy of the customer notice is attached.

☐ Staff recommends the Commission order the Company to notify its customers at or before the next billing cycle of the name change and file a copy of the notice with the Commission.

Does this transaction involve a company in bankruptcy? ☐ Yes ☒ No

If yes, a copy of the bankruptcy order is attached.

Competitive Company Transaction Review Items**Administrative:**

☒ Application solely involves competitively classified companies.

☒ No applications to intervene filed.

Noteworthy Transaction Application Requirements of 4 CSR 240-3.520 and 4 CSR 240-3.525:

☒ Will have no impact on tax revenues pursuant to 4 CSR 240-3.520(F) or 4 CSR 240-3.525(F)

☒ Appropriate Secretary of State authorization has been submitted for any applicant (or if previously submitted, reference to prior case number). Case No. TA-2002-188

Missouri corporations: A Certificate of Good Standing.

Foreign corporations: Authorization to do business in Missouri.

If business conducted under a fictitious name: A copy of registration of the fictitious name.

☒ No pending or final judgments/decisions described in 4 CSR 240-2.060(1)(K).

☒ A statement that no annual report or assessment fees are overdue for any applicant.

Are there additional recommendations or special considerations?☒ No☐ Yes

If yes, explain in an attachment.

☒ The Company is not delinquent in filing an annual report and paying the PSC assessment.

☐ The Company is delinquent. Staff recommends the Commission grant the requested relief/action on the condition the applicant corrects the delinquency. The applicant should be instructed to make the appropriate filing in this case after it has corrected the delinquency.

(☐ No annual report ☐ Unpaid PSC assessment. Amount owed.