

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 6428

Petition of National Mobile Communications,)
Corp. for Approval of a Transfer of Control to)
Sovernet, Inc.)

Order entered: 9/29/2000

I. INTRODUCTION

This case involves a petition filed on September 14, 2000, by National Mobile Communications, Corp. ("NMC" or "Petitioner"), seeking Vermont Public Service Board ("Board") approval, under 30 V.S.A. § 107, of a transaction whereby Sovernet, Inc. ("Sovernet") will acquire 100% of the stock of NMC in exchange for a 40% interest in Sovernet.

On September 26, 2000, the Vermont Department of Public Service ("Department") submitted a letter to the Board indicating that the Department had no objection to the transfer of control of NMC to Sovernet. The Department noted that NMC currently has no customers in Vermont and the transaction should not result in any change in management. Further, the Department also had no objection to the issuance of an order without hearing or further investigation, as provided under 30 V.S.A. § 107.

II. FINDINGS OF FACT

Based upon the petition and accompanying documents, the Board makes the following findings of fact.

1. NMC is a Vermont corporation which is authorized by the Board to provide facilities-based and resold telecommunications service in Vermont, including service to the local exchange (CPG No. 527-CR). Petition at 1.

2. Sovernet is a Vermont corporation, which is not certificated by the Board. Petition at 1.

3. NMC and Sovernet have entered into a Stock Purchase Agreement whereby Sovernet, in return for 40% of it's stock, will acquire 100% of the stock of NMC. This in turn will result in a direct transfer of control of NMC to Sovernet. Petition at 1 and attachments.

4. Following completion of the transaction, NMC will continue to operate in all respects as it currently operates, pursuant to present operating authority. Accordingly, the transaction should not inconvenience customers within the State of Vermont. Petition at 2.

5. Completion of the proposed transaction will serve the public interest in that it will allow NMC to expand it's service offerings to residential customers and provide NMC with the opportunity to strengthen its competitive position and to pursue its marketing and business plans more effectively. Petition at 2-3.

III. CONCLUSIONS OF LAW AND DISCUSSION

The proposed transaction requires Board approval under 30 V.S.A. § 107, which applies to a direct or indirect acquisition of a controlling interest in a Vermont utility.¹ Under Section 107, a "controlling interest" is defined as 10% or more of the outstanding voting securities of a company. Section 107 requires a finding that the transfer of control will promote the public good. This standard is met in this case. The proposed transaction will promote the public good, because the transfer of control of NMC to Sovernet will allow NMC to operate in a more flexible manner. In the competitive arena of telecommunications, the overall effect of this transfer of control may promote more customer choice in terms of services, with stronger competitors in the Vermont telecommunications market. It should also be noted that the transfer of control will not have an adverse impact on Vermont consumers as NMC currently has no Vermont customers and will continue to operate according to its present authority.

For all of the above reasons, the proposed transfer of control of NMC to Sovernet, through the above described Stock Purchase Agreement, should be approved.

ORDER

1. Approval under 30 V.S.A. §§ 231 and 311 is not required because the current holder of the Certificate of Public Good, NMC, will continue to be the entity providing telecommunications service in Vermont.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Public Service Board of the State of Vermont that:

- 1. The transfer of control of National Mobile Communications, Corp. to Sovernet, Inc. is approved.
- 2. Petitioner shall notify the Board, within one week, upon completion of the transfer of control.

DATED at Montpelier, Vermont, this 29th day of September, 2000.

s/Michael H. Dworkin)	PUBLIC SERVICE BOARD OF VERMONT
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s/David C. Coen)	
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OFFICE OF THE CLERK

Filed: September 29, 2000

Attest: s/Susan M. Hudson

Clerk of the Board

NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any technical errors, in order that any necessary corrections may be made. (E-mail address: Clerk@psb.state.vt.us).

Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Board within thirty days. Appeal will not stay the effect of this Order, absent further Order by this Board or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Board within ten days of the date of this decision and order.

