

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Gregory Scott  
Edward A. Garvey  
Marshall Johnson  
LeRoy Koppendrayner  
Phyllis A. Reha

Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner

In the Matter of the Application of eGlobe, Inc.  
to Acquire Coast International, Inc.

ISSUE DATE: August 27, 2001

DOCKET NO. P-3028/PA-99-1803

In the Matter of the Application of Internet  
Services Provider Network, Inc. to Acquire  
Coast International, Inc.

DOCKET NO. P-3028/PA-01-7

ORDER APPROVING ACQUISITION,  
ACCEPTING SETTLEMENT, AND  
CLOSING DOCKET

**PROCEDURAL HISTORY**

On December 29, 1999, eGlobe, Inc. and Coast International, Inc. filed a joint notice of their agreement that eGlobe, a diversified communications company, would acquire Coast, a reseller authorized to provide intrastate long distance service. That filing was assigned docket number P-3028/PA-99-1803.

On January 19, 2001, the Department of Commerce (the Department) filed comments in the 99-1803 docket, stating that eGlobe had violated Minn. Stat. § 237.74, subd. 12 by completing the acquisition of Coast without Commission approval. The Department also stated that eGlobe had failed to respond to the Department's requests for information it needed to fulfill its regulatory duties. The agency recommended assessing penalties of \$2,100 against eGlobe, under Minn. Stat. § 237.74, subd. 11.

On January 2, 2001, Internet Services Provider Network, Inc. (ISPN) filed notice that it proposed to acquire Coast from eGlobe. That filing was assigned docket number P-3028/PA-01-7. On July 13, 2001 the Department filed comments recommending that the Commission approve ISPN's acquisition of Coast and accept an offer by ISPN of \$2,000 in settlement of the penalty claims raised by the Department in the first docket.

On August 7, 2001, the matter came before the Commission.

**FINDINGS AND CONCLUSIONS**

The Commission has examined the record in this case and concurs with the Department that ISPN has demonstrated that its proposed acquisition of Coast meets the public interest standard of Minn. Stat. § 237.74, subd. 12.

ISPN clearly has the managerial, technical, and financial resources necessary to provide reliable intrastate long distance service to Minnesota consumers. The Company has also demonstrated its willingness and ability to comply with regulatory requirements, by conditioning the proposed acquisition on Commission approval and by cooperating with the Department in its examination of the proposed acquisition. The Commission will approve the proposed acquisition.

The Commission also concurs with the Department that it should accept ISPN's offer to pay \$2,000 in settlement of the penalty claims raised against eGlobe and Coast in docket P-3028/PA-99-1803. No good purpose would be served by bringing formal penalty proceedings against any of the parties involved here. The settlement achieves the same goals as penalty proceedings – it provides assurance that the Companies recognize past lapses in compliance and will not repeat them – and it achieves them more expeditiously than litigation.

For all these reasons, the Commission will approve the proposed acquisition and accept the proposed settlement.

### **ORDER**

1. The acquisition of Coast International, Inc. by Internet Services Provider Network, Inc. is hereby approved.
2. The Commission accepts the offer of Internet Services Provider Network, Inc. to pay \$2,000 on behalf of Coast International, Inc. in settlement of claims that Coast International, Inc. and eGlobe, Inc. committed a knowing and intentional violation of Minn. Stat. § 237.74, subd. 12 by completing their merger without Commission approval. The Company shall make this payment forthwith.
3. Docket P-3028/PA-99-1803 is hereby closed.
4. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar  
Executive Secretary

(S E A L)

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