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July 17, 1997

Ms. Blanca Bayo, Director  
Division of Records and Reporting  
Room 110, Easley Building  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850

970900-TI

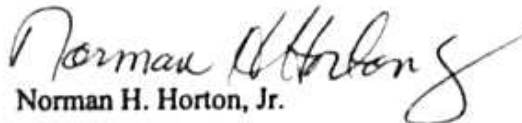
Dear Ms. Bayo:

Enclosed for filing are and original and 15 copies of WorldCom, Inc. d/b/a LDDS WorldCom, MFS Intelenet of Florida, Inc., MFS Communications Company, Inc., MFS Network Technologies, Inc. and WorldCom Technologies, Inc.'s Application for Authority to Reorganize and for Related Transactions.

Please indicate receipt of this document by stamping the enclosed extra copy of this letter.

Thank you for your assistance in this matter.

Sincerely,

  
Norman H. Horton, Jr.

NHH:amb  
Enclosures

cc: Mr. Brian Sulmonetti  
Mr. Mark Argenbright

DOCUMENT NUMBER - DATE

07214 JUL 17 97

FILED IN DIVISION REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Application of )  
WORLD COM, INC. D/B/A LDDS WORLD COM, )  
MFS INTELENET OF FLORIDA, INC. and )  
WORLD COM TECHNOLOGIES, INC. )  
For Authority to Reorganize )  
and For Related Transactions )

Docket No.:  
Filed: July 17, 1997

APPLICATION

WorldCom, Inc. d/b/a LDDS WorldCom ("WorldCom"), MFS Intelenet of Florida, Inc. ("MFS of Florida"), MFS Communications Company, Inc. ("MFSCC"), MFS Network Technologies, Inc. ("MFS NT") and WorldCom Technologies, Inc. ("WorldCom Technologies"),<sup>1</sup> by their attorneys and pursuant to the statutes, rules and regulations of the Florida Public Service Commission ("Commission") respectfully request authority to reorganize their corporate structure and operations and to complete a series of transactions related thereto. As described below, the Applicants specifically seek authority to:

- (1) transfer control of WorldCom Technologies from MFS NT to MFSCC;
- (2) transfer all of WorldCom's operating authority in Florida to WorldCom Technologies;
- (3) transfer all of WorldCom's assets related to its regulated operations in Florida to WorldCom Technologies;
- (4) merge MFS of Florida with and into its existing corporate parent, WorldCom Technologies (WorldCom Technologies will be the surviving entity);
- (5) transfer all of MFS of Florida's operating authority to provide telecommunications services in Florida to WorldCom Technologies; and

<sup>1</sup> WorldCom Technologies, the parent company of MFS of Florida, was formerly known as MFS Intelenet, Inc. A chart depicting the existing overall organizational structure of the WorldCom companies related to its provision of service in Florida is appended hereto as Attachment A.

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REGISTRY OF PUBLIC UTILITIES

(6) cancel the interexchange operating authority granted to MFS of Florida.

As a result of the Applicants' proposed transactions, MFS of Florida will cease to exist and WorldCom will become a holding company. Thus, WorldCom Technologies will be one of the primary operating entities of the WorldCom family of companies in Florida.<sup>2</sup>

In support of their Application, the Applicants provide the following information:

**I. THE APPLICANTS**

WorldCom, with its subsidiaries, is one of the largest and most innovative telecommunications companies in the United States, providing telecommunications services to business, government, other telecommunications companies and residential customers through its network of fiber optic cables, digital microwave, and fixed and transportable satellite earth stations. As a result of its recent acquisition of MFSCC, which the Commission approved on December 4, 1996 in Docket No. 961039-TP, Order No. PSC-96-1481-FOF-TP, WorldCom is the first major telecommunications company with the capability to provide its customers with high-quality local, long distance, Internet, data and international communications services over its own transmission facilities. With service to points around the world, the WorldCom companies' telecommunications products and services include: switched and dedicated long distance and local products, 800 services, calling cards, domestic and international private lines, broadband data services, debit cards, conference calling, advanced billing systems, enhanced fax

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<sup>2</sup> Importantly, the Applicants note that only the entities described herein are being consolidated and reorganized at this time. Therefore, after the proposed transactions are completed, other affiliated entities that currently hold Certificates of Public Convenience and Necessity to provide telecommunications services in Florida will continue to operate. See Attachment A.

and data connections, local access to ATM-based backbone service and interconnection via Network Access Points to Internet service providers.

WorldCom itself is a publicly-held Georgia corporation whose principal offices are located at 515 East Amite Street, Jackson, Mississippi 39201. WorldCom is the ultimate corporate parent of the entire WorldCom family of companies, including MFS of Florida and WorldCom Technologies. WorldCom is authorized to provide telecommunications services in 48 states, including Florida.

As illustrated by the organizational chart appended hereto as Attachment A, WorldCom Technologies (formerly known as MFS Intelenet, Inc.), a Delaware corporation, is one of two intermediate subsidiaries between MFSCC and MFS of Florida.<sup>3</sup> WorldCom Technologies currently functions as a holding company and does not directly provide telecommunications services in any state.<sup>4</sup> However, WorldCom Technologies provides interexchange service in 49 states through 49 separate operating subsidiaries, 24 of which are also authorized to provide local exchange service.

MFS of Florida is a wholly-owned subsidiary of WorldCom Technologies that provides telecommunications services directly to the public in Florida. MFS of Florida provides a full range of local exchange and interexchange services in Florida. MFS of Florida received its authority to operate as a telecommunications service provider in Florida on July 20, 1994 in Docket No. 940226-TI, Order No. PSC-94-0883-FOF-TI and on June 10, 1997 in Docket No. 970575-TA.

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<sup>3</sup> A copy of WorldCom Technologies' Articles of Incorporation is appended hereto as Attachment G.

<sup>4</sup> A copy of WorldCom Technologies' qualifying document is appended hereto as Attachment H.

## **II. DESIGNATED CONTACTS**

The designated contacts for purposes of this Application are:

Floyd R. Self  
Norman H. Horton, Jr.  
MESSER, CAPARELLO & SELF, P.A.  
215 S. Monroe Street, Suite 701  
Tallahassee, Florida 32301  
(904) 222-0720

Copies of all correspondence, notices, inquiries and orders should also be sent to:

Mark Argenbright  
Senior Manager, Regulatory Analysis  
WORLD COM, INC.  
515 East Amite Street  
Jackson, Mississippi 39201

Brian Sulmonetti  
Director, Regulatory Affairs  
WORLD COM, INC.  
1515 S. Federal Highway, Suite 400  
Boca Raton, Florida 33432

## **III. REQUEST FOR APPROVAL OF PRO FORMA TRANSFER OF CONTROL**

As depicted on the organizational chart appended hereto as Attachment A, WorldCom Technologies is presently a wholly-owned subsidiary of MFS NT. MFS NT is a non-regulated entity that operates as a holding company and service integrator.

Aspect I of the overall corporate reorganization involves removing MFS NT from the chain of corporate ownership of WorldCom Technologies by transferring control of WorldCom Technologies to MFSCC, which is presently MFS NT's corporate parent. Thus, MFS NT will

be shifted down one level while WorldCom Technologies will be shifted up one level.<sup>5</sup> MFS NT will become an *affiliate* of WorldCom Technologies, and MFSCC will become WorldCom Technologies's direct corporate parent.<sup>6</sup>

To the extent required, the Applicants respectfully request that the Commission approve the pro forma transfer of control of WorldCom Technologies to MFSCC.<sup>7</sup>

#### **IV. REQUEST FOR AUTHORITY TO TRANSFER WORLD COM'S CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY AND ASSETS TO WORLD COM TECHNOLOGIES**

Aspect II of the proposed reorganization involves the transfer of WorldCom's Certificate of Public Convenience and Necessity and telecommunications-related assets to WorldCom Technologies.<sup>8</sup> After the transfer, WorldCom will cease to provide telecommunications services to consumers in Florida and will function exclusively as a holding company. WorldCom Technologies will assume WorldCom's operations and will provide telecommunications services to WorldCom's customers in Florida.

The proposed "roll-down" of WorldCom's operations to WorldCom Technologies will have no adverse impact on consumers in Florida. WorldCom Technologies will file a new tariff that will incorporate all of WorldCom's existing services into its tariff at the same rates, terms

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<sup>5</sup> Importantly, the Applicants note that the changes described herein will affect a number of WorldCom companies which are not named herein because they are not regulated by the Commission. One such entity is MFS Transportation Systems, Inc., a construction company that is a wholly-owned subsidiary of MFS NT.

<sup>6</sup> See Attachments B and C.

<sup>7</sup> The pro forma transfer of control of WorldCom Technologies is contingent upon receipt of a favorable private letter ruling from the Internal Revenue Service ("IRS"). If the Applicants do not receive a favorable private letter ruling from the IRS, they may withdraw their request for approval of the pro forma transfer of control of WorldCom Technologies to MFSCC. The Applicants will advise the Commission of their final plans as soon as possible.

<sup>8</sup> See Attachment D.

and conditions as are currently available. The impact of the "roll down" on consumers in Florida will be negligible because WorldCom Technologies will serve WorldCom's current customers using the same network, billing systems and customer service operations that WorldCom uses pursuant to identical tariffs. Thus, WorldCom's customers will continue to receive high quality services, at the same rates and under the same terms and conditions.

To the extent required, the Applicants respectfully request that the Commission authorize the transfer of WorldCom's Certificate of Public Convenience and Necessity and assets to WorldCom Technologies.<sup>9</sup>

**V. REQUEST FOR AUTHORITY TO MERGE MFS OF FLORIDA AND WORLD COM TECHNOLOGIES**

Aspect III of the proposed reorganization entails the merger of MFS of Florida with and into WorldCom Technologies.<sup>10</sup> MFS of Florida's Certificate of Public Convenience and Necessity to provide local and long distance services within the State of Florida will be transferred to WorldCom Technologies, as will all of MFS of Florida's assets. After the merger, MFS of Florida will cease to exist and all of its customers will be served by WorldCom Technologies pursuant to contracts and tariffs that offer all of the services offered by MFS of Florida, at the same rates, terms and conditions as are currently available. WorldCom Technologies will file a new tariff that will incorporate such services, rates, terms and conditions.

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<sup>9</sup> If the Commission determines that it is not appropriate to transfer WorldCom's Certificate of Public Convenience and Necessity to WorldCom Technologies, the Applicants respectfully request that the Commission grant a new Certificate of Public Convenience and Necessity to WorldCom Technologies authorizing it to provide the full range of services that WorldCom currently is authorized to provide and thereafter cancel WorldCom's Certificate of Public Convenience and Necessity.

<sup>10</sup> See Attachment E.

The merger is strictly pro forma and will have no direct impact on consumers in Florida. WorldCom Technologies and MFS of Florida are managed by the same team of experienced telecommunications personnel, and day-to-day operations will continue to function as they have in the past. Customer service functions will be provided by the same team of qualified consumer representatives. Affected customers will be given appropriate and adequate notice of the change in the name of their telecommunications service provider.<sup>11</sup> Moreover, other than the pro forma transfer of control of WorldCom Technologies from MFS NT to MPSCC, there will be no change in the ownership or control of WorldCom Technologies and its business plan and operations in Florida will not be affected. Thus, service will continue to be provided using the same network, billing systems and customer service operations as are used by MFS of Florida.

To the extent required, the Applicants respectfully request that the Commission authorize them to merge MFS of Florida with and into WorldCom Technologies and to transfer MFS of Florida's Certificate of Public Convenience and Necessity to WorldCom Technologies.<sup>12</sup>

## VI. TARIFFS

In order to complete the overall transition, WorldCom Technologies will file a new tariff that incorporates all of the services currently offered by both WorldCom and MFS of Florida as well as the rates, terms and conditions that are currently available. Upon approval of WorldCom

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<sup>11</sup> A copy of the customer notice will be provided to the Commission upon request.

<sup>12</sup> If the Commission determines that it is not appropriate to transfer MFS of Florida's Certificate of Public Convenience and Necessity to WorldCom Technologies, the Applicants respectfully request that the Commission grant a new Certificate of Public Convenience and Necessity to WorldCom Technologies authorizing it to provide the full range of services that MFS of Florida currently is authorized to provide and thereafter cancel MFS of Florida's Certificate of Public Convenience and Necessity.



Technologies's tariff, WorldCom and MFS of Florida will withdraw their existing tariffs and will cease to offer service to customers in Florida.

## VII. SUMMARY OF TRANSACTIONS

Pursuant to the proposed reorganization, the Applicants will be engaging in a series of transactions all of which are designed to consolidate operations in a way that simplifies regulatory oversight and corporate administration. WorldCom Technologies will become one of the WorldCom companies' primary operating entities, and every transaction proposed herein is designed to set up WorldCom Technologies in that role with all of the necessary operational assets as well as the state and federal authority required to provide intrastate, interstate and international telecommunications services nationwide.

The first aspect of the reorganization as described herein involves a pro forma transfer of control of WorldCom Technologies from MFS NT to MFSCC. MFSCC will become the direct parent company of WorldCom Technologies.

The second aspect involves the "roll down" of WorldCom's telecommunications operations and assets, including relevant operating authority, to WorldCom Technologies. Appropriate tariff filings will be made and WorldCom will cease to provide telecommunications services in Florida.

The third aspect of the reorganization involves the "roll up" of MFS of Florida by merging MFS of Florida with and into WorldCom Technologies. WorldCom Technologies will be the surviving entity, holding all of MFS of Florida's assets and operating authority. WorldCom Technologies will incorporate all of MFS of Florida's services, rates, terms and conditions into its new tariff and MFS of Florida will cease to provide telecommunications services.

Finally, in order to eliminate unnecessary regulatory redundancy, the operating authority granted to MFS of Florida in Docket No. 940226-TI, Order No. PSC-94-0883-FOF-TI on July 20, 1994 should be cancelled. In addition, WorldCom and MFS of Florida will withdraw their existing tariffs upon completion of the reorganization and approval of WorldCom Technologies's tariff.

The corporate structure resulting from this series of transactions is depicted on Attachment F hereto. The Applicants request that the Commission grant any and all authority required to accomplish this reorganization.

#### **VIII. PUBLIC INTEREST ANALYSIS**

WorldCom's extraordinary growth has been fueled by the acquisition over time of nearly 100 companies, including more than 75 telecommunications services providers. An already complex corporate structure was further complicated by the acquisition of MFSCC and its operating subsidiaries at the end of 1996, which added over 50 regulated corporations to the WorldCom family of companies. This circumstance has created an unwieldy web of intercorporate relationships, and a confusing patchwork of regulatory authority. The resulting complexity has made administration unnecessarily burdensome for both WorldCom and the regulatory agencies that regulate it. By reorganizing into a single holding company with far fewer regulated subsidiaries, WorldCom hopes to simplify its managerial tasks as well as the burden on regulators. The consolidation also will enable the WorldCom companies to operate more efficiently and effectively by eliminating a number of redundant administrative functions. By

becoming more efficient, WorldCom will be positioned to become an even more effective competitor in the market for telecommunications services in Florida.

WHEREFORE, the Applicants respectfully request that the Commission grant them authority to reorganize as described herein and any other authority that the Commission may deem proper to grant.

Respectfully submitted,

**WORLD COM, INC. D/B/A LDDS WORLD COM,  
MFS INTELENET OF FLORIDA, INC.  
AND WORLD COM TECHNOLOGIES, INC.**



Floyd R. Self  
Norman H. Horton, Jr.  
MESSER, CAPARILLO & SELF, P.A.  
215 S. Monroe Street, Suite 701  
Tallahassee, Florida 32302-1876  
(904) 222-0720

Their Attorneys

## VERIFICATION

I am authorized to represent WorldCom, Inc. and each of its subsidiaries, and to make this verification on their behalf. The statements in the foregoing document are true of my own knowledge, except as to matters which are herein stated on information and belief, and as to those matters, I believe them to be true. I declare under penalty of perjury that the foregoing is true and correct.

BY: 

NAME: Scott D. Sullivan

TITLE: Secretary

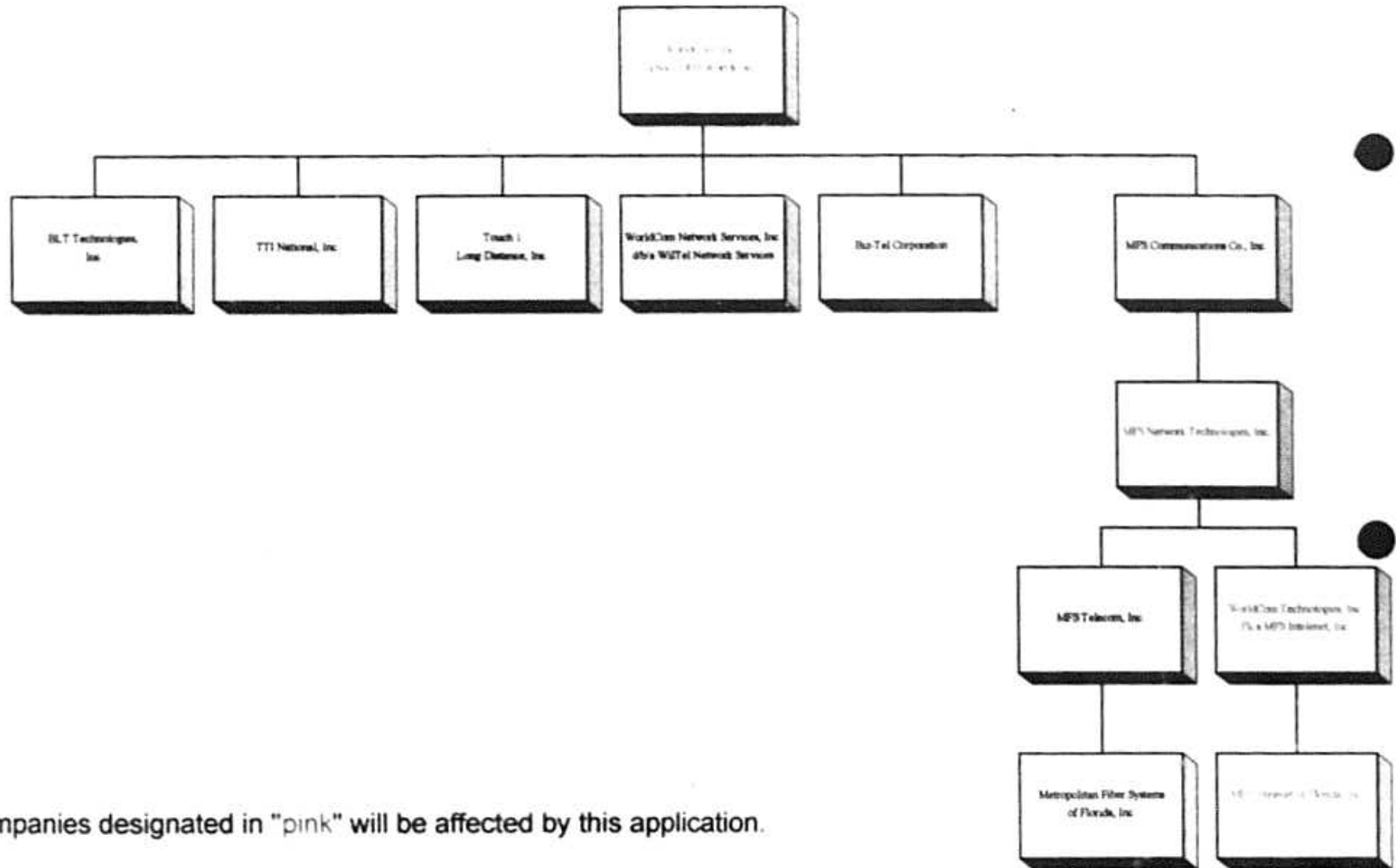
DATE: June 13 1997

Sworn and subscribed to  
before me this 13th  
day of June, 1997.

  
Notary Public

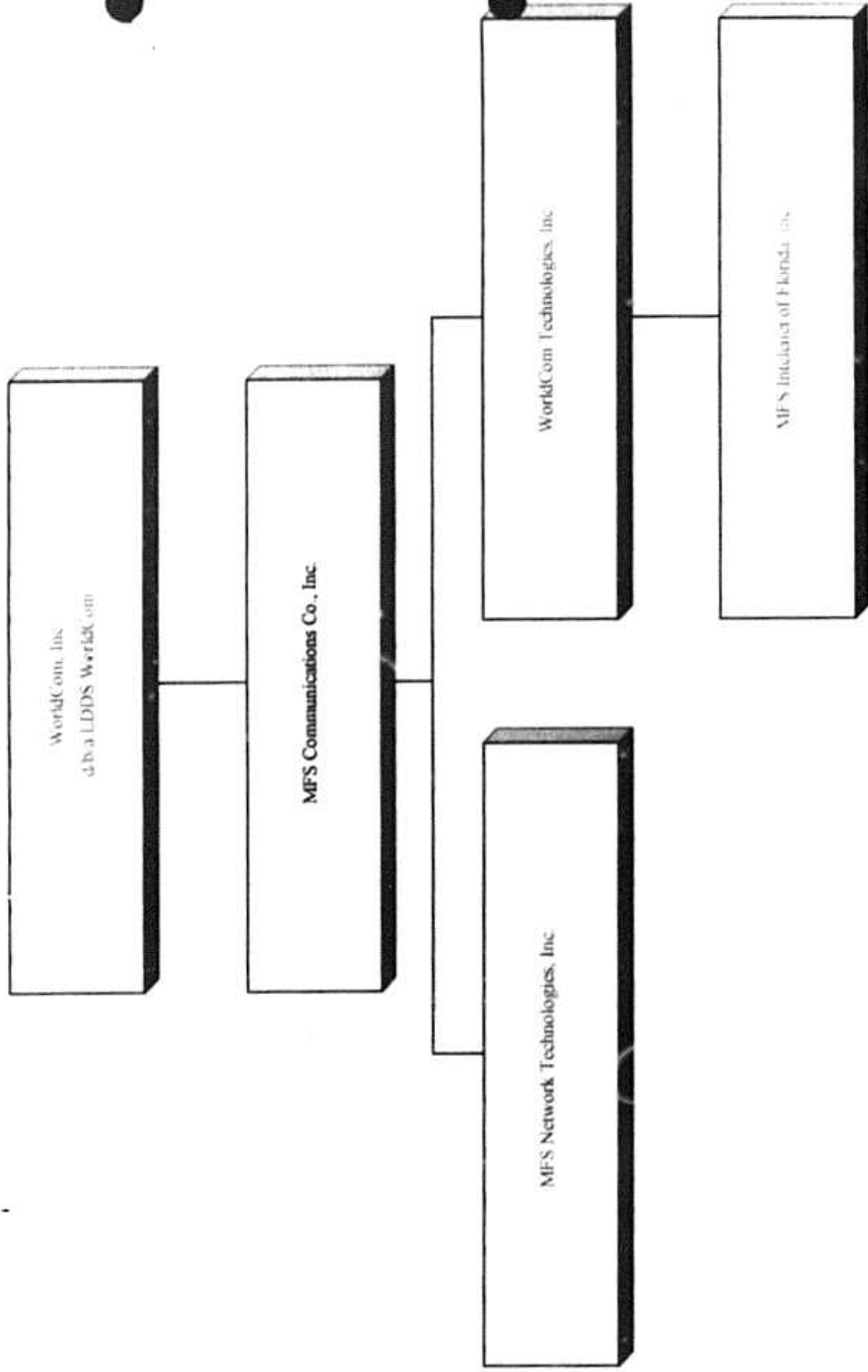
My Commission Expires  
July 16, 1999

# Florida Corporate Structure Pre-Reorganization



\*Companies designated in "pink" will be affected by this application.

# Florida Corporate Structure Post Pro Forma Transfer of Control



# ASPECT I



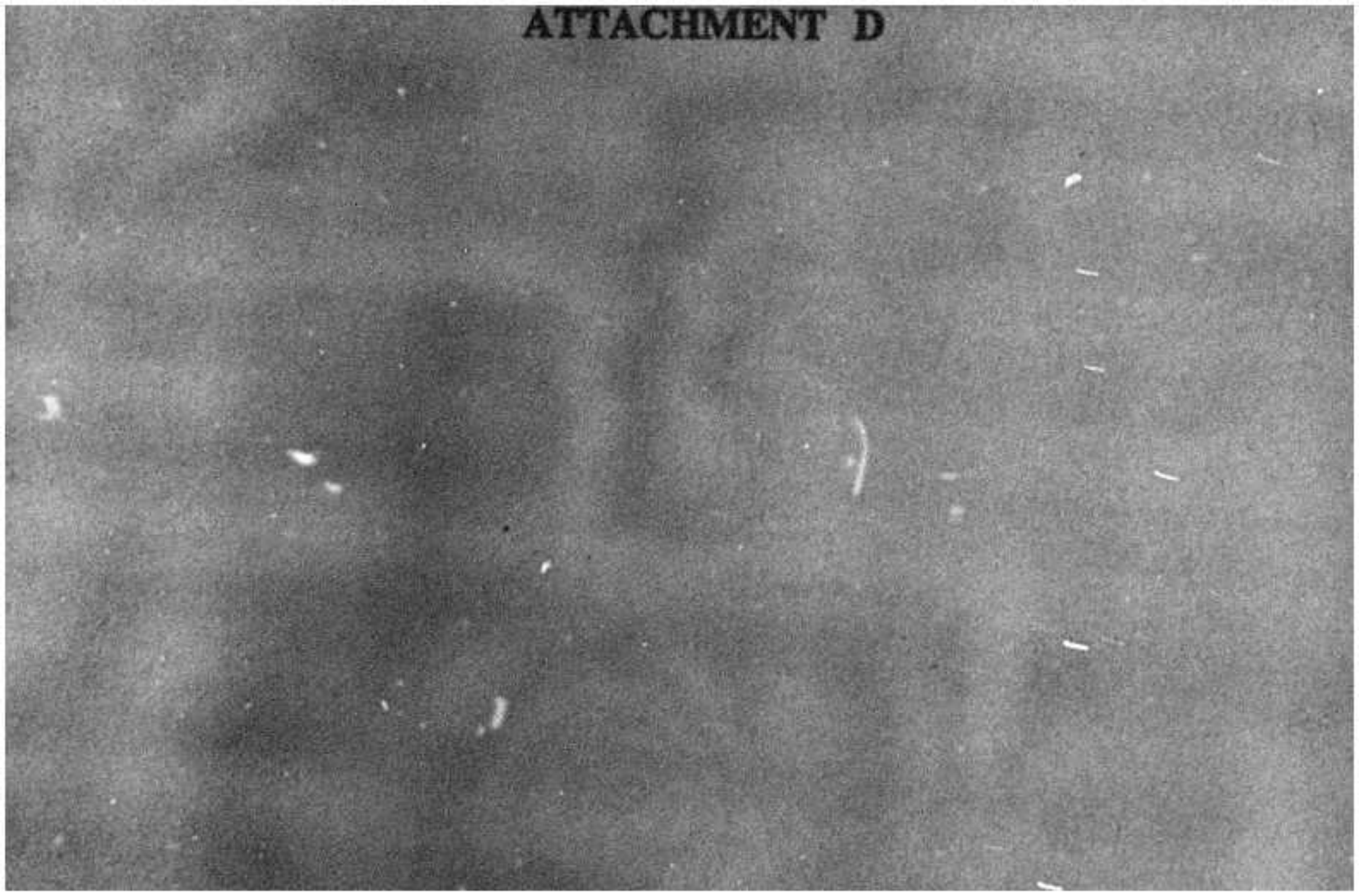
MFS Network  
Technologies, Inc.  
REMOVED  
(See Attachment B)



Pro Forma  
Transfer  
of  
Control!

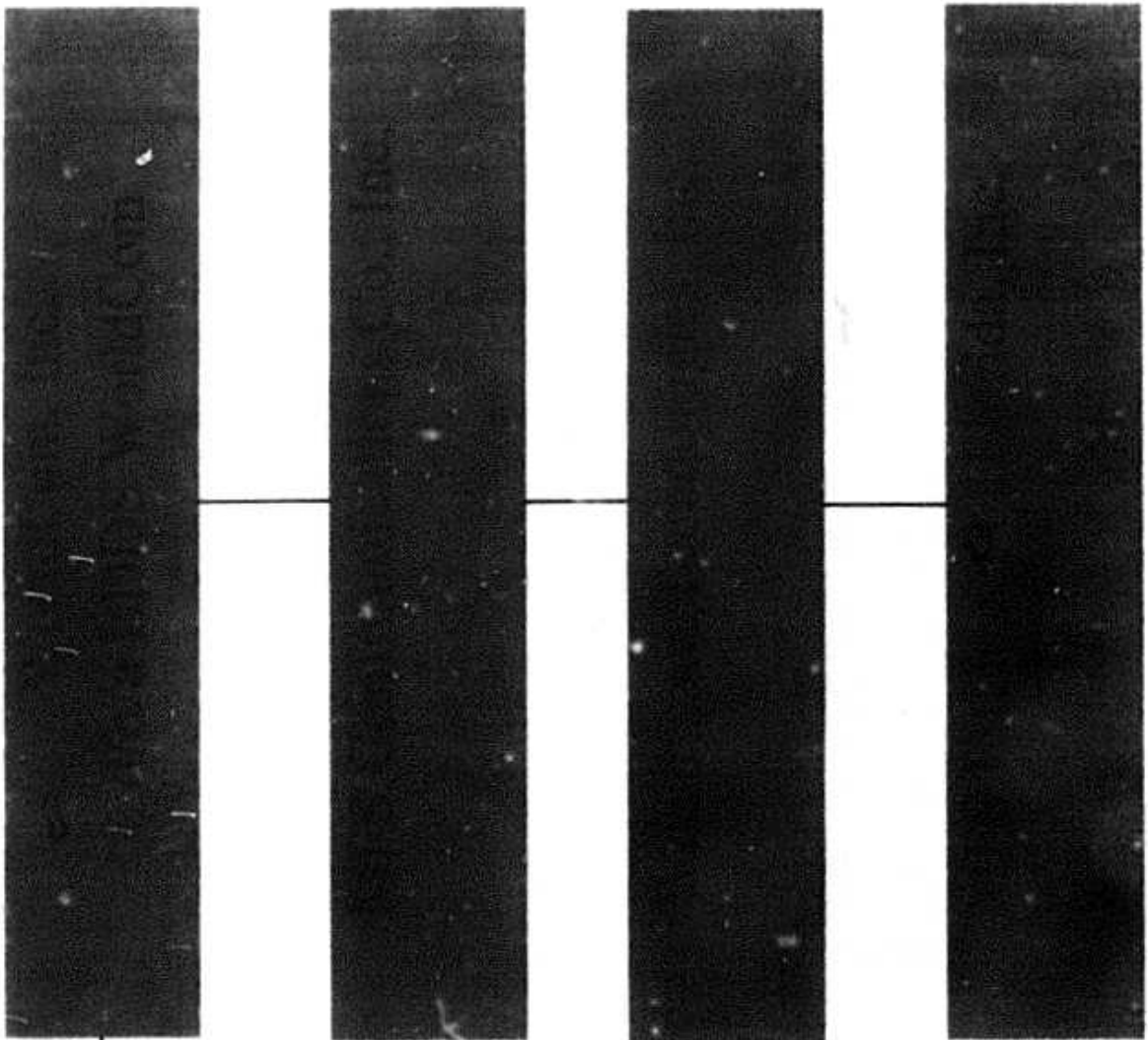


**ATTACHMENT D**





# ASPECT II



Transfer  
of Assets  
and  
Authorities



# ASPECT III

[REDACTED]

[REDACTED] MFS Comm. Co., Inc.

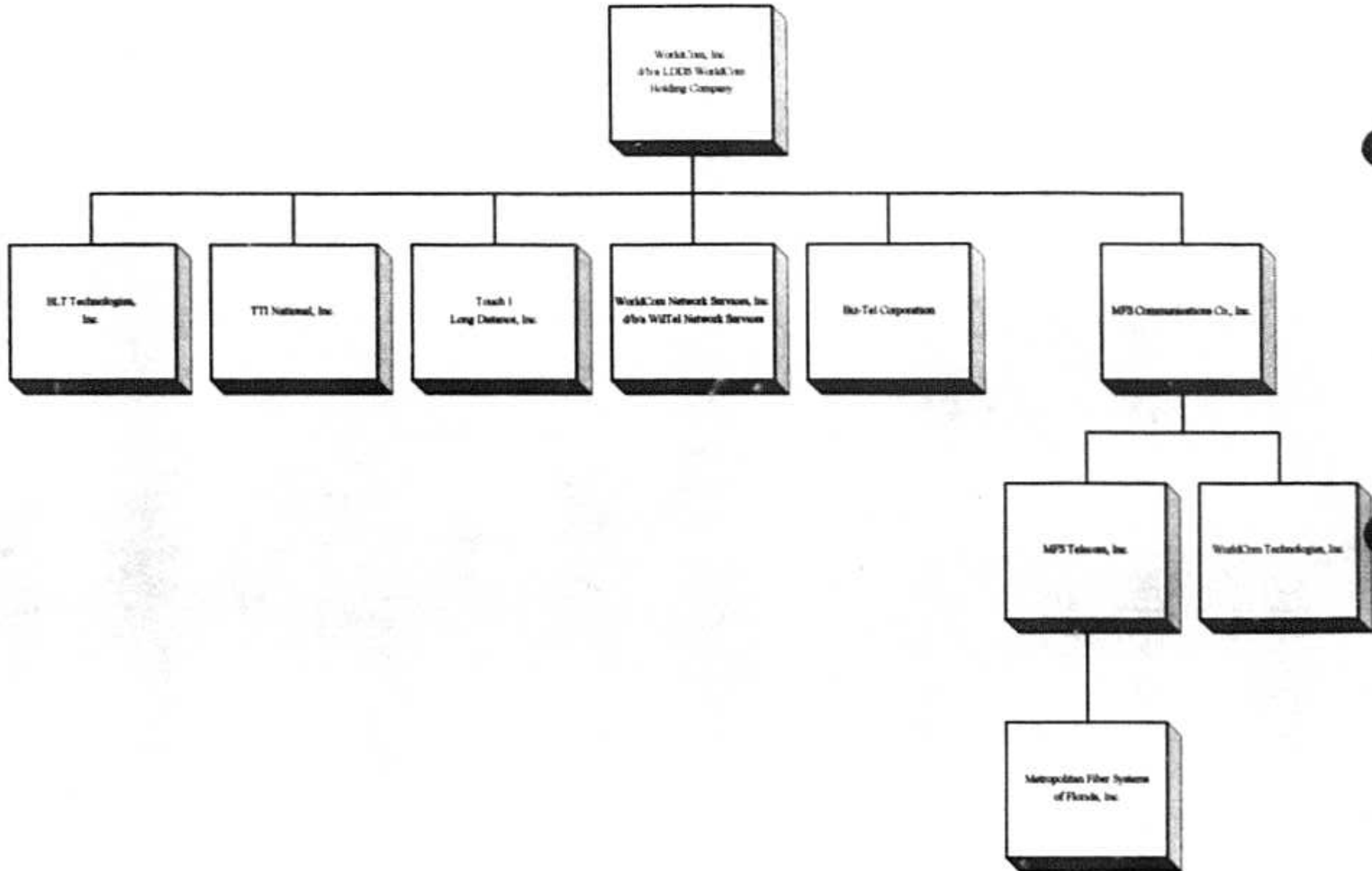
[REDACTED]

[REDACTED] MFS Telecenter of Florida, Inc.

Merger and  
Transfer  
of  
Authority



# Florida Corporate Structure Post Reorganization



State of Delaware  
**Office of the Secretary of State** PAGE 1

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I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "MFS INTELENET, INC.", CHANGING ITS NAME FROM "MFS INTELENET, INC." TO "WORLDCOM TECHNOLOGIES, INC.", FILED IN THIS OFFICE ON THE TWENTY-THIRD DAY OF JUNE, A.D. 1997, AT 11 O'CLOCK A.M.

A CERTIFIED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS FOR RECORDING.



  
Edward J. Freel, Secretary of State

2283958 8100  
871205857

AUTHENTICATION: 8524849  
DATE: 06-23-97

**CERTIFICATE OF AMENDMENT OF CERTIFICATE OF INCORPORATION  
OF  
MFS INTELLECT, INC.**

MFS Intellect, Inc. (hereinafter called the "Corporation"), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, does hereby certify:

I. The certificate of incorporation of the Corporation is hereby amended by striking out Article 1 thereof and by substituting in the lieu of said Article the following new Article:

"1. The name of the corporation is WorldCam Technologies, Inc."

II. The amendment of the certificate of incorporation herein certified has been duly adopted in accordance with the provisions of Sections 228 and 242 of the General Corporation Law of the State of Delaware.

Executed on the 23rd day of June 1997.

  
Scott D. Glover, Secretary

STATE OF DELAWARE  
SECRETARY OF STATE  
DIVISION OF CORPORATIONS  
FIXED 11:00 AM 06/23/1997  
97120487 - 2263958

# State of Florida



Department of State

I certify from the records of this office that WORLDCOM TECHNOLOGIES, INC. is a Delaware corporation authorized to transact business in the State of Florida, qualified on March 9, 1995.

The document number of this corporation is F95000001133.

I further certify that said corporation has paid all fees and penalties due this office through December 31, 1997, that its most recent annual report was filed on May 9, 1997, and its status is active.

I further certify that said corporation has not filed a Certificate of Withdrawal.

Given under my hand and the  
Great Seal of the State of Florida,  
at Tallahassee, the Capital, this the  
Seventeenth day of July, 1997



CR2EO22 (1-95)



Sandra B. Northam  
Secretary of State