STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 6451

Joint petition of Touch 1 Long Distance, Inc.,	)
BLT Technologies, Inc. and WorldCom,	)
Technologies, Inc., for Approval	)
of Merger and Related Transactions	)

Order entered: 12/29/2000

I. INTRODUCTION

On October 27, 2000, Touch 1 Long Distance, Inc. ("Touch 1"), BLT Technologies, Inc. ("BLT"), and WorldCom Technologies, Inc. ("WTI") (collectively the "Petitioners") filed a joint petition ("Petition") seeking approval from the Vermont Public Service Board ("Board") pursuant to 30 V.S.A. §§ 107, 109, 231 and 311 to reorganize their corporate structure and operations and to complete a series of related transactions. Specifically, Petitioners seek: (1) after the fact approval of a name change of WTI to MCI WorldCom Communications, Inc; (2) approval of a merger of BLT and Touch 1 with and into WTI, with WTI being the surviving entity and owner of assets related to regulated operations in Vermont; and (3) revocation of the Certificates of Public Good ("CPG") granted to Touch 1 and BLT.

By letter filed with the Board on December 6, 2000, the Vermont Department of Public Service ("DPS" or "Department") recommended that the Board approve the Petition without the need for hearing or investigation.

The Department also commented that the proposed transactions will not detrimentally impact consumers and should not result in any significant inconvenience or confusion.

The Board has reviewed the Petition and accompanying documents and agrees that the Petition should be approved without a hearing.

II. FINDINGS

1. WTI was issued a CPG to provide telecommunications services in Vermont on July 30, 1997, in Docket No. 5986. In May of 1999, WTI changed its name to MCI WorldCom Communications, Inc. without seeking prior Board approval. WTI is a subsidiary of WorldCom, Inc. Petition at 1.

2. BLT was issued CPG No. 152 on November 18, 1994, to provide telecommunications services in Vermont. BLT is a subsidiary of WorldCom, Inc. Petition at 1.

3. Touch 1 was issued a CPG to provide telecommunications services in Vermont in Docket No. 5973 issued March 12, 1998. Touch 1 is a subsidiary of WorldCom, Inc. Petition at 3.

4. The Petitioners seek authority to transfer ownership of all of BLT's and Touch 1's assets related to its regulated telecommunications operations in Vermont to WTI in order to consolidate its operating subsidiaries. This reorganization will be accomplished by merging BLT and Touch 1 with and into WTI, with WTI as the surviving entity. Petition at 1-4.

5. Upon completion of the merger, both BLT and Touch 1 will cease to operate as providers of telecommunications services in Vermont. Petition at 4.

6. The transactions should be transparent to consumers in Vermont and will not adversely affect the provision of telecommunications services in Vermont. Customers have been notified of the transactions and WTI will honor any outstanding BLT prepaid calling cards consistent with the terms of the BLT tariff. WTI will also file tariff revisions introducing calling plans to Touch 1's customers at rates equal to or lower than existing Touch 1 rates. Petition at 4-5.

7. The proposed transactions should serve the public interest by allowing WorldCom, Inc., the parent corporation of the subsidiaries, to consolidate its operations, thus simplifying managerial tasks, decreasing potential customer confusion and lessening the burden on regulators. In this way, the Petitioners hope to introduce efficiencies which should eventually lead to lower costs that will inure to the benefit of consumers. In

addition, the proposed consolidation of these three WorldCom, Inc. subsidiaries should have no adverse effect on competition in Vermont. Petition at 4.

III. DISCUSSION

The proposed transaction requires approval by the Board under 30 V.S.A §§ 107, 109, 231 and 311. These statutes condition approval of a proposed transfer of control upon findings that the transfer of control will promote the public good (30 V.S.A § 107). The statutes also condition approval of a merger and acquisition upon a finding that the merger will promote the public good (30 V.S.A. § 109) and will not obstruct or prevent competition (30 V.S.A § 311). The revocation of BLT's and Touch 1's respective CPGs is conditioned upon a finding that the cessation of the business is consistent with the public interest (30 V.S.A. § 231). These standards are met in this case.

The proposed transactions will promote the public good because it will enable the resulting firm to realize significant economies of scale. Further, the market for telecommunications services in Vermont is competitive. Consolidating its retail operations will enable WTI and its parent company, MCI WorldCom, Inc., to operate more efficiently and more effectively. Thus, these transactions should allow WTI to become a more effective competitor in the Vermont market for telecommunications services.

In addition, the Board finds the reasons articulated by Touch 1 and BLT in support of their requests for revocation of their CPGs and approval of the name change of WTI to MCI WorldCom Communications, Inc. to be convincing. This finding, together with the fact that no opposition to Petitioners' filings has been registered with the Board, leads us to conclude that both Touch 1's and BLT's CPGs should be revoked and WTI's name change to MCI WorldCom Communications, Inc. be approved. While 30 V.S.A. §§ 102(c) and 231(a) require an opportunity for hearing before revocation of a CPG is allowed, we note that Rule 56 of the V.R.C.P. provides that where no genuine issue of material fact exists, a hearing is not necessary. We find that the requirements of V.R.C.P. Rule 56 are met in this case and, therefore, grant Petitioners' requests without a hearing.

For all of these reasons, we conclude that the proposed transaction meets the

standards set forth in 30 V.S.A. §§ 107, 109, 231 and 311, and should be approved.

IV. ORDER

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

1. The merger of Touch 1 Long Distance, Inc. and BLT Technologies, Inc. with and into MCI WorldCom Communications, Inc., will not obstruct or prevent competition in the market for telecommunications services in Vermont and, therefore, is approved.

2. A Certificate of Consent to the merger and acquisition of assets shall be issued.

3. The Certificates of Public Good granted to Touch 1 Long Distance, Inc. and BLT Technologies, Inc. shall be considered revoked upon completion of the merger.

4. Petitioners shall notify the Board as to the date on which the merger closing is completed within one week of its completion.

5. The name change of WorldCom Technologies, Inc. to MCI WorldCom Communications, Inc. is approved.

6. WorldCom Technologies, Inc. shall file revisions to its tariff reflecting its new name and introducing calling plans applicable to Touch 1 Long Distance, Inc.'s customers at rates equal to or lower than existing Touch 1 Long Distance, Inc. rates within 60 days of completion of the transactions.

7. MCI WorldCom Communications, Inc. shall honor existing BLT Technologies, Inc. prepaid calling cards consistent with the terms of the BLT Technologies, Inc. tariff.

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

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

OFFICE OF THE CLERK

Filed: December 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 mail) 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.