

Exhibit No. :
Witness : Laura Collier
Type of Exhibit : Direct Testimony
Company: : ONESTAR LONG
DISTANCE, INC.
Case No. : TM-2000-418

FILED

JAN 12 2000

**Missouri Public
Service Commission**

ONESTAR LONG DISTANCE, INC.

DIRECT TESTIMONY

OF

LAURA COLLIER

Evansville, Indiana
December 1999

FILED²

JAN 12 2000

Missouri Public
Service Commission

BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI

Application for Approval *Nunc Pro Tunc* of)
a Transfer of Assets from NETEL, INC.)
D/B/A TEL 3 to ONESTAR LONG DISTANCE, INC.)

Case No. TM-2000-418

AFFIDAVIT OF LAURA COLLIER

STATE OF INDIANA)
) ss.
COUNTY OF WARRICK)

I, Laura Collier, of lawful age, being duly sworn, do hereby depose and state:

1. My name is Laura Collier. I am presently the Regulatory Supervisor for ONESTAR LONG DISTANCE, INC., Applicant in the referenced matter.

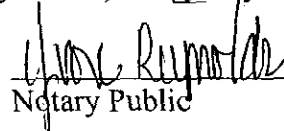
2. Attached hereto and made a part hereof for all purposes is my direct testimony.

3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my personal knowledge, information and belief.



Laura Collier

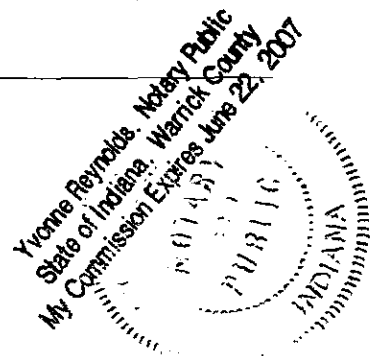
Subscribed and sworn to before me, a Notary Public, this 10th day of December, 1999.



Notary Public

My Commission expires:

June 22, 2001



TESTIMONY OF LAURA COLLIER

Q. WHAT IS YOUR NAME, TITLE AND BUSINESS ADDRESS?

A. My name is Laura Collier. I am Regulatory Supervisor for ONESTAR LONG DISTANCE, INC.
My business address is 7100 Eagle Crest Boulevard, Suite B, Evansville, Indiana, 47715.

Q. ON WHOSE BEHALF DO YOU APPEAR IN THIS PROCEEDING?

A. ONESTAR LONG DISTANCE, INC..

Q. PLEASE DESCRIBE ONESTAR LONG DISTANCE, INC..

A. ONESTAR is an Indiana corporation and is headquartered in Evansville, Indiana. It is authorized as a foreign corporation to do business in the state of Missouri. ONESTAR is a nationwide provider of telecommunications services and is authorized to provide resold long distance services in over 45 states by virtue of certification, registration, tariff requirements, or on a deregulated basis. In Missouri, ONESTAR is authorized to provide intrastate long distance telecommunication services pursuant to a certification granted by this Commission in case no. TA-98-50. ONESTAR provides interstate and international telecommunications services as a nondominant common carrier pursuant to authority of the Federal Communications Commission.

Q. WHAT ARE YOUR RESPONSIBILITIES AS REGULATORY SUPERVISOR FOR ONESTAR?

A. As Regulatory Supervisor I supervise, train, and support regulatory staff; monitor telecommunications and government events and issues; assist in development and analysis of department policies and procedures; assist in coordination of departmental regulatory responses; review and approve applications, databases, tariffs, reports, and research; review

1 and approve company responses and literature to ensure compliance with rules and
2 regulations and company standards; and I also provide support to the Director of Regulatory
3 Affairs who is my supervisor.

4 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

5 A. I offer this testimony to discuss the circumstances of ONESTAR's acquisition of the customer
6 base of NeTel, Inc. d/b/a Tel 3.

7 Q. HOW DID ONESTAR BECOME INTERESTED IN THE CUSTOMER BASE OF
8 TEL 3?

9 A. ONESTAR formed its Mergers and Acquisitions Department in 1998 to address the desire for
10 faster growth within ONESTAR. After studying NeTel, Inc. d/b/a Tel 3 ("Tel 3"), ONESTAR
11 became interested in acquiring certain assets of that company.

12 Q. HOW DID ONESTAR NEGOTIATE FOR THE PURCHASE OF THE CUSTOMER
13 BASE?

14 A. Tel 3 had declared Chapter 11 Bankruptcy, and ONESTAR submitted a bid for the assets in
15 which it was interested. The United States Bankruptcy Court Southern District of Florida
16 preliminarily approved ONESTAR's assumption of the Tel 3 assets, including the Tel 3
17 customer base.

18 Q. DID ONESTAR CONSIDER THE ROLE STATE REGULATORY AUTHORITIES
19 WOULD HAVE IN THIS TRANSACTION?

20 A. In preparation for this transaction, ONESTAR investigated whether regulatory approval was
21 required at the federal level and in the states where ONESTAR operated. In Missouri, a
22 ONESTAR representative spoke to the General Counsel of the Commission, Mr. Dan Joyce.

1 Mr. Joyce directed ONESTAR staff to file an application for Commission review. ONESTAR
2 did so, in good faith, on August 3, 1999, but was later informed by Clifford Snodgrass, also
3 of the PSC General Counsel's office that the PSC could not accept the application unless it
4 was filed by an attorney licensed in the state of Missouri. ONESTAR immediately acquired
5 local counsel and the application was refiled over his signature.

6 Q. WHEN DID THE BANKRUPTCY COURT APPROVE THE ASSET PURCHASE?

7 A. The Bankruptcy Court handed down its order granting its approval of ONESTAR's Asset
8 Purchase Agreement on July 19, 1999. In an effort to timely comply with the bankruptcy
9 order and to prevent the Tel 3 customers from suffering a service loss, ONESTAR began to
10 transition the acquired Tel 3 customer base. In order to make the transition as seamless as
11 possible for Tel 3 customers, ONESTAR sent a letter to the affected customer base. This letter
12 outlined the transaction and provided a customer service contact for further information. A
13 specimen of the letter is attached to my testimony as Schedule 1.

14 Q. UNDER WHAT TERMS AND CONDITIONS DID ONESTAR PROVIDE SERVICE TO
15 THE TEL 3 CUSTOMER BASE?

16 A. ONESTAR elected to leave the Tel 3 customers on their current rate programs and under the
17 same terms and conditions of service on a temporary basis. The rates, programs, terms, and
18 conditions to which the customers were transitioned were similar to their current rates,
19 programs, terms, and conditions. The change has not been detrimental to the customers.

20 Q. EXPLAIN THE BENEFITS OF THE TRANSACTION.

21 A. This acquisition will benefit both ONESTAR and the acquired customer base. ONESTAR will
22 benefit in that it will realize significant economies of scale, thereby allowing it to introduce

1 new products and services. The acquired customers will benefit in that they will receive
2 service from a financially sound innovative, and ethical carrier.

3 Q. HOW MANY CUSTOMERS WERE AFFECTED IN MISSOURI?

4 A. There are 228 active Tel 3 customers in Missouri.

5 Q. WERE ASSETS OTHER THAN THE CUSTOMER BASE INVOLVED IN THE
6 TRANSACTION?

7 A. No, the only asset acquired in Missouri was the customer base.

8 Q. HAVE YOU RECEIVED ANY COMPLAINTS FROM MISSOURI CUSTOMERS
9 CONCERNING THIS TRANSFER AND TRANSITION?

10 A. No. There have been no complaints.

11 Q. WHY ARE YOU FILING THIS ALONE RATHER THAN AS A JOINT REQUEST WITH
12 TEL 3?

13 A. The transaction between ONESTAR and Tel 3 was part of a moderately adversarial
14 proceeding. The relationship between ONESTAR and Tel 3 was cooperative enough to allow
15 for negotiations and closing of the asset purchase, but as far as regulatory matters, it became
16 evident to ONESTAR that it could not rely on that cooperation to continue.

17 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

18 A. Yes, it does.

Schedule 1:



OneStar Long Distance, Inc.

We have some exciting developments we wish to share with you. NeTel Inc., d/b/a Tel 3, has agreed to transfer its long distance customer base to OneStar Long Distance, Inc., d/b/a OneStar. We would like to thank you for being a customer of Tel 3 and to welcome you to OneStar!

OneStar is a progressive provider of long distance services headquartered in Evansville, Indiana and has been providing long distance services to consumers since 1982. OneStar is expanding rapidly across the United States and provides quality service and competitive rates to its customers.

After the date of transfer, OneStar will provide your long distance services (intrastate, interstate, and international) and will handle all aspects of your account. The rates and programs provided by OneStar will be similar to your current rates and programs.

Your monthly telephone bill will soon show OneStar as your long distance carrier. There will be no cost to you associated with this transfer of ownership. This transfer of service requires no action on your part and is expected to be a smooth transition with no interruption of service.

OneStar's company focus is consistent customer satisfaction. OneStar will work to continually exceed your expectations, now and in the future. Should you have any questions regarding this transition, please contact OneStar's Customer Service Department. OneStar's Customer Service Department is available to serve you 24 hours a day. We look forward to providing you with superior service. Please contact Customer Service at 1-800-219-8821 (phone) or 1-800-859-1983 (fax).