

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Nextlink )  
Ohio, Inc. and Chadwick Telecommuni- ) Case No. 98-1203-TP-AMT  
cations Corporation for Approval of Merger. )

FINDING AND ORDER

The Commission finds:

- (1) On August 27, 1998, as amended on September 21, 1998, September 25, 1998, and December 3, 1998, Nextlink Ohio, Inc. (Nextlink) and Chadwick Telecommunications Corporation, Inc. (Chadwick) filed a joint application for approval of a merger of Nextlink and Chadwick. In the application, Nextlink and Chadwick state that they propose a merger whereby all assets of Chadwick will be transferred to Nextlink and Chadwick will cease to exist.
- (2) Nextlink was issued Certificate No. 90-5687, to operate as an interexchange carrier in Case No. 96-385-CT-ACE and Certificate No. 90-9017 to provide local exchange telecommunications services in Case No. 96-1036-TP-ACE. Chadwick was issued Certificate No. 90-5738, to operate as an intrastate/interexchange carrier in Case No. 97-113-CT-ACE.
- (3) In the Commission's file in this proceeding, Nextlink and Chadwick state the following:
  - (a) Nextlink is a publicly held Delaware corporation with principal offices located in Baton Rouge, Louisiana;
  - (b) Chadwick is a Pennsylvania corporation with principal offices located in Bethlehem, Pennsylvania. Chadwick operates as a reseller of interexchange services in Ohio;
  - (c) Nextlink will merge Chadwick into Nextlink with Nextlink being the surviving the surviving entity and

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transferring all assets related to Chadwick's operations to Nextlink;

- (d) Chadwick provided direct mail notice to its Ohio customers of the application. The notice provided that any interested person, firm, corporation, or entity who can show good cause why this application should not be granted should file with the Commission a written statement detailing the reasons on or before December 17, 1998. No filings were made in this docket in response to the customer notice;
  - (e) After the merger, customers of Chadwick may become customers of Nextlink or transfer to a long distance carrier of their choosing;
  - (f) The technical, managerial, and financial personnel of Nextlink and Chadwick will serve the combined companies after the transaction, and will continue to serve their customers with their present level of expertise; and
  - (g) The proposed merger will serve the public interest because the merger will enable the companies to operate with a more streamlined and efficient level of service for all involved customers by creating a larger parent operation with one brand identity. The transaction will enhance the operating efficiencies, including market efficiencies, of both applicants. Also the merger should result in cost savings due to discounts on quantity ordering of materials and services.
- (4) The proposed combined operations of Nextlink/Chadwick would qualify the surviving entity as a telephone company and as a public utility, for purposes of Sections 4905.02 and 4905.03, Revised Code.

- (5) No motions to intervene were filed in this case. The Commission, however, would note that any potential legal issues arising out of this merger are not necessarily Ohio specific, but rather, relate to concerns which need to be addressed on a national level by entities such as the Federal Communications Commission and the Department of Justice. The Commission reserves the right to file comments in the appropriate forums relating to the proposed merger. The Commission also may subsequently pursue whatever action it deems appropriate at a later point in time in this matter if it is determined that the relevant circumstances have changed.
- (6) After reviewing all of the various documents, supporting exhibits, and the affidavit filed in this matter, the Commission concludes that the merger of Nextlink and Chadwick does not appear to be unreasonable or improper. The Commission, therefore, believes that the joint application of Nextlink and Chadwick should be approved.

It is, therefore,

ORDERED, That the joint application of Nextlink and Chadwick in this matter be approved. It is, further,

ORDERED, That Chadwick authority be transferred to Nextlink, and that Chadwick's Certificate No. 90-5738 be cancelled and Chadwick removed from the rolls of regulated carriers in this state. It is, further,

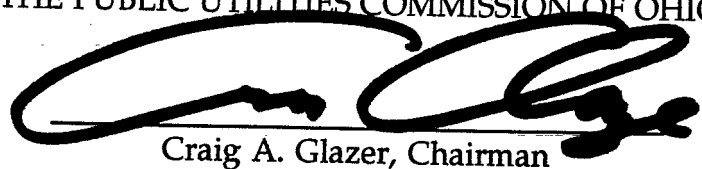
ORDERED, That our approval of this agreement does not constitute state action for purposes of the antitrust laws. It is not our intent to insulate the applicant, or any party entering into services offered through a contract approved by this finding and order, from the provisions of any state or federal law which prohibits the restraint of trade. It is, further,

ORDERED, That nothing in this finding and order shall be binding upon this Commission in any subsequent investigation or proceeding involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

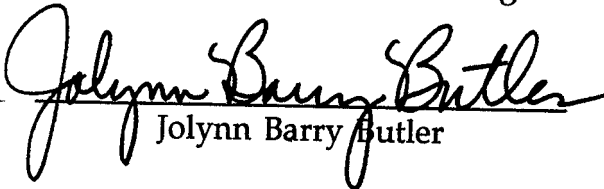
98-1203-TP-AMT

ORDERED, That a copy of this finding and order be served upon each party of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO



Craig A. Glazer, Chairman



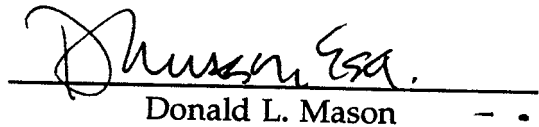
Jolynn Barry Butler



Ronda Hartman Ferguson



Judith A. Jones



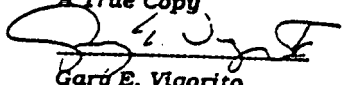
Donald L. Mason

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Entered in the Journal

DEC 30 1998

A True Copy



Gary E. Vigorito  
Secretary

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CASE DESCRIPTION NEXTLINK OHIO/CHADWICK TELECOMM  
DOCUMENT SIGNED ON December 30, 1998  
DATE OF SERVICE 12-31-98

## PERSONS SERVED

## PARTIES OF RECORD

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