

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION FOR AUTHORITY TO TRANSFER)
CONTROL OF IDB COMMUNICATIONS GROUP,) CASE NO. 94-335
INC. TO LDDS COMMUNICATIONS, INC.)

O R D E R

On September 6, 1994, IDB Communications Group, Inc. ("IDB"), IDB WorldCom Services, Inc. ("IDB WorldCom") and LDDS Communications, Inc. ("LDDS") filed an application asking the Commission to permit IDB to transfer control of IDB WorldCom to LDDS. IDB WorldCom, a wholly-owned subsidiary of IDB, was authorized to provide intrastate telecommunications service in Kentucky in Case No. 94-186.¹ IDB is a non-jurisdictional company. LDDS provides intrastate communications service in Kentucky subsequent to authority originally granted to United States Transmission Systems, Inc. ("USTS") in Case No. 10200.² USTS subsequently merged with Metromedia Long Distance, Inc., a wholly-owned subsidiary of Metromedia Communications Corporation

¹ Case No. 94-186, Application for a Certificate of Convenience and Necessity of IDB WorldCom Services, Inc.

² Case No. 10200, The Application of United States Transmission Systems, Inc. For a Certificate of Public Convenience and Necessity to Provide InterLATA Telecommunications Services Within the State of Kentucky.

("Metromedia"), in Case No. 89-106³ and Metromedia merged with LDDS pursuant to authority granted in Case No. 93-190.⁴

The proposed transaction will transfer control of IDB and its jurisdictional subsidiary, IDB WorldCom, from its existing shareholders to LDDS pursuant to an Agreement and Plan of Merger which will result in IDB continuing its corporate existence under Delaware law as a wholly-owned subsidiary of LDDS. The merger will result in a change in ownership only and will not affect operations in Kentucky. Customers will continue to be able to purchase the same products and services from IDB WorldCom under the same rates and conditions currently available to them. All IDB WorldCom customers will be sent appropriate and timely notice of the merger.

The Commission finds that the transfer of control of IDB and IDB WorldCom to LDDS is in the public interest. Access to the marketing, technical and financial resources of LDDS will enable IDB to enhance its offerings in Kentucky and become more effective in the Kentucky intrastate marketplace. Likewise, the addition of IDB's international expertise will enhance the ability of LDDS to compete in the global marketplace, resulting in substantial benefits for the customers of both companies.

³ Case No. 89-106, The Application of ITT Communications, Inc. And Metromedia Long Distance, Inc. For Approval to Acquire Control.

⁴ Case No. 93-190, Joint Application for Authority for LDDS Communications, Inc. to Merge with Metromedia Communications Corporation and Resurgens Communications Group, Inc.

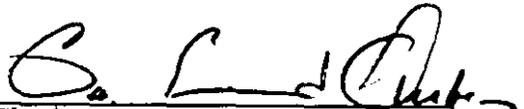
IT IS THEREFORE ORDERED that:

1. The transfer of control of IDB to LDDS as proposed in the joint application is approved.

2. Within 10 days of the date of the completion of the proposed transaction, LDDS will file evidence of the closing of the transaction or, in the alternative, shall notify the Commission if the proposed transfer does not occur.

Done at Frankfort, Kentucky, this 3rd day of November, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director