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June 7, 1999

FILED

JUN 8 1999

Dale Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
Truman State Office Building, 5th Floor
301 West High Street
Jefferson City, Missouri 65101-1517

Missouri Public
Service Commission

TM-99-588

Re: In the Matter of the Application of MCI WorldCom, Inc., WorldCom Network Services, Inc., MFS Communications Company, Inc., MCI Communications Corp., MCI Telecommunications Corp., and WorldCom Technologies, Inc. for approval of Mergers and Related Transactions.

Dear Mr. Roberts:

Enclosed please find for filing with the Commission on behalf of MCI Worldcom, Inc., WorldCom Network Services, Inc., MFS Communications Company, Inc., MCI Communications Corp., MCI Telecommunications Corp., and WorldCom Technologies, Inc., an original and fifteen (15) copies of the following:

1. Application for Approval of Mergers and Related Transactions; and
2. Entry of Apperance.

Upon your receipt, please file stamp the extra copies received and return to the undersigned in the enclosed, self-addressed, stamped envelope. If you have any questions, please do not hesitate to contact us.

Very truly yours,


Carl J. Lumley

CJL:dn
Enclosures
cc. Public Counsel (W/Enclosure)

FILED

JUN 8 1999

STATE OF MISSISSIPPI)
)
) SS.
COUNTY OF HINDS)

Missouri Public
Service Commission

BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION

In the Matter of the Application of)
MCI WorldCom, Inc.)
WorldCom Network Services, Inc.)
MFS Communications Company, Inc.)
MCI Communications Corp.)
MCI Telecommunications Corp. and)
WorldCom Technologies, Inc., for)
approval of Mergers and Related)
Transactions)

Case No. TM-99-588

APPLICATION FOR APPROVAL
OF MERGERS AND RELATED TRANSACTIONS

COME NOW MCI WorldCom, Inc. ("MCI WorldCom"), and its subsidiaries, WorldCom Network Services, Inc. ("WNS"), MFS Communications Company, Inc. ("MFSCC"), MCI Communications Corp. ("MCIC"), MCI Telecommunications Corp. ("MCIT"), and WorldCom Technologies, Inc. ("WT") (collectively "Applicants"), by and through their undersigned counsel, and pursuant to applicable law including Section 392.300.1 R.S.Mo. and 4 CSR 240-2.060, respectfully request the Commission to approve a series of mergers and related internal transactions in order to consolidate Applicants' long-distance operations. These actions will consolidate the operations of several related companies that currently provide intrastate long-distance telecommunication service in Missouri, thus lessening the regulatory burden on this Commission, and will further implement the consumer benefits and operational efficiencies identified by the Applicants at the time of the merger of WorldCom, Inc. and MCI Communications Inc.

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Specifically, Applicants seek authority to:

- Merge MFSCC, a holding company for WT, into MCIC, which is also a holding company. After the merger, MFSCC will no longer exist as a legal entity.
- Transfer the stock of WT from MCIC to MCIT, so that WT will become a subsidiary of MCIT.
- Merge WNS into MCIT. After the merger, WNS will no longer exist as a legal entity.
- Transfer MCIT's retail operations to WT. Following this transfer, regulated intrastate telecommunications services currently provided by MCIT will be provided by WT.
- Rename the surviving entities to reflect the WorldCom/MCI merger. WorldCom Technologies, Inc., will be renamed MCI WorldCom Communications, Inc.; MCI Telecommunications Corp. will be renamed MCI WorldCom Network Services, Inc.

The principal result of the proposed internal restructuring will be that WT, under the new name of MCI WorldCom Communications, Inc., will provide retail long-distance service to its existing customers and to customers formerly served by MCIT, and MCIT, under the new name of MCI WorldCom Network Services, Inc. will primarily provide long-distance service to other carriers formerly served by WNS as well as the other services currently tariffed by WNS.

In support of their application, Applicants state the following:

I. The Applicants

1. As a result of the merger of WorldCom, Inc. and MCIC, the combined MCI WorldCom companies now serve millions of consumers and businesses with long-distance, local, data, Internet and other communications services.

2. MCI WorldCom, a publicly held Georgia corporation whose principal offices are located at 500 Clinton Center Drive, Clinton, Mississippi 39056, is the ultimate parent of all of the Applicants. MCI WorldCom's operating subsidiaries are authorized to provide telecommunications services in all 50 states, including Missouri.

3. MCIC, a Delaware corporation whose principal offices are located at 1801 Pennsylvania Avenue N.W., Washington, D.C. 20006, is a holding company for a number of entities including applicant MCIT.

4. MFSCC, a Delaware corporation whose principal offices are located at 500 Clinton Center Dr., Clinton, MS 39056, is a holding company for a number of entities including applicant WT.

5. WT is a competitive telecommunications company duly incorporated and existing under and by virtue of the laws of the State of Delaware, and duly authorized to do business in the State of Missouri. Its principal Missouri regulatory offices are currently located at 701 Brazos, Suite 600, Austin, Texas 78701. It is an authorized provider of intrastate telecommunications services in Missouri under certificates granted and tariffs approved by the Commission, as well as an authorized provider of interstate telecommunications services subject to the jurisdiction of the Federal Communications Commission.

6. WNS is a competitive telecommunications company duly incorporated and existing under and by virtue of the laws of the State of Delaware, and duly authorized to do business in the State of Missouri. Its principal Missouri regulatory offices are currently located at 701 Brazos, Suite 600, Austin, Texas 78701. It is an authorized provider of intrastate telecommunications services in Missouri under certificates granted and tariffs approved by the Commission, as well as an authorized provider of interstate telecommunications services subject to the jurisdiction of the Federal Communications Commission.

7. MCIT is a competitive telecommunications company duly incorporated and existing under and by virtue of the laws of the State of Delaware, authorized to do business in the State of Missouri. Its principal Missouri regulatory offices are currently located at 701 Brazos, Suite 600, Austin, Texas 78701. It is an authorized provider of intrastate telecommunications services in Missouri under certificates granted and tariffs approved by the Commission, as well as an authorized provider of interstate telecommunications services subject to the jurisdiction of the Federal Communications Commission.

8. The organizational chart attached hereto as Exhibit A depicts the current organizational structure of the entities affected by the proposed restructuring.

9. Copies of all notices, orders, and other materials and all inquiries and questions concerning this application should be directed to:

Carl J. Lumley, Esq.
Curtis, Oetting, Heinz, Garret: & Soule, P.C.
130 South Bemiston, Suite 200
St. Louis, Missouri 63105
Telephone: 314-725-8788
Facsimile: 314-725-8789

and

Stephen F. Morris
MCI Telecommunications Corporation
701 Brazos, Suite 600
Austin, Texas 78701
(512) 495-6727
(512) 477-3845 (FAX)

With copies to:

Leigh Ann Cox
MCI WorldCom, Inc.
Regulatory Affairs
500 Clinton Center Drive
Building Three, 3rd Floor
Clinton, Mississippi 39056

Notices, correspondence, communications, orders, decisions, and other papers may be served upon Applicants' attorneys and such service shall be deemed to be service upon Applicants in this matter.

II. Request for Approval

10. The proposed reorganization is an internal administrative action needed to further implement the merger of WorldCom, Inc. and MCIC of which the Commission was notified in November 1997 and which was effective September 14, 1998. The merger resulted in the combination of two already complex corporate structures. Following the WorldCom/MCI merger, MCIT, WT, and WNS all have been providing intrastate interexchange telecommunications services pursuant to existing certificates of authority. WT, WNS and MCIT have been providing intrastate interexchange telecommunication service to end users, and both WNS and MCIT have been providing interexchange service to other carriers. This structure can be greatly simplified in a manner that will reduce both regulatory complexity and the possibility of customer confusion. Following the reorganization, MCIT, under the new name of MCI WorldCom Network Services, Inc., will provide interexchange service primarily to other carriers, and WT, under the new name of MCI WorldCom Communications, Inc. will continue to provide interexchange service and its other tariffed services to end users. WNS will cease to exist. Neither WT nor MCIT has either pending or final decisions or judgments against it from any state or federal agency involving services in customers or rates charged.

11. To accomplish this internal reorganization, the following steps, as described further in Exhibit B to this Application (a flow chart describing each step) will be taken:

a. MFSCC, a holding company for WT, will be merged into MCIC, also a holding company. MFSCC will no longer exist as a legal entity. (See Exhibit B, pp. 1-2).

b. The stock of WT will be transferred from MCIC to MCIT, so that WT will become a subsidiary of MCIT. (See Exhibit B, pp. 3-4).

c. WNS will be merged into MCIT. MCIT will then serve all current customers of WNS. WNS will no longer exist as a legal entity. (See Exhibit B, pp. 5-6).

d. MCIT's current retail operations and certain assets relating to sales will be transferred to WT. (See Exhibit B, p. 7).

e. The surviving entities will be renamed to reflect the WorldCom/MCI merger. (See Exhibit B, p. 8). WorldCom Technologies, Inc., will be renamed MCI WorldCom Communications, Inc., and MCI Telecommunications Corp. will be renamed MCI WorldCom Network Services, Inc.

f. Following the reorganization, MCI WorldCom Communications, Inc., will be a subsidiary of MCI WorldCom Network Services, Inc., which will be a subsidiary of MCIC, which will be a subsidiary of MCI WorldCom. (See Exhibit B, p. 9).

12. The proposed reorganization will have no adverse impact on consumers in Missouri. Further, it will not have any impact on the tax revenues of political subdivisions in Missouri. Interexchange service will continue to be provided over the same reliable transmission facilities and infrastructure that MCI WorldCom companies are currently using, and customer service will continue to be provided by the same team of qualified consumer representatives. Affected customers will be

given notice of the change in the name of their telecommunications service provider in accordance with applicable regulations.

13. To reflect changes resulting from the reorganization, the Applicants will make the following tariff changes.¹

a. MCI WorldCom Communications will adopt and consolidate the current MCI Telecommunications Tariffs PSC Nos. 1 and 2 with the current WorldCom Technologies Tariff PSC No. 1. The new tariff name will be MCI WorldCom Communications Tariff PSC No. 1.

b. MCI WorldCom Network Services will adopt and rename the current WorldCom Network Services Tariff PSC No. 1. The new name will be MCI WorldCom Network Services Tariff PSC No. 1.

As with the reorganization, these tariff changes will have no adverse impact on consumers. Rather they will align the tariffs with the appropriate entities providing the service as a result of the reorganization.

14. The reorganization will further the public interest by allowing the MCI WorldCom companies to implement the procompetitive synergies and efficiencies identified in the WorldCom/MCI merger. By consolidating the intellectual energy, capital, personnel, and management of the separate companies, as well as their marketing and sales expertise, the merger created a state-of-the-art, efficient telecommunications provider that is well positioned in the increasingly competitive domestic and international telecommunications marketplaces. The integration of operating subsidiaries will achieve savings in designing and operating the long-distance network and in

¹These changes will not revise the rates, terms or conditions of any intrastate service currently offered by the MCI WorldCom subsidiaries operating in Missouri.

procuring the required equipment and facilities. The integration will also reduce the number of disparate billing platforms currently being used, thereby leading to a more efficient billing process.

15. The internal reorganization required to implement the merger allows the efficiencies identified above to be achieved. In addition, the reorganization eliminates potential customer confusion and lessens the burden on this Commission and other regulatory agencies resulting from the current organizational structure in which MCIT, WNS and WT provide overlapping services. In short, the reorganization is the next step in implementing the efficiencies identified by MCIC and WorldCom, Inc. in their merger, and will thereby lead to Applicants becoming even more effective competitors in the State of Missouri.

WHEREFORE, Applicants respectfully request that the Commission approve the transactions described above and in the accompanying exhibits, and that the Commission grant any and all authority required to accomplish this reorganization, and such other and further relief as to the Commission seems meet and proper.

STATE OF MISSISSIPPI)
) SS.
COUNTY OF HINDS)

VERIFICATION

I, Scott D. Sullivan, first being duly sworn, state on my oath that I am over the age of twenty-one years, sound of mind, and the CFO/Secretary of MCI WorldCom, Inc. I am authorized to act on behalf of MCI WorldCom, Inc., regarding the foregoing application. I have read the application and I am informed and believe that the matters contained therein are true. Further, I hereby confirm that Carl J. Lumley and Leland B. Curtis of Curtis, Oetting, Heinz, Garrett & Soule, P.C. and Stephen F. Morris are authorized to sign all pleadings and documents necessary to receive the approval of the Missouri Public Service Commission of the foregoing application, and to represent MCI WorldCom, Inc., in this proceeding.



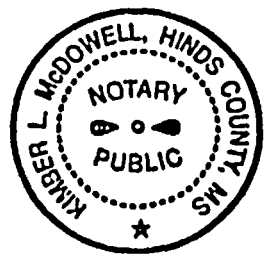
On this 4th day of June, 1999, before me, a Notary Public, personally appeared Scott D. Sullivan, and being first duly sworn upon his/her oath stated that he/she is over twenty-one years, sound of mind and the CFO/Secretary of applicant MCI WorldCom Inc., and that he/she signed the foregoing document as CFO/Secretary of MCI WorldCom, Inc. and the facts contained therein are true and correct according to the best of his/her information, knowledge and belief.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year above-written.



Notary Public
MISSISSIPPI STATEWIDE NOTARY PUBLIC
MY COMMISSION EXPIRES SEPT. 23, 2000
BONDED THRU STEGALL NOTARY SERVICE

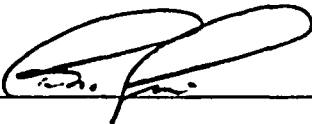
My Commission Expires: _____



STATE OF MISSISSIPPI)
)
COUNTY OF HINDS) SS.

VERIFICATION

I, Scott D. Sullivan, first being duly sworn, state on my oath that I am over the age of twenty-one years, sound of mind, and the Secretary of WorldCom Network Services, Inc. I am authorized to act on behalf of WorldCom Network Services Inc., regarding the foregoing application. I have read the application and I am informed and believe that the matters contained therein are true. Further, I hereby confirm that Carl J. Lumley and Leland B. Curtis of Curtis, Oetting, Heinz, Garrett & Soule, P.C. and Stephen F. Morris are authorized to sign all pleadings and documents necessary to receive the approval of the Missouri Public Service Commission of the foregoing application, and to represent WorldCom Network Services, Inc., in this proceeding.



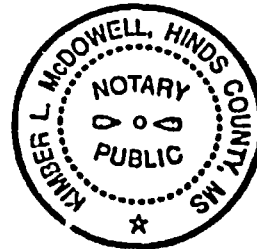
On this 4th day of JUNE, 1999, before me, a Notary Public, personally appeared Scott D. Sullivan, and being first duly sworn upon his/her oath stated that he/she is over twenty-one years, sound of mind and the Secretary of applicant WorldCom Network Services Inc., and that he/she signed the foregoing document as Secretary of WorldCom Network Services, Inc. and the facts contained therein are true and correct according to the best of his/her information, knowledge and belief.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year above-written.



Notary Public

My Commission Expires: MISSISSIPPI STATEWIDE NOTARY PUBLIC
MY COMMISSION EXPIRES SEPT. 23, 2000
BONDED THRU STEGALL NOTARY SERVICE



STATE OF Mississippi)

COUNTY OF HINDS) SS.

VERIFICATION

I, Scott D. Sullivan, first being duly sworn, state on my oath that I am over the age of twenty-one years, sound of mind, and the Secretary of MFS Communications Company, Inc. I am authorized to act on behalf of MFS Communications Company, Inc., regarding the foregoing application. I have read the application and I am informed and believe that the matters contained therein are true. Further, I hereby confirm that Carl J. Lumley and Leland B. Curtis of Curtis, Oetting, Heinz, Garrett & Soule, P.C. and Stephen F. Morris are authorized to sign all pleadings and documents necessary to receive the approval of the Missouri Public Service Commission of the foregoing application, and to represent MFS Communications Company, Inc., in this proceeding.



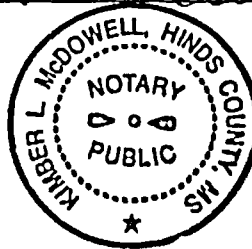
On this 4th day of June, 1999, before me, a Notary Public, personally appeared Scott D. Sullivan, and being first duly sworn upon his/her oath stated that he/she is over twenty-one years, sound of mind and the Secretary of applicant MFS Communications Company, Inc., and that he/she signed the foregoing document as Secretary of MFS Communications Company, Inc. and the facts contained therein are true and correct according to the best of his/her information, knowledge and belief.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year above-written.



Notary Public

My Commission Expires SEPT. 23, 2000
MISSISSIPPI STATEWIDE NOTARY PUBLIC
MY COMMISSION EXPIRES SEPT. 23, 2000
BONDED THRU STEGALL NOTARY SERVICE



STATE OF MISSISSIPPI)
) SS.
COUNTY OF HINDS)

VERIFICATION

I, Scott D. Sullivan, first being duly sworn, state on my oath that I am over the age of twenty-one years, sound of mind, and the Assistant Secretary of MCI Communications Corp. I am authorized to act on behalf of MCI Communications Corp., regarding the foregoing application. I have read the application and I am informed and believe that the matters contained therein are true. Further, I hereby confirm that Carl J. Lumley and Leland B. Curtis of Curtis, Oetting, Heinz, Garrett & Soule, P.C. and Stephen F. Morris are authorized to sign all pleadings and documents necessary to receive the approval of the Missouri Public Service Commission of the foregoing application, and to represent MCI Communications Corp., in this proceeding.



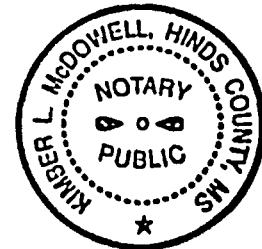
On this 4th day of June, 1999, before me, a Notary Public, personally appeared Scott D. Sullivan, and being first duly sworn upon his/her oath stated that he/she is over twenty-one years, sound of mind and the Assistant Secretary of applicant MCI Communications Corp., and that he/she signed the foregoing document as Assistant Secretary of MCI Communications Corp. and the facts contained therein are true and correct according to the best of his/her information, knowledge and belief.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year above-written.



Notary Public

My Commission Expires: MISSISSIPPI STATE-WIDE NOTARY PUBLIC
1.1.99 TO 1.1.00 EXPIRES SEPT. 23, 2000
CONDED THRU STEGALL NOTARY SERVICE



STATE OF Mississippi)
)
) SS.
COUNTY OF Hinds)

VERIFICATION

I, Scott D. Sullivan, first being duly sworn, state on my oath that I am over the age of twenty-one years, sound of mind, and the Assistant Secretary of MCI Telecommunications Corporation. I am authorized to act on behalf of MCI Telecommunications Corporation, regarding the foregoing application. I have read the application and I am informed and believe that the matters contained therein are true. Further, I hereby confirm that Carl J. Lumley and Leland B. Curtis of Curtis, Oetting, Heinz, Garrett & Soule, P.C. and Stephen F. Morris are authorized to sign all pleadings and documents necessary to receive the approval of the Missouri Public Service Commission of the foregoing application, and to represent MCI Telecommunications Corporation, in this proceeding.



On this 4th day of June, 1999, before me, a Notary Public, personally appeared Scott D. Sullivan, and being first duly sworn upon his/her oath stated that he/she is over twenty-one years, sound of mind and the Assistant Secretary of applicant MCI Telecommunications Corporation, and that he/she signed the foregoing document as Assistant Secretary of MCI Telecommunications Corporation and the facts contained therein are true and correct according to the best of his/her information, knowledge and belief.

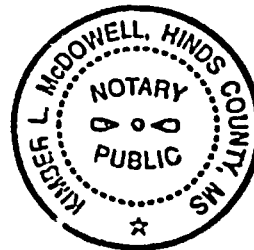
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year above-written.



Notary Public

MISSISSIPPI STATEWIDE NOTARY PUBLIC
MY COMMISSION EXPIRES SEPT. 23, 2000
BONDED THRU STEGALL NOTARY SERVICE

My Commission Expires: _____



STATE OF Mississippi)
) SS.
COUNTY OF Hinds)

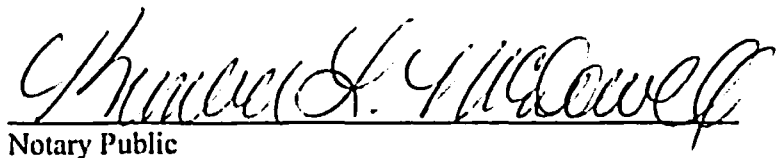
VERIFICATION

I, Scott D. Sullivan, first being duly sworn, state on my oath that I am over the age of twenty-one years, sound of mind, and the Secretary of WorldCom Technologies, Inc. I am authorized to act on behalf of WorldCom Technologies, Inc., regarding the foregoing application. I have read the application and I am informed and believe that the matters contained therein are true. Further, I hereby confirm that Carl J. Lumley and Leland B. Curtis of Curtis, Oetting, Heinz, Garrett & Soule, P.C. and Stephen F. Morris are authorized to sign all pleadings and documents necessary to receive the approval of the Missouri Public Service Commission of the foregoing application, and to represent WorldCom Technologies, Inc., in this proceeding.

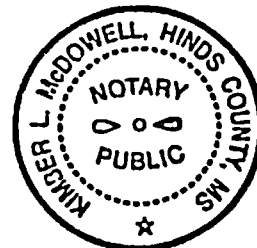


On this 4th day of June, 1999, before me, a Notary Public, personally appeared Scott D. Sullivan, and being first duly sworn upon his/her oath stated that he/she is over twenty-one years, sound of mind and the Secretary of applicant WorldCom Technologies, Inc., and that he/she signed the foregoing document as Secretary of WorldCom Technologies, Inc. and the facts contained therein are true and correct according to the best of his/her information, knowledge and belief.

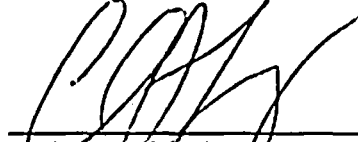
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year above-written.


Notary Public

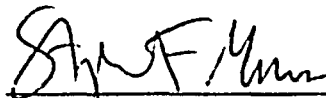
MISSISSIPPI STATEWIDE NOTARY PUBLIC
My Commission Expires SEPT. 23, 2000
CONFIDENTIAL - NOTARY SERVICE



Respectfully submitted,



Carl J. Lumley, #32869
Leland B. Curtis, #20550
Curtis, Oetting, Heinz,
Garrett & Soule, P.C.
130 S. Bemiston, Suite 200
St. Louis, Missouri 63105
(314) 725-8788
(314) 725-8789 (FAX)



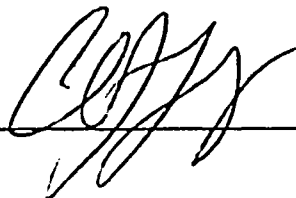
Stephen F. Morris, #14501600
MCI Telecommunications Corporation
701 Brazos, Suite 600
Austin, Texas 78701
(512) 495-6721
(512) 477-3845 (FAX)

Attorneys for Applicants

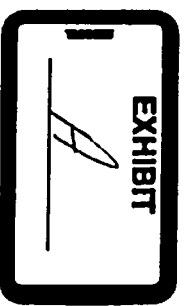
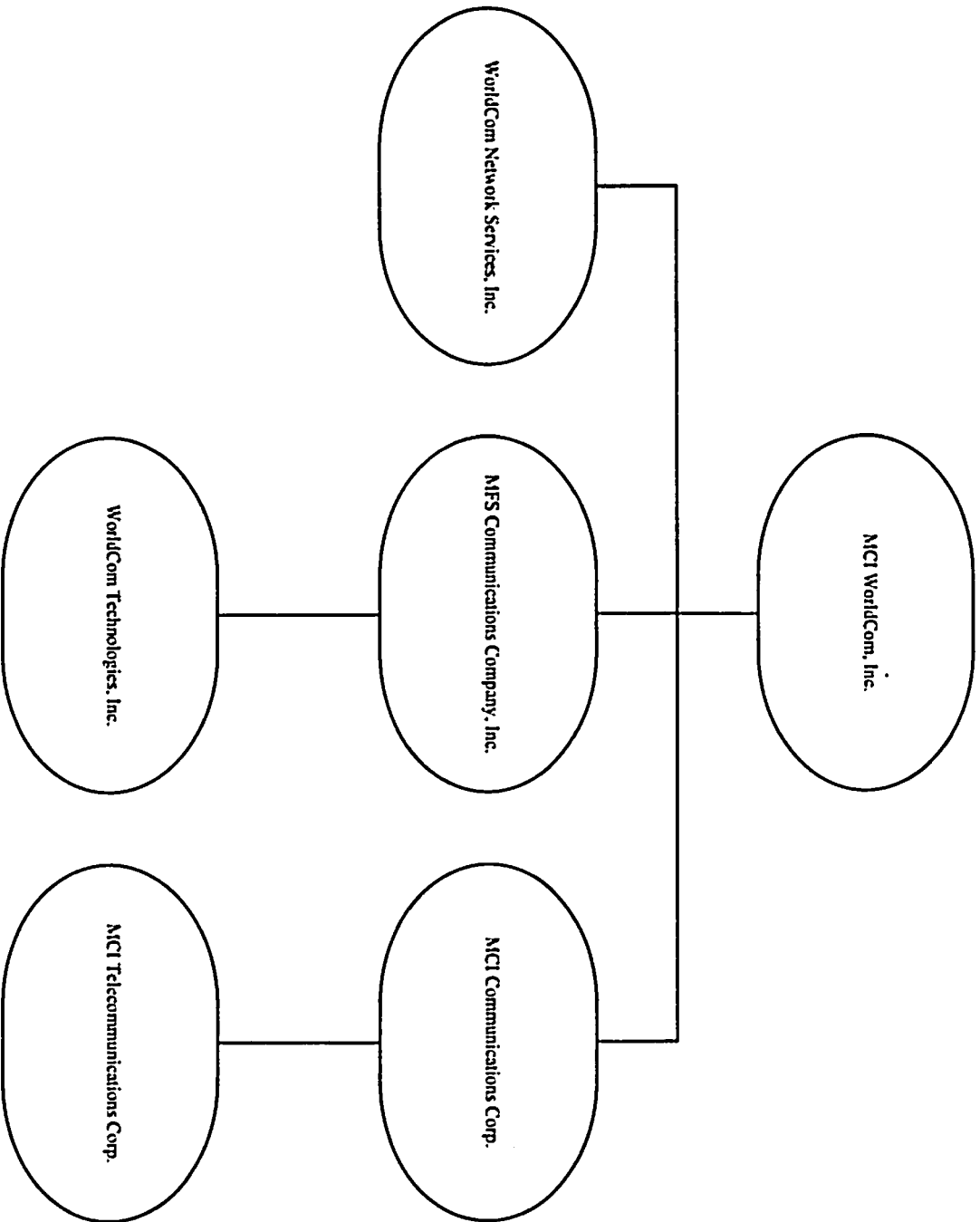
Certificate of Service

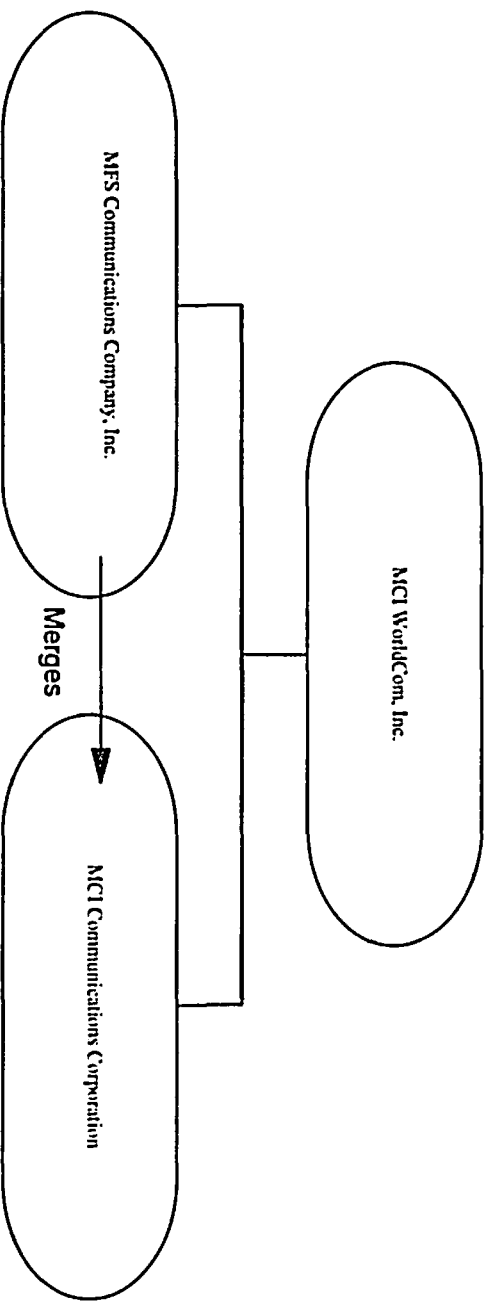
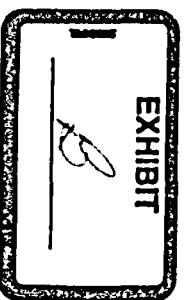
A true and correct copy of the foregoing document was mailed this 7 day of June, 19 99, by placing same in the U.S. Mail, postage paid to:

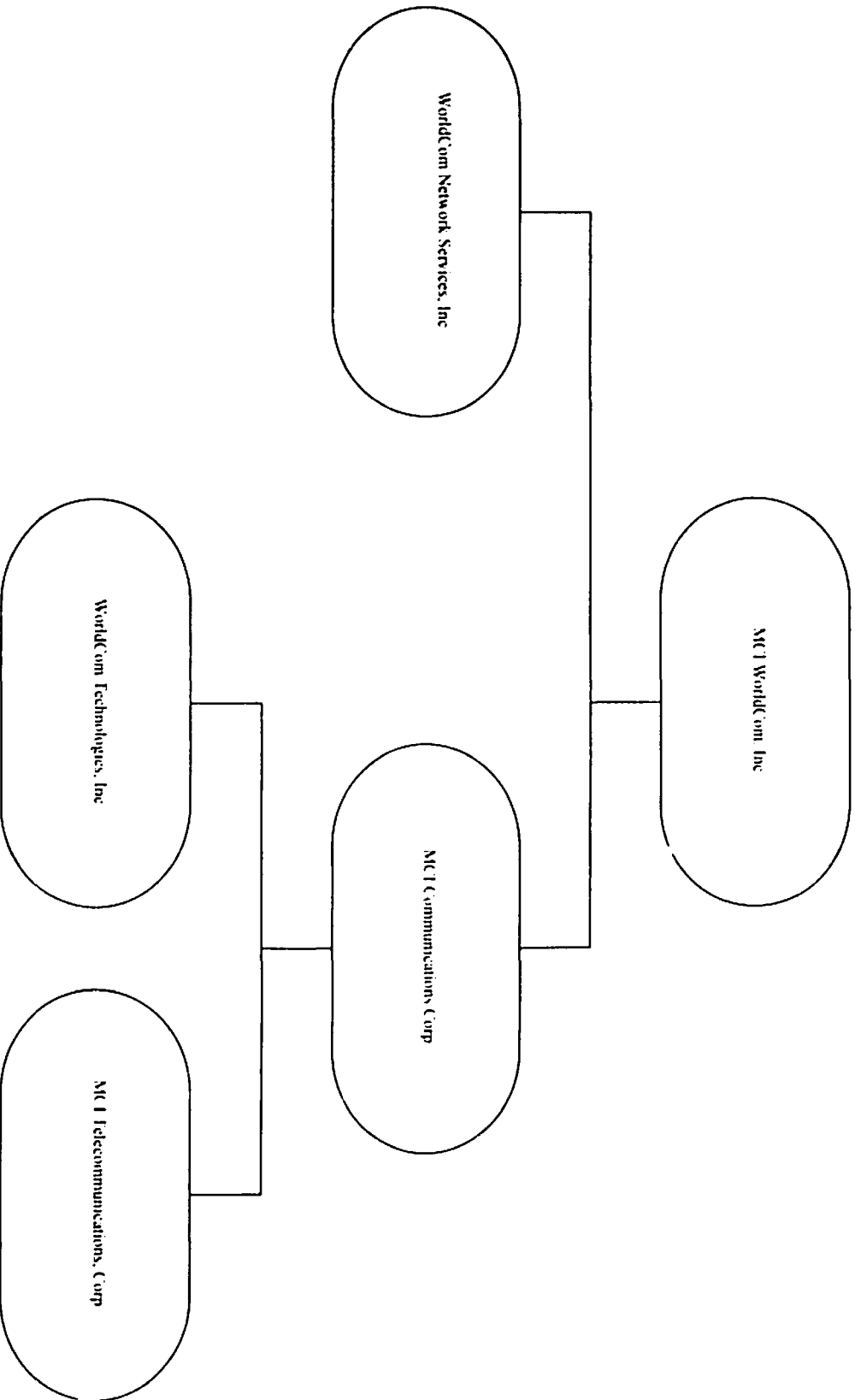
Office of Public Counsel
P.O. Box 7800
Jefferson City, Missouri 65102

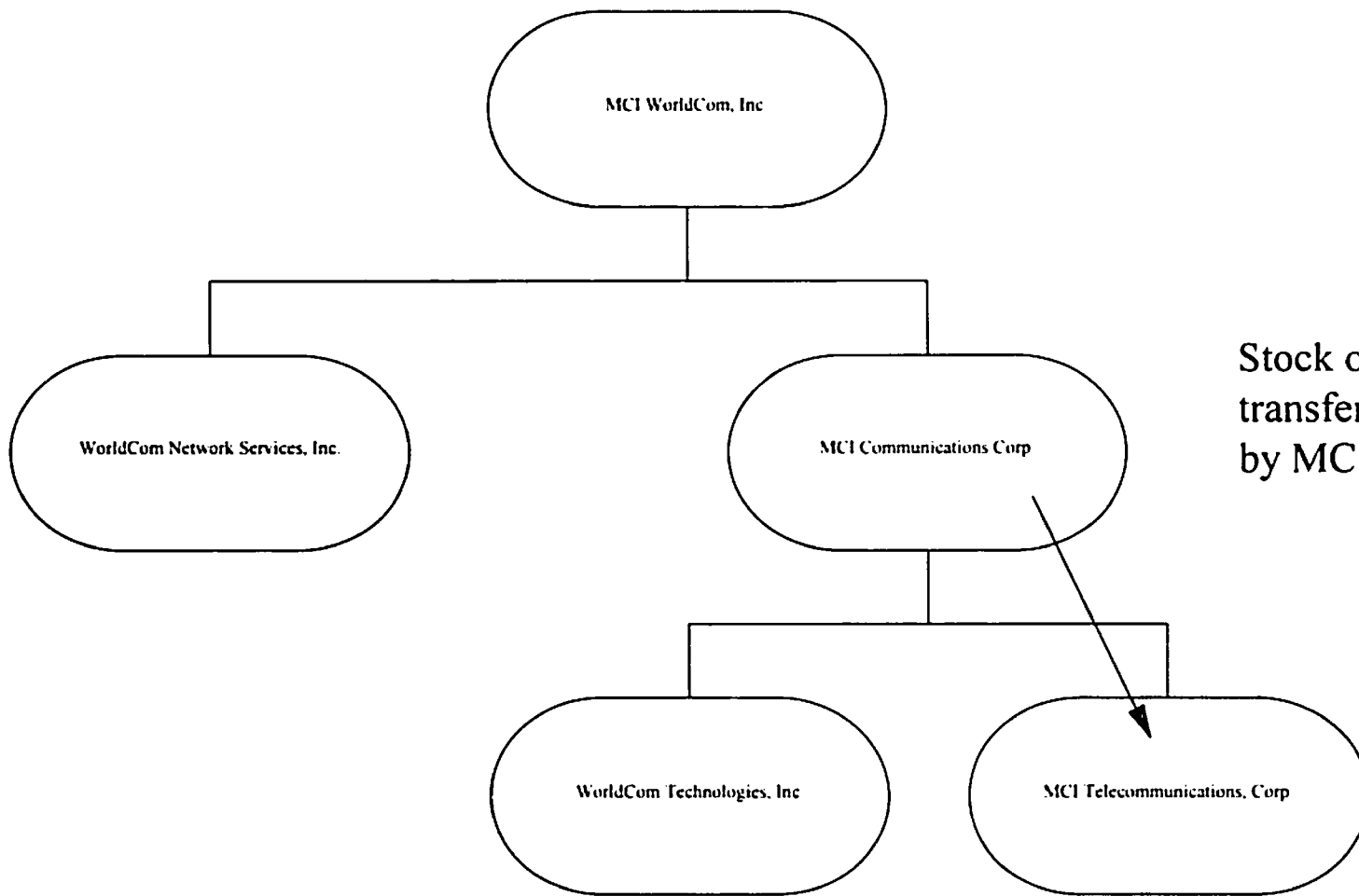


Pre-Reorganization

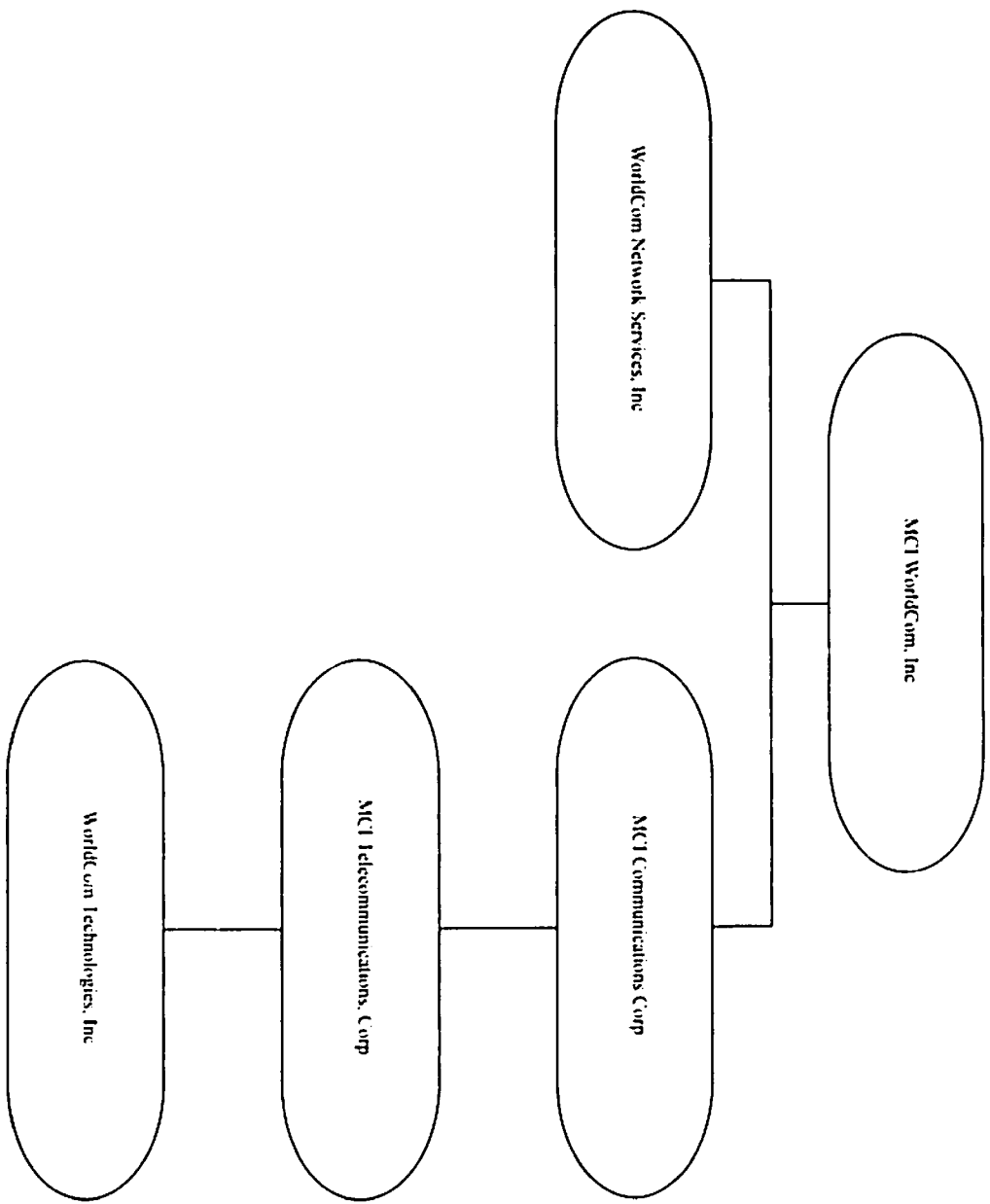


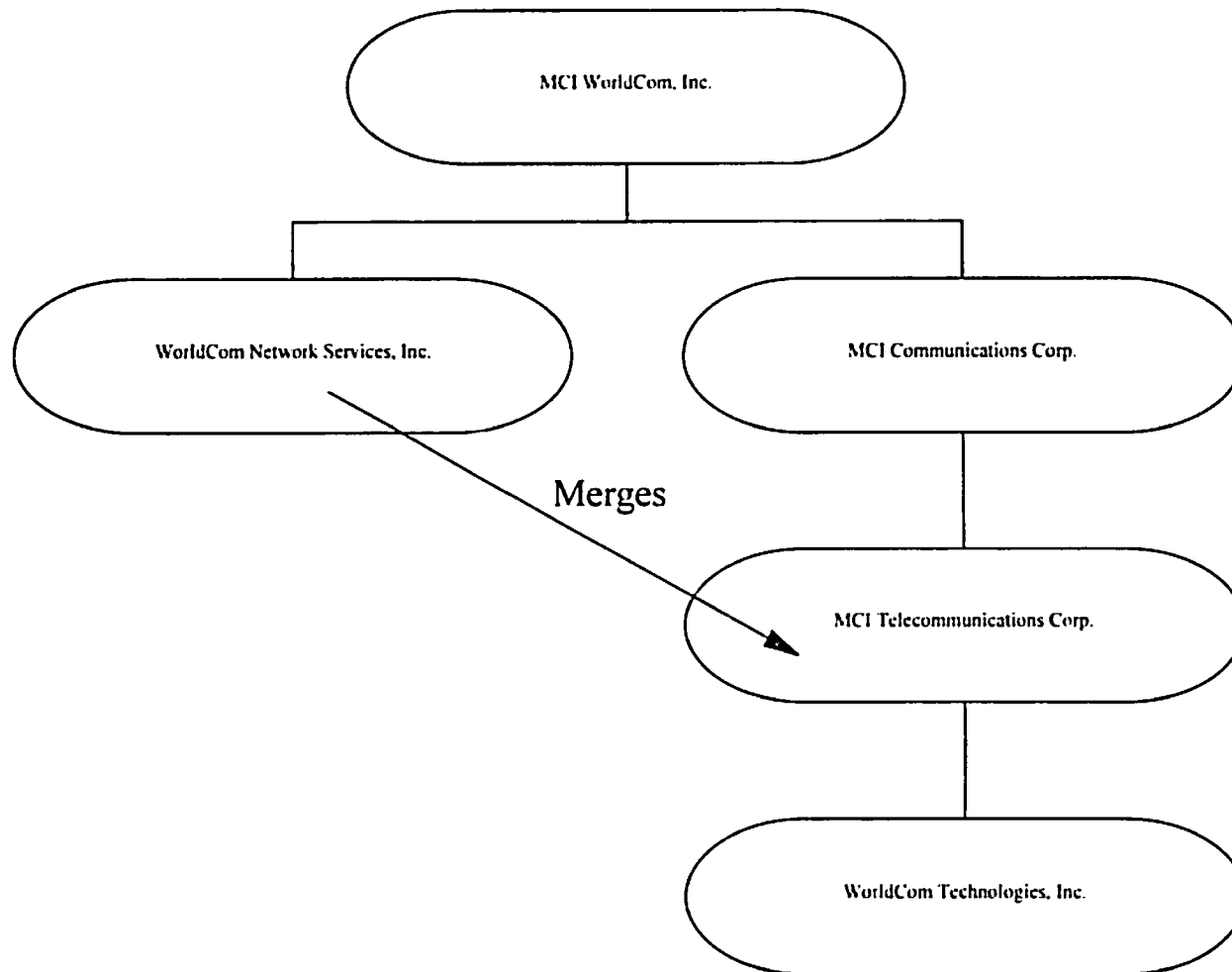


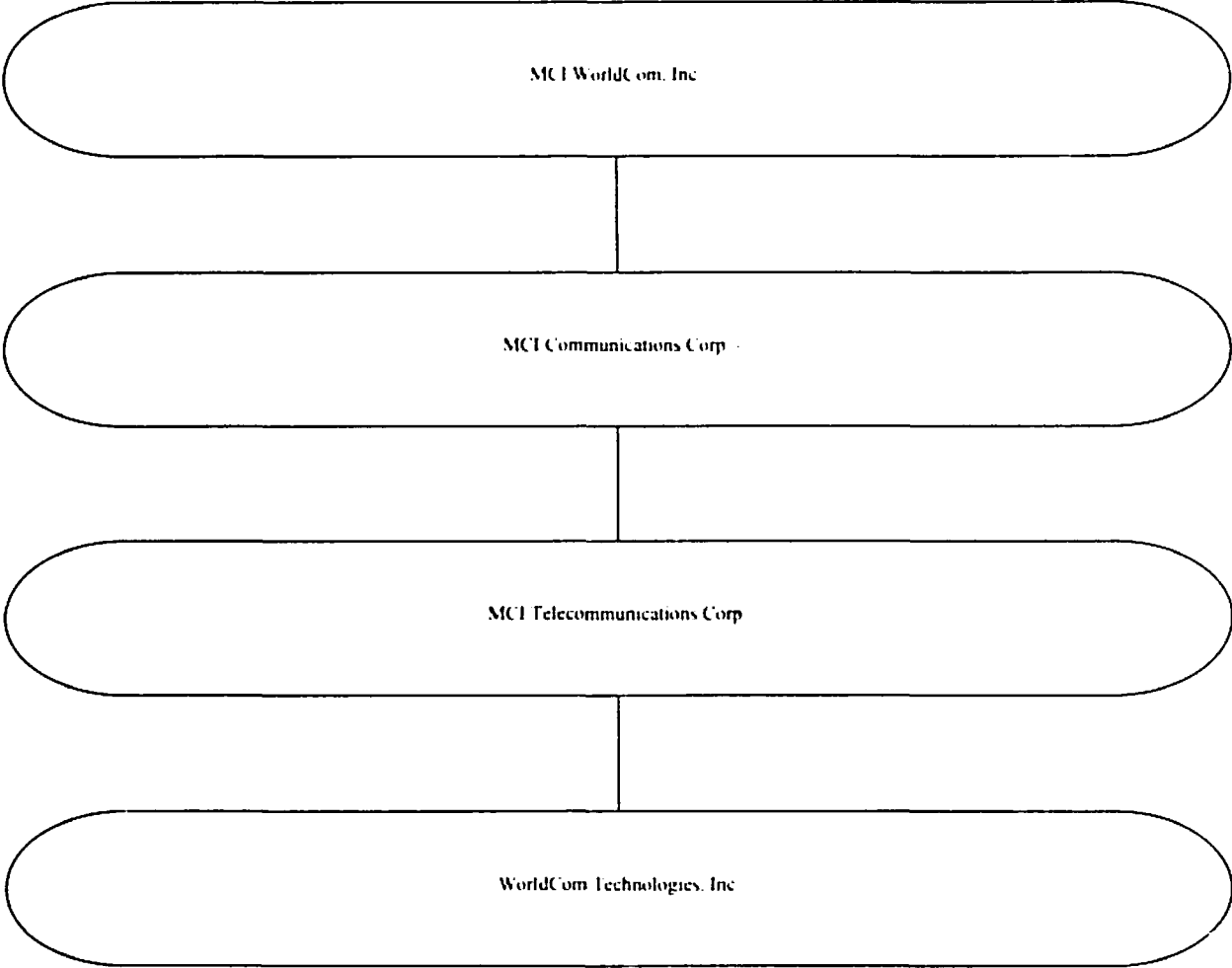


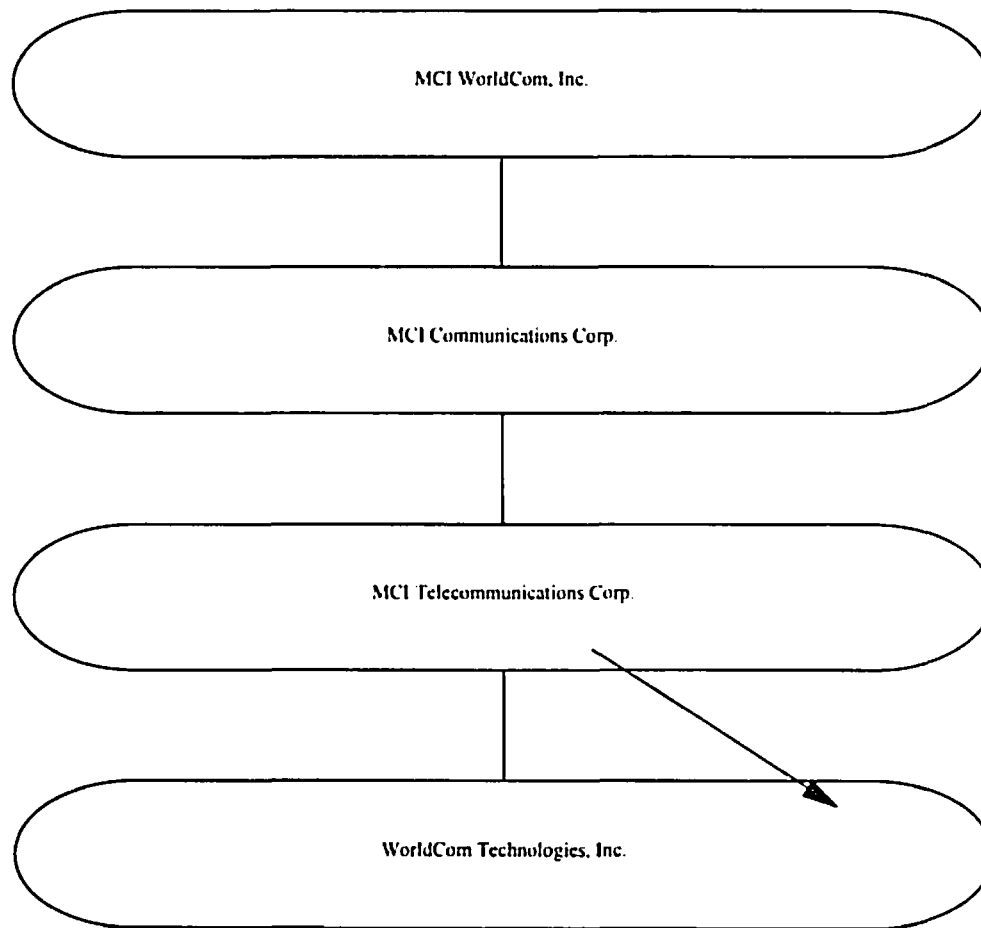


Stock of WT
transferred to MCIT
by MCIC









**Transfer certain
assets and retail
customers**

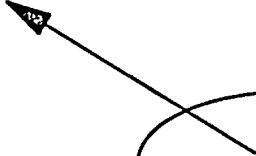
MCI WorldCom, Inc.

MCI Communications Corp.

MCI WorldCom Network Services, Inc.
(f/k/a MCI Telecommunications Corp.)

MCI WorldCom Communications, Inc.
(f/k/a WorldCom Technologies, Inc.)

Name
Changes



Post-Reorganization

