

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Joint) Application No. C-2630
Application of VarTec Telecom,)
Inc. of Dallas, Texas; VarTec)
Telecom Holding Company of Dallas,)
Texas; Teleglobe Holdings (U.S.))
Corporation of Wilmington,)
Delaware; Excel Telecommunica-) GRANTED
tions, Inc. of Dallas, Texas;)
eMeritus Communications, Inc. of)
Dallas Texas; and Long Distance)
Wholesale Club of Dallas, Texas,)
seeking approval of transfers)
of control to VarTec Telecom, Inc.) ENTERED: December 18, 2001

BY THE COMMISSION:

On November 9, 2001, a joint application was filed by VarTec Telecom, Inc. (VarTec) of Dallas, Texas; VarTec Telecom Holding Company (VarTec Holding) of Dallas, Texas; Teleglobe Holdings (U.S.) Corporation of Wilmington, Delaware; Excel Telecommunications, Inc. (Excel) of Dallas, Texas; eMeritus Communications, Inc. (eMeritus) of Dallas Texas; and Long Distance Wholesale Club (LDWC) of Dallas, Texas, seeking approval of transfers of control to VarTec Telecom, Inc. Notice of the application was published in The Daily Record, Omaha, Nebraska, on November 12, 2001. No protests were filed; therefore, this application is processed pursuant to the Commission's Rule of Modified Procedure.

O P I N I O N A N D F I N D I N G S

THE PARTIES:

Teleglobe Holdings is a wholly-owned subsidiary of Teleglobe Inc., which has its principal office located in Wilmington, Delaware.

Teleglobe Inc. is a Canadian corporation and a subsidiary of BCE Inc., a Canadian corporation. Teleglobe Inc. is a holding company with interests in two principle business segments under the Teleglobe Communications and the Excel Communications groups.

eMeritus, formerly operating under the names of Teleglobe Business Solutions, Inc. and Telco Holdings, Inc., d/b/a Dial & Save, is authorized by this Commission to provide local and inter-exchange telecommunications services in Nebraska pursuant to Application Nos. C-1154 and C-1360.

Excel Communications is a Texas corporation with its headquarters in Dallas, Texas. Excel is authorized by this Commission to provide local and interexchange telecommunications services pursuant to Application Nos. C-1259 and C-1340.

Long Distance Wholesale Club is a Texas Corporation with its headquarters in Dallas, Texas. LDWC is authorized by this Commission to provide interexchange telecommunications services pursuant to Application No. C-1303.

VarTec Holding is a wholly-owned subsidiary of VarTec. The principal office of VarTec and VarTec Holding is located in Dallas, Texas. VarTec Telecom Inc. is authorized by this Commission to provide interexchange services and as an operator of facilities-based and resold local exchange and exchange services pursuant to Application Nos. C-1136 and C-2582.

The Transaction:

Teleglobe Inc. and VarTec have determined that VarTec, Excel, eMeritus and LDWC can strengthen their respective business by establishing Excel, eMeritus and LDWC as wholly-owned subsidiaries of VarTec Holding. Currently, Teleglobe Holdings owns all of the authorized capital stock of Excel Communications, Inc., and Excel Communications, Inc. (Canada) through its ownership of intermediary companies and controls 100 percent of the equity of Excel, eMeritus, and LDWC.

VarTec, VarTec Holding, Teleglobe Inc., Teleglobe Holdings, Excel Communications, Inc., and Excel Telecommunications (Canada) Inc., executed a stock purchase agreement on August 26, 2001. Pursuant to that agreement, VarTec Holding has agreed to acquire from Teleglobe Holdings all of the authorized capital stock in Excel Communications, Inc. VarTec Holding has also agreed to directly or indirectly acquire from Teleglobe Inc., all of the authorized capital stock of Excel Communications (Canada) Inc.

Following the consummation of the acquisition of Excel Communication, Inc., Excel, eMeritus and LDWC, they will be led by the same managers that currently lead VarTec. Although the transaction will result in the change of the ultimate corporate parent of Excel, eMeritus and LDWC, it will not result in a change in the manner in which these companies provide service to Nebraska customers. This transition will be transparent to customers.

The applicants believe that by granting this application, the Commission will serve the public interest by promoting competition in the Nebraska market for intrastate interexchange telecommunications services and competitive local exchange services. In addition, the applicants believe that this transaction will be in the public interest because it will combine the financial resources and operating, technical and managerial strengths of all the companies.

Based on the evidence, we find the application to be fair and reasonable and in the public interest. The application should be granted.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-2630 be, and it is hereby, granted.

MADE AND ENTERED at Lincoln, Nebraska, this day of 18th day of December, 2001.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Howard W. Hancock
Donald L. Wap
Anne C. Boyle
Red Johnson
//s//Frank E. Landis

Joan Suedy
Chairman

ATTEST:
Ad S. Pilloe
Executive Director

