

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of Manhattan ) Application No. C-3475  
Corporation dba Metropolitan )  
Telecommunications, New York, )  
New York, seeking transfer of ) GRANTED  
control of Business )  
Productivity Solutions, Inc., )  
Minneapolis, Minnesota. ) Entered: October 18, 2005

BY THE COMMISSION:

On August 30, 2005, an application was filed by Manhattan Telecommunications Corporation dba Metropolitan Telecommunications (Metropolitan), New York, New York, requesting to transfer control of Business Productivity Solutions, Inc., (BPS), Minneapolis, Minnesota. Notice of the application was published in The Daily Record, Omaha, Nebraska, on August 31, 2005. 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:

Metropolitan is a Delaware corporation with its headquarters in New York, New York. Metropolitan was granted authority to provide local and long distance telecommunications services in the state of Nebraska pursuant to authority issued in Application C-3428. In addition, Metropolitan provides local exchange, domestic interexchange, international and advanced data and Internet services to customers residing in twenty-three states and jurisdictions. Metropolitan is entirely owned by Metropolitan Telecommunications Holding Company (MTHC).

BPS is a Minnesota corporation with its headquarters in Minneapolis, Minnesota. BPS was granted authority to provide long distance telecommunications services in the state of Nebraska by this Commission on December 1, 2004, in Application C-3291. BPS is a direct, wholly owned subsidiary of Eschelon Operating Company (OPCO), which in turn is a direct, wholly owned subsidiary of Eschelon Telecom, Inc. (ETI) BPS is currently authorized to provide local exchange services in ten states.

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The Transaction:

Metropolitan will acquire 100% of the stock of BPS. Closing the transaction is contingent upon the parties obtaining all required governmental approvals and satisfaction of other standard conditions. Upon consummation of the agreement, BPS will become a direct, wholly owned subsidiary of Metropolitan.

The proposed transaction will not result in any transfer or assignment of BPS' operating authority or customers. Upon consummation of the transaction, BPS will continue to provide services to customers under its existing name. Furthermore, BPS will continue to conduct its operations in substantially the same manner in which those operations are currently conducted. There will be no changes to rates, terms and conditions as a direct result of this transaction. The only change effected by the transfer is the direct and ultimate control of BPS from OPCO and ETI to Metropolitan and MTHC, respectively.

The parties submit that the public interest will be served because Metropolitan holds the financial, managerial and technical qualifications to acquire and operate BPS. In addition, the transaction will benefit competition in the telecommunications market by enabling Metropolitan to continue its development as an effective competitor in the state. Furthermore, the transaction will ensure that there is no disruption of service and will be entirely transparent to existing BPS customers.

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 C-3475 be, and it is hereby, granted.

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MADE AND ENTERED at Lincoln, Nebraska, this 18th day  
of October, 2005.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

*Lowell Johnson*

*Aune C. Bayle*

//s// Frank E. Landis

//s// Gerald L. Vap

Chairman

*Gerald L. Vap*

ATTEST:

*And S. Pollack*

Executive Director