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February 18, 1997

VIA OVERNIGHT DELIVERY

Blanca S. Bayo
Director, Division of Records & Reporting
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

970214-TI

Re: Notification of Proposed Transfer of Control of
L.D. Services, Inc. to IXC Long Distance, Inc.

Dear Ms. Bayo:

*IXC Long Distance, Incorporated
L.D. Services, Inc. d/b/a
L.D.S. Telecommunications, Inc.*

On behalf of L.D. Services, Inc. ("L.D. Services") and IXC Long Distance, Inc. ("IXC-LD") (collectively "the Parties"), this letter is to notify the Commission of a transaction whereby IXC-LD will acquire ownership and control of L.D. Services. L.D. Services and IXC-LD are nondominant carriers separately authorized by this Commission to provide resold interexchange telecommunications services within the State. L.D. Services and IXC-LD currently are not affiliated with each other. A description of the Parties and the proposed transaction is provided below.

It is the understanding of the Parties that prior Commission approval is not required for the transfer of control transaction described herein. Accordingly, absent receipt of written notification to the contrary within thirty (30) days, the Parties will proceed on the understanding that no approval or other formal action with respect to the proposed transaction is required by the Commission.

Description of the Parties

L.D. Services is a privately-held California corporation with principal offices located at 13230 East Firestone Blvd., Suite D2, Santa Fe Springs, California 90670. L.D. Services is a nondominant carrier authorized to provide resold long distance telecommunications services in Florida pursuant to certification granted by this Commission in Docket No. 950685-TI on September 6, 1995. L.D. Services is authorized to provide intrastate telecommunications services in 36 other states. L.D. Services also provides interstate and international telecommunications services as a nondominant common carrier pursuant to authority of the Federal Communications Commission ("FCC").

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IXC-LD, a Delaware corporation with principal offices located at 5000 Plaza on the Lake, Suite 200, Austin, Texas 78746-1050, is a wholly-owned subsidiary of IXC Communications, Inc. ("IXC"), a publicly-held Delaware corporation. IXC-LD is a nondominant telecommunications carrier authorized to provide resold interexchange telecommunications services in 48 states. In Florida, IXC-LD is authorized to provide intrastate interexchange telecommunications services pursuant to certification granted by this Commission in Docket No. 950259-TI on July 5, 1995. IXC-LD also provides interstate and international telecommunications services as a nondominant common carrier pursuant to authority of the FCC.

Description of the Transaction

L.D. Services and IXC-LD have determined that they will realize significant economic, operational, and marketing efficiencies by establishing L.D. Services as a wholly-owned subsidiary of IXC-LD. Accordingly, as of January 17, 1997, L.D. Services and IXC-LD executed a Stock Acquisition Agreement and Plan of Merger ("Agreement") whereby IXC-LD will acquire ownership and control of L.D. Services after necessary regulatory approvals have been obtained.

To accomplish the acquisition, IXC has formed a wholly-owned subsidiary, IXC-One Acquisition Corp. ("Acquisition Corp.") which, at the closing of the proposed transaction, will be merged with and into L.D. Services ("Merger"). In the Merger: (i) the outstanding shares of capital stock of L.D. Services will be converted into shares of IXC common stock; and (ii) the outstanding shares of Acquisition Corp. will be converted into shares of capital stock of L.D. Services. Once merged, Acquisition Corp. will cease to exist and L.D. Services will be the surviving corporation and a wholly-owned subsidiary of IXC. To complete the transaction, immediately following the Merger, IXC will contribute all of the stock of L.D. Services to its wholly-owned subsidiary, IXC-LD. Thus, upon consummation of the proposed transaction, L.D. Services will become a wholly-owned direct subsidiary of IXC-LD.

IXC is financially well qualified to consummate the proposed transaction. In 1995, IXC issued and sold seven notes in the aggregate principal amount of \$285,000,000 to institutional and accredited investors and, in July 1996, its initial public offering of equity generated net proceeds (before expenses) of approximately \$83,000,000 in additional capital for IXC.

Following consummation of the transfer of control transaction, L.D. Services will continue to operate under its own name and will remain the holder of its certification. The proposed transaction will not involve a change in the manner in which L.D. Services provides telecommunications services, and L.D. Services will continue to provide high quality, affordable telecommunications services to end users. As such, this transaction will neither disrupt service nor cause inconvenience or confusion to L.D. Services' customers. Indeed, the transaction will be virtually transparent to L.D. Services' customers in terms of the services they receive.

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Similarly, the proposed transaction will have no effect on the operation of IXC-LD, which will continue to provide telecommunications services to intrastate customers pursuant to its existing authorizations.

Consummation of the proposed transaction will serve the public interest in promoting competition among interexchange telecommunications carriers by providing L.D. Services and IXC-LD the opportunity to strengthen their respective positions in the competitive telecommunications marketplace. The proposed transaction will invigorate competition by enabling L.D. Services and IXC-LD to pursue their respective marketing and business plans more effectively by combining their financial and technical resources. Moreover, the transaction will combine the complementary managerial skills, background, and experience of L.D. Services and IXC-LD in providing telecommunications services to the public. In sum, the proposed stock transfer will benefit the public interest by enhancing the ability of L.D. Services and IXC-LD to offer a full range of competitively priced services in the interexchange marketplace.

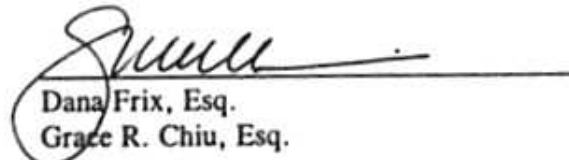
Conclusion

It is the understanding of the Parties that prior Commission approval is not required for the transfer of control transaction described above. This letter is forwarded to the Commission for informational purposes, to be included in the appropriate file. In the event, however, that the Commission determines that approval is required, please consider this letter as a request for expedited approval. Absent receipt of written notification to the contrary within thirty (30) days, the Parties will proceed on the understanding that no approval or other formal action with respect to the proposed transaction is required by the Commission.

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Please do not hesitate to contact the undersigned with any questions or comments regarding this transaction.

Sincerely,



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