- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Petition of	)	DOCKET NO. 00-2309-02
UNIVERSAL ACCESS, INC., for Approval	)	
of a Pro Forma Internal Corporate	)	REPORT AND ORDER
Reorganization		

ISSUED: January 22, 2001

SYNOPSIS

No detriment to the public interest appearing, the Commission approved the proposed reorganization.

By The Commission:

PROCEDURAL HISTORY

On November 16, 2000, Petitioner above-named filed its petition seeking Commission approval of an internal reorganization. Details of the reorganization and a recommendation of approval are incorporated in a memorandum, annexed hereto and incorporated herein by this reference as Appendix A, from the Division of Public Utilities, Utah Department of Commerce (DPU). No detriment to the public interest appearing, and an evidentiary hearing on the matter appearing to be wholly superfluous, we enter the following

ORDER

NOW THEREFORE, IT IS HEREBY ORDERED, that:

- The proposed reorganization be, and it is, approved effective the date of this Order.
- Any person aggrieved by this Order may petition the Commission for review within 20 days of the date of this Order. Failure so to do will forfeit the right to appeal to the Utah Supreme Court.

Dated at Salt Lake City, Utah, this 22nd day of January, 2001.

/s/ Stephen F. Mecham, Chairman

/s/ Constance B. White, Commissioner

/s/ Clark D. Jones, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary

APPENDIX A

MEMORANDUM

January 9, 2001

TO: PUBLIC SERVICE COMMISSION

FROM: DIVISION OF PUBLIC UTILITIES

Ric Campbell, Director
Ingo Henningsen, Manager, Telecommunications
Peggy Egbert, Technical Consultant
Bart Croxford, Regulatory Analyst

Re: Application of Universal Access, Inc. for Approval of *Pro Forma* Internal Corporate Reorganization

Issues:

Universal Access, Inc. (UAI") filed an application with the Commission to reorganize its corporate structure on November 16, 2001. UAI received its Certificate of Public Convenience and Necessity on July 20, 2000 in Docket No. 00-2309-01.

As part of a *pro forma* internal corporate reorganization, UAI will become a wholly-owned subsidiary of a newly-created parent, UAXS Global Holding Inc. ("UAXS"), which will hold 100% of the stock of UAI following the reorganization.

For internal corporate reasons, UAI has determined that its operational efficiency will improve by the reorganization. It will enable UAI to flexibly and efficiently obtain additional, lower-cost financing and receive greater flexibility in corporate operations, including the ability to engage in commercial relationships that would benefit UAI customers by lowering costs and increasing product offerings.

The reorganization will not result in any change in the ultimate management team responsible for the day-to-day operations of the entity, nor is there any intent to change management, operations, or the services provided to Utah customers. UAI asserts that consumers will continue to be provided high-quality, affordable services and that the reorganization will be transparent to customers.

UAI's parent company, UAXS, has no other subsidiaries; the financial statements are, therefore, identical at the present time and indicate a very strong financial position with a very positive net worth and substantial working capital.

UAI claims that this reorganization is in the public interest because it would enable UAI to flexibly and efficiently obtain additional financing that would allow it to grow quicker and compete against larger telecommunications companies more effectively and receive greater flexibility in corporate operations by lowering costs and increasing product offerings.

Recommendation:

The Division believes that the information that UAI has provided is sufficient for the Division to recommend approval and should be considered under R746-110, which permits uncontested matters to be adjudicated informally.

cc: Douglas D. Orvis II, Swidler Berlin Shereff Friedman
Division of Public Utilities
Michael Ginsberg, Assistant Attorney General
Committee of Consumer Services