BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

IN THE MATTER OF LCI International, Inc., Dublin, Ohio seeking authority to enter into certain Credit Agreements affecting its Nebraska carrier, LCI International Telecom Corporation.	**Application No. C-1043** **GRANTED** **Entered: January 31, 1994**

BY THE COMMISSION

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

By application filed December 23, 1993, LCI International, Inc. (LCII) and its operating subsidiary, LCI International Telecom Corporation (LCI International Telecom) seek approval from this Commission of a transaction in which LCI International Telecom incurs certain debt obligations in connection with a financial agreement which allows LCII to pay off certain senior debt obligations.

The Omaha Daily Record published notice of the application December 27, 1993. No protests to the application were filed and it is therefore processed as provided by the Commission's modified procedure rule.

Upon consideration of the application, the affidavit, and being fully advised, the Commission is of the opinion and finds:

1. LCI International Telecom is a Delaware corporation located in Dublin, Ohio. LCII controls LCI International Telecom through an intervening holding company called LCI International Management Services, Inc. LCI International Telecom received its initial operating authority in Nebraska in Application No. C-909 (February 18, 1992). LCI International Telecom recently obtained alternate operator service authority from this Commission in Application No. C-1015 (January 10, 1994).

2. LCII seeks to obtain a $150 million revolving credit facility to refinance existing senior indebtedness, finance capital expenditures and provide working capital for the company. First Union National Bank of North Carolina and NationsBank (sic) of Texas are financing the agreement. The agreement is for a five year term with final maturity occurring December 31, 1998. Exhibits B, C, and D contain copies of the Credit Agreement, Pledge Agreement, and Unconditional Guarantee Agreement between LCII and the banks.

3. LCI International Telecom is not itself a borrower under the agreement. As a condition of the agreement, however, LCI International Telecom, as a subsidiary of LCII, is a guarantor of the agreement. For this reason, the application comes before the Commission since LCI International Telecom is a regulated long distance carrier and operator services provider in Nebraska.

4. The applicants contend the agreement will financially strengthen LCII and allow it to enhance its position in the long distance market, including its Nebraska operations through LCI International Telecom.

After review, the application is fair and reasonable, will not harm the public interest, and should be granted. The issuance of the guaranty as a security interest can be considered to be reasonably required for the purpose of the application in light of the relationship between the carrier and the parent corporation.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-1043 be, and it is hereby, granted and LCI International Telecom is authorized to guarantee and indebtedness of its parent company LCI International, Inc. as provided by the terms and conditions of Exhibits B, C, and D contained in the application.

MADE AND ENTERED at Lincoln, Nebraska this 31st day of January, 1994.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING

Daniel G. Urwiller

Duane D. Gay

//s//Rod Johnson
//s//Frank E. Landis, Jr.
//s//James F. Munnelly

Frank Landis
Chairman

ATTEST:

Dwight R. King
Executive Director