

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 6722

Joint Petition of WorldxChange Corp.)
and RSL COM U.S.A., Inc. for)
Approval of a Sale of Assets)

Order entered: 8/7/2002

I. INTRODUCTION

On June 20, 2002, WorldxChange Corp. ("World") and RSL COM U.S.A., Inc. ("RSL") (collectively "Petitioners") jointly filed a Telecommunications Merger and or Acquisition Request for Approval Form ("Petition") requesting authority from the Vermont Public Service Board ("Board"), pursuant to 30 V.S.A. §§ 109 and 311, for the acquisition of RSL's assets by World.

On August 1, 2002, the Vermont Department of Public Service ("Department") filed a letter with the Board recommending the Board approve the transaction because it would not detrimentally impact Vermont consumers or cause them inconvenience or confusion. The Department further recommended the Board approve the Petition without further investigation or hearing.

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

II. FINDINGS OF FACT

Based upon the Petition and accompanying documents, we hereby make the following findings of fact.

1. World is authorized to provide telecommunications services in Vermont pursuant to a Certificate of Public Good (CPG No. 574-R) granted by the Board on September 6, 2000. Petition at 1.
2. RSL is authorized to provide telecommunications services in Vermont pursuant to a Certificate of Public Good (CPG No. 343) granted by the Board on October 30, 1997. Petition at 1.

3. Pursuant to this transaction, World will acquire the business and substantially all of the assets of RSL in Vermont. Petition at Attachment Section 3.

4. As a result of the transaction, RSL will no longer operate as a telecommunications provider in Vermont and consequently will request revocation of its CPG. The customers of RSL will be notified of the transaction and the transaction will be transparent to customers. Accordingly, the transaction will not cause any inconvenience for Vermont consumers. Petition at 3 and Attachment at Section 3.

5. The proposed transaction should result in a strengthened competitive position for World, thus enhancing the ability of World to offer competitively priced services in the Vermont telecommunications marketplace and promoting the public interest. Petition at Attachment Section 4.

III. DISCUSSION

The proposed transaction requires approval by the Board under 30 V.S.A. §§ 109 and 311. The statutes condition approval of a merger upon a finding that the merger or sale of assets will promote the public good (30 V.S.A. § 109) and will not obstruct or prevent competition (30 V.S.A. § 311). These standards are met in this case.

Pursuant to 30 V.S.A. § 109, "a foreign corporation subject to the jurisdiction of the [Board], shall not make a sale . . . in any one calendar year constituting ten percent or more of the company's property located within this state . . . nor merge nor consolidate . . ." without approval of the Board. 30 V.S.A. § 311 states that "[a] consolidation or merger . . . shall not become effective without the approval of the [Board] . . ." In order to approve the sale of assets, the Board must first find that it will "promote the general good of the state." 30 V.S.A. § 109.

After reviewing the Petition, we conclude that 30 V.S.A. §§ 109 and 311 apply to the sale of assets of RSL, which is a certificated telecommunications carrier in Vermont. We further conclude that the asset sale to World will be transparent to Vermont customers and allow World to realize greater market efficiencies. The sale of assets, therefore, will promote the public good. For all of these reasons, we conclude that the proposed transaction meets the standards set forth in 30 V.S.A. §§ 109 and 311 and should be approved.

IV. CONCLUSIONS

The sale of assets of RSL should be approved because the transactions will promote the public good of the State of Vermont and will not result in obstructing or preventing competition. 30 V.S.A. §§ 109, 311.

V. ORDER

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

1. The sale of assets of RSL COM U.S.A., Inc. to WorldxChange Corp. will promote the public good and, therefore, is approved.
2. Petitioners shall file a letter notifying the Board of the completion of the transactions within one week of such completion.
3. RSL shall file a request for revocation of its CPG with the Board within one week of completion of the transaction.
4. World shall file any revision to its tariff necessary to reflect the incorporation of the rates and services currently offered to RSL customers within one week of completion of the transaction.
5. A Certificate of consent to the sale of assets of RSL COM U.S.A., Inc. to WorldxChange Corp., shall be issued.

DATED at Montpelier, Vermont, this 7th day of August, 2002.

<u>s/Michael H. Dworkin</u>)	
)	PUBLIC SERVICE
)	
<u>s/David C. Coen</u>)	BOARD
)	
)	OF VERMONT
<u>s/John D. Burke</u>)	

OFFICE OF THE CLERK

Filed: August 7, 2002

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 apparent 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.