

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Joint Application of U.S. TELEPACIFIC CORP D/B/A TELEPACIFIC COMMUNICATIONS and SIPCO LIMITED for approval of acquisition by SIPCO Limited of indirect control over U.S. TelePacific Corp.

DOCKET NO. 02-2391-01  
REPORT AND ORDER

ISSUED: July 19, 2002

SYNOPSIS

The proposed transfer of control appearing to be in the public interest, the Commission approved the same.

By the Commission:

On June 4, 2002, U.S. TelePacific Corp. d/b/a TelePacific Communications ("TelePacific") and SIPCO Limited ("SIPCO") jointly filed an application requesting Commission approval, pursuant to Title 54 of the Utah Code, the Commission's Rules of Practice and Procedure, and Utah Admin. Code §746-100 et seq., of the acquisition by SIPCO of indirect control over TelePacific. TelePacific became a competitive local exchange carrier in Utah on December 29, 2000, in Docket No. 00-2345-01.

As a result of a recently completed \$40 million equity investment involving SIPCO related entities, and management agreements with other investors, SIPCO will have the ability to exercise de facto control over TelePacific. SIPCO is currently restricted from exercising such control until approval is obtained from this Commission and other state and federal regulatory agencies.

Applicants assert that "given the very strong financial commitment that SIPCO and its affiliates have made toward ensuring that TelePacific has the resources it requires in order to properly carry out its operations, it is abundantly clear that the proposed transaction and exercise of control by SIPCO is intended to be, and will be, consistent with applicable law and the public interest. Moreover, approval of the proposed acquisition of control by SIPCO will promote the ability of TelePacific to continue to raise capital." Applicants also represent that they do not contemplate any change in the operations of TelePacific as a result of the change of control for which approval is sought.

The Division of Public Utilities has investigated the Application, and recommended approval of the request.

DISCUSSION

The Applicants have provided detailed business plans and other documents to establish the pertinent facts of the matter. The Commission finds that this petition can reasonably be expected to be unopposed and that this matter may be adjudicated informally under Utah Admin. Code R746-110.

By strengthening TelePacific's ability to compete in the Utah local exchange market, the proposed transaction appears to offer the prospect of a positive step towards competition in Utah. Accordingly, the approval of the transfer of control appears to be in the public interest.

CONCLUSIONS OF LAW

The proposed indirect transfer of control of U.S. TelePacific Corp. d/b/a TelePacific Communications should be approved.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that:

1. The joint application of U.S. TelePacific Corp. d/b/a TelePacific Communications and SIPCO Limited is approved.
2. Any person aggrieved by this Order may file a written request for review or reconsideration in accordance with Utah Code Ann. §§ 54-7-15, 63-46b-12 and 63-46b-13, and the Utah Rules of Appellate Procedure. Failure to do so, may deprive the party of the right to seek judicial review of this Order.

DATED at Salt Lake City, Utah, this 19<sup>th</sup> day of July, 2002.

/s/ Stephen F. Mecham, Chairman

/s/ Constance B. White, Commissioner

/s/ Richard M. Campbell, Commissioner

Attest:

/s/ Julie Orchard

Commission Secretary

G#30210