

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 7026

Joint Petition of OneStar Long)
Distance, Inc., and Telrite Corporation)
for Approval of a Sale of Assets)

Order entered: 12/22/2004

I. INTRODUCTION

On October 20, 2004, OneStar Long Distance, Inc. ("OneStar"), and Telrite Corporation ("Telrite") (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 OneStar's assets by Telrite.

On December 17, 2004, 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. Telrite is authorized to provide telecommunications services in Vermont pursuant to a Certificate of Public Good (CPG No. 751) granted by the Board on August 19, 2003. Petition at 1.
2. OneStar is authorized to provide telecommunications services in Vermont pursuant to an Amended Certificate of Public Good granted by the Board on August 13, 1996, in PSB

Docket No. 5893, authorizing a name change from Telstar Communications, Inc. to OneStar.¹ Petition at 1.

3. Pursuant to an Asset Purchase Agreement and in accordance with an order of the United States Bankruptcy Court for the Southern District of Indiana, Telrite will acquire substantially all of the assets of OneStar, including OneStar's customer accounts. Petition at 1 and Exh. A.

4. The customers of OneStar will be notified of the transaction and given the opportunity to switch their service to another provider. As a result of the transaction, Telrite will be the entity providing telecommunications services to the former OneStar customers that elect to subscribe with Telrite. No changes to the rates and services offered to former OneStar customers are contemplated. Accordingly, the transactions will not cause any inconvenience for Vermont consumers. Petition at 3.

5. The proposed transaction will ensure uninterrupted service to all customers of OneStar in spite of OneStar's financial difficulties, thereby, promoting the public interest. Petition at 3.

III. DISCUSSION

The proposed transaction requires approval by the Board under 30 V.S.A. §§ 109 and 311. The statutes condition approval of a sale of assets upon a finding that the 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 OneStar, which is a certificated telecommunications carrier in Vermont. We further conclude that the asset sale to Telrite will not cause undue inconvenience for Vermont customers

1. See CPG No. 135, issued November 2, 1993.

and allow OneStar's customers to continue uninterrupted service. 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 OneStar should be approved because the transaction 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 OneStar Long Distance, Inc., to Telrite Corporation will promote the public good and, therefore, is approved.
2. Petitioners shall file a letter notifying the Board of the completion of the transaction within one week of such completion.
3. Telrite Corporation shall file any revision to its tariff necessary to reflect the incorporation of the rates and services currently offered to the customers of OneStar Long Distance, Inc., within thirty days of completion of the transaction.
4. A Certificate of Consent to the sale of assets of OneStar Long Distance, Inc., shall be issued.

Dated at Montpelier, Vermont, this 22nd day of December, 2004.

<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: December 22, 2004

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.