BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application of Qwest Communications Corporation of Denver, Colorado, and certain of its affiliates, seeking approval of transfer of certificates of authority in association with internal corporate restructuring.	)	Application No. C-2536 APPROVED Entered: July 24, 2001

BY THE COMMISSION:

By application filed May 18, 2001, Qwest Communications Corporation (QCC or applicant) of Denver, Colorado, and certain of its affiliates seek approval of transfer of certificates of authority in association with corporate restructuring. Notice of the application was published in The Daily Record, Omaha, Nebraska, on May 22, 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

Qwest Communications Corporation was granted operating authority in the state of Nebraska pursuant to Application No. C-1121 on December 20, 1994. QCC's affiliates were granted authority as follows: LCI International Telecom Corp., dba Qwest Communications Services was granted authority pursuant to Application No. C-909 on February 9, 1992. USLD Communications, Inc. was granted authority pursuant to Application No. C-1035 on January 31, 1994. Finally, Phoenix Network, Inc. was granted authority pursuant to Application No. C-1005 on August 16, 1993.

Description of the Transaction

The proposed transfer of certificates of authority and corporate restructuring will be effectuated by means of several interrelated steps. These steps involve either the merger of existing QCC subsidiaries and affiliates or the transfer of control of existing QCC subsidiaries and affiliates from one intermediate corporate parent to another. The ultimate ownership and control of QCC and all of its direct and indirect subsidiaries and affiliates will be unchanged as a result of these restructuring steps. The internal restructuring as described in this application will not effect the customers or operations of the incumbent local exchange provider, Qwest Corporation, which will remain a direct subsidiary of Qwest Services Corporation. The transaction is as follows:

1. Merger of LCI International Telecom Corp. into QCC

LCI International Telecom Corp. currently is a direct, wholly-owned subsidiary of LCI International, Inc., which in turn, is a commonly-owned affiliate of QCC. LCI International Telecom

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Corp. will be merged into QCC, with QCC as the surviving corporation. The certificates of authority, customers and, if any, assets of LCI International will be transferred to QCC, with service provided under QCC's tariff.

2. Merger of Phoenix Network, Inc. into QCC.

Phoenix Network, Inc. is currently a direct, wholly-owned subsidiary of QCC. Phoenix Network, Inc. will be merged into QCC, with QCC as the surviving corporation. The certificates of authority, customers and, if any, assets of Phoenix Network will be transferred to QCC, with service provided under QCC's tariff.

3. Merger of USLD Communications Corp. into USLD Communications, Inc.

USLD Communications, Inc. currently is a direct, wholly-owned subsidiary of USLD Communications Corp., which in turn, is a direct, wholly-owned subsidiary of LCI International, Inc. USLD Communication Corp. will merge downstream into USLD Communications, Inc., with USLD Communications, Inc. as the surviving corporation. As a consequence, USLD Communications, Inc. will become a direct, wholly-owned subsidiary of LCI International Inc. Because the certificate holder, USLD Communications, Inc., is the surviving corporation, this downstream merger does not affect the customers or certificates of USLD Communications Inc.

The applicant states in its application that the proposed transaction will have no impact on any current customers of Qwest Corporation and its affiliates because all customers are already provided service under the Qwest brand. The transaction would, therefore, be transparent to the customers of LCI and Phoenix Network, Inc. Customers would not experience any change in rates or terms. The applicant further states that approval of the proposed transaction will be in the public interest as the restructuring will create a more efficient corporate structure thereby allowing QCC and its subsidiaries to devote additional resources to provisioning of better services to customers. Upon consideration of the application, we find it to be reasonable and in the public interest. Accordingly the transaction as described in the application should be approved.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-2536 be, and it is hereby, granted.

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MADE AND ENTERED at Lincoln, Nebraska, this 24th day of July, 2001.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

//s//Frank E. Landis

Executive Director

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