

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for approval of merger of US WATS, Inc. d/b/a US WATS Enterprises, Inc. (holder of IXC Certificate No. 2993) into Capsule Communications, Inc., and for change in name on Certificate No. 2993 to Capsule Communications, Inc.

DOCKET NO. 000133-TI
ORDER NO. PSC-00-0782-PAA-TI
ISSUED: April 21, 2000

The following Commissioners participated in the disposition of this matter:

JOE GARCIA, Chairman
J. TERRY DEASON
SUSAN F. CLARK
E. LEON JACOBS, JR.
LILA A. JABER

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING MERGER AND ACKNOWLEDGING NAME CHANGE

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

Section 364.33, Florida Statutes, provides that a person may not acquire ownership or control of any telecommunications facility, or any extension thereof for the purpose of providing telecommunications services to the public, including the acquisition, transfer, or assignment of majority organizational control or controlling stock ownership, without prior approval from this Commission.

By letter dated February 2, 2000, US WATS, Inc. d/b/a US WATS Enterprises, Inc. (US WATS) and Capsule Communications, Inc. (Capsule) filed with this Commission an application for approval of merger of US WATS into Capsule. The companies further requested

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for a name change on Interexchange Telecommunications Certificate No. 2993 from US WATS to Capsule.

US WATS has stated that the transaction will be virtually transparent to its customers in Florida and it will not affect the services being provided. US WATS and Capsule have further stated that Capsule will continue to operate under US WATS's existing tariff on file with this Commission.

In accordance with our authority under Section 364.33, Florida Statutes, to approve the acquisition or transfer of majority organizational control or controlling stock ownership of a telecommunications company providing service in Florida, we have reviewed the Petition of US WATS and Capsule, and find it appropriate to approve it. We have based our review and decision upon an analysis of the public's interest in efficient, reliable telecommunications service. Our decision does not address the potential impact of the transfer on the competitive market in Florida, or on the companies' or their competitors' interests. We emphasize, however, that our approval of the Petition pursuant to our authority under Section 364.33, Florida Statutes, does not preclude us from addressing any of our concerns that may arise regarding this transaction to the appropriate federal or state agencies.

Upon review of the Department of State, Division of Corporations' records, it appears that US WATS has properly registered the new corporate name. Accordingly, we find it appropriate to amend Certificate No. 2993 to reflect the new corporate name.

This Order will serve as the amended Interexchange Telecommunications Certificate of Public Convenience and Necessity No. 2993 for Capsule. Capsule should retain this Order as evidence of the name change.

Based on the foregoing, it is,

ORDERED by the Florida Public Service Commission that US WATS, Inc. d/b/a US WATS Enterprises, Inc. and Capsule Communications, Inc.'s request for approval of merger of US WATS, Inc. d/b/a US WATS Enterprises, Inc. into Capsule Communications, Inc. is hereby approved. It is further

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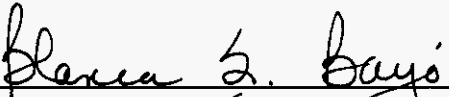
ORDERED that the request by US WATS, Inc. d/b/a US WATS Enterprises, Inc. to change the name on Certificate No. 2993 from US WATS, Inc. d/b/a US WATS Enterprises, Inc. to Capsule Communications, Inc. is hereby approved. It is further

ORDERED that this Order will serve as Capsule Communications, Inc.'s amended certificate and that this Order should be retained as evidence of the name change. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings or Judicial Review" attached hereto. It is further

ORDERED that in the event this Order becomes final, this Docket shall be closed.

By ORDER of the Florida Public Service Commission, this 21st day of April, 2000.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on May 12, 2000.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.