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August 17, 2001

**BY OVERNIGHT DELIVERY**

Blanca S. Bayó  
Director, Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0870

011123-TJ

**Re: Notification of Potential Indirect Transfer of Control of Americatel Corporation**

Dear Ms. Bayó:

On behalf of Americatel Corporation ("Americatel"), this letter is provided to notify the Florida Public Service Commission ("Commission") of a proposed transaction at the holding company level whereby Pirelli S.p.A. ("Pirelli") will acquire, through Olimpia S.r.L. ("Olimpia"), an interest in Olivetti S.p.A. ("Olivetti"), and indirectly, Telecom Italia S.p.A. ("Telecom Italia") from Bell S.A. ("Bell") (the "Transaction"). The proposed Transaction, if it develops as expected, may lead to an indirect, *de facto*, transfer of control of Americatel. In Florida, Americatel has authorization to provide resale of interexchange telecommunications services as well as prepaid debit card service pursuant to Certificate No. 5313.

Although the identity of the largest single shareholder of Americatel's ultimate parent will change as a result of the Transaction, this Transaction will not involve any transfer of Americatel's certificates, assets or customers to a new entity. Americatel will continue to hold the authorization issued to it by the Commission and operate in Florida pursuant to that authorization under the same rates, terms and conditions. Accordingly, the proposed Transaction will be transparent to Americatel's Florida customers. Attached hereto as Exhibit A is a chart that illustrates that corporate structure of the parties immediately following consummation of the proposed Transaction.

Americatel respectfully requests expedited review of this filing and Commission approval, to the extent required, in order to permit them to complete the proposed Transaction.

DOCUMENT NUMBER-DATE

10237 AUG 20 01

FPSC-COMMISSION CLERK

### **Description of Americatel Corporation (Licensee)**

Americatel, Bell's indirect subsidiary, is a corporation organized under the laws of the State of Delaware with offices at 4045 N.W. 97<sup>th</sup> Avenue, Miami, Florida 33178. Serving the needs of customers with connections mainly to the Latin American and Caribbean regions. Americatel provides international and domestic long distance services, including casual calling (*i.e.*, "dial around") service, prepaid calling card service and Internet services. Americatel is authorized to provide U.S. international service pursuant to its Section 214 authorization.<sup>1</sup> In addition, Americatel provides domestic interexchange service pursuant to blanket Section 214 authority and provides domestic intrastate service pursuant to its various state authorizations. In Florida, Americatel has authorization to provide resale of interexchange telecommunications services as well as prepaid debit card service pursuant to Certificate No. 5313.

### **Description of Bell S.A. (Transferor Holding Company)**

Bell S.A. is a company incorporated under the laws of Luxembourg with its principal offices located at 7 Val Ste Croix, Luxembourg. Bell itself is not a telecommunications carrier. Bell currently holds a controlling 21.32 percent ownership interest in Olivetti, which, in turn owns a 54.94 percent ownership interest in Telecom Italia. Telecom Italia holds a 100 percent ownership interest in STET International Netherlands N.V. ("STET") which, in turn, holds a 54.76 percent ownership interest in Empresa Nacional de Telecomunicaciones S.A. ("ENTEL-Chile"). ENTEL-Chile owns a 100 percent ownership interest in ENTEL International B.V.I. Corporation ("Entel BVI") which, in turn, holds an 80 percent ownership interest in Americatel.

### **Description of Pirelli S.p.A. (Transferee Holding Company)**

Pirelli S.p.A., a corporation organized under the laws of Italy with its principal offices located at Viale Sarca 222, 20126 Milan, Italy, owns and controls the Pirelli Group's operations worldwide. Currently, the Pirelli Group's activities are focused on three core businesses: (1) energy cables and systems; (2) telecommunications cables and systems; and (3) tires. While Pirelli is currently a manufacturer of fiber optic cables, Pirelli is not a provider of telecommunications services and does not own or control any providers of telecommunications services. However, the purpose of Pirelli's proposed acquisition of an indirect interest in Olivetti, which in turn owns a majority of the outstanding voting shares of Telecom Italia, as described in greater detail below, is to refocus Pirelli's strategy on telecommunications services.

### **Description of Transaction**

Pirelli proposes to acquire, through a company jointly owned by Edizione Holding S.p.A.

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<sup>1</sup> See FCC File Nos. ITC-214-19970312-00146, ITC-214-19970421-00220, ITC-96-263, ITC-94-514, ITC-94-321, ITC-93-160-TC, ITC-92-166, and ITC-92-165.

("Edizione Holding"), the mentioned interest in Olivetti. Olivetti, in turn, controls Telecom Italia and Telecom Italia's operating subsidiaries, including Americatel. If the Transaction develops as described hereafter, it may lead to what can be considered an indirect, *de facto* control of Americatel.<sup>2</sup>

On July 30, 2001, Pirelli and Edizione Holding entered into a Purchase Agreement with Bell in which they agreed to purchase Olivetti shares and warrants, either directly or indirectly through a company to be jointly owned by Pirelli and Edizione Holding. On August 3, 2001, Olimpia was formed under the laws of the Republic of Italy for the purpose of acquiring the Olivetti shares and warrants. Pirelli has an 80 percent ownership interest in Olimpia, with Edizione owning the remaining 20 percent. Pursuant to the Shareholders Agreement dated as of August 7, 2001 (the "Shareholders Agreement"), between Pirelli and Edizione Holding, and certain restrictions therein, Pirelli will have the right to appoint eight of the ten members of Olimpia's Board of Directors, and Edizione Holding will appoint the other two. Pirelli's rights as the majority shareholder of Olimpia, however, are subject to certain limitations contained in the Shareholders Agreement.

Pursuant to the Purchase Agreement, Pirelli and Edizione Holding agreed to acquire from Bell, through Olimpia, a combination of Olivetti shares and warrants representing approximately 21.32 percent of the total number of ordinary shares of Olivetti reported outstanding as of August 9, 2001. In addition to the shares acquired pursuant to the Purchase Agreement, Pirelli and Edizione Holding also intend to transfer to Olimpia, Olivetti Shares presently owned by them representing 3.82 percent and 1.84 percent, respectively, of the total number of Olivetti Shares reported outstanding as of August 9, 2001. Therefore, upon closing of the Purchase Agreement (which is subject to European Union and other governmental approvals), the total number of Olivetti Shares to be held by Olimpia will represent approximately 26.9 percent of Olivetti Shares outstanding as of August 9, 2001, assuming that the Olivetti warrants are not exercised. In addition, Pirelli and Edizione Holding may become obligated under the Purchase Agreement to purchase from Bell within 300 days of the closing of the Transaction certain additional Olivetti Shares currently held by Banca di Roma. If such shares are purchased, the total number of Olivetti Shares owned by Olimpia will represent approximately 27.7 percent of Olivetti Shares outstanding as of August 9, 2001, assuming the Olivetti warrants are not exercised.

In the Purchase Agreement, Bell has agreed that on the closing date, certain directors of Olivetti and Telecom Italia will resign. As soon as practicable after the closing date, Olimpia

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<sup>2</sup> The conclusion that Pirelli could potentially be considered to acquire indirect control of Americatel is based solely on an analysis of the Commission's rules and regulations regarding transfers of control. The Applicant's conclusions as to the potential of this transaction to effectuate an indirect transfer of control of Americatel pursuant to the Commission's rules, however, is without prejudice to any different conclusions that Applicant may reach pursuant to an analysis of the rules and regulations of any other jurisdictions.

will take the necessary action to convene a meeting of the shareholders of Olivetti at which Olimpia will seek to elect its nominees to fill all the vacancies created by the Olivetti director resignations. Under Italian law and Olivetti's organizational documents, the affirmative vote of the holders of a majority of the ordinary shares of Olivetti present at a shareholders meeting is required to elect Olivetti directors.

If Olimpia's nominees are elected to the Olivetti Board of Directors, it is anticipated that, as soon as practicable thereafter, Olivetti will take the necessary action to convene a meeting of the shareholders of Telecom Italia at which Olivetti will seek to elect its nominees to fill all vacancies created by the Telecom Italia director resignations. Under Italian law and Telecom Italia's organizational documents, all but one of Telecom Italia's directors may be elected by an affirmative vote of the holders of a majority of the Telecom Italia shares present at a shareholders meeting. At that meeting, by virtue of its ownership of a majority of Telecom Italia's shares (based on the total number of shares reported outstanding as of August 9, 2001), Olivetti will have sufficient voting power to elect its nominees to the Telecom Italia Board of Directors. If the elections of directors of Olivetti and Telecom Italia proceed as described, it is anticipated that after the closing date, the following individuals will comprise the senior management of Olivetti and Telecom Italia: Marco Tronchetti Provera, the Chairman of Pirelli, as Chairman; Gilberto Benetton, the Chairman of Edizione Holding, as Deputy Chairman; and Carlo Buora, the Managing Director of Pirelli, as a Managing Director.

As a result of the Transaction, assuming the election of Olimpia's nominees to the Board of Directors of each of Olivetti and Telecom Italia as described above (which, in turn, presumes that the relative size of the interests of other shareholders in Olivetti does not change substantially) and subject to the provisions of the Shareholders Agreement, Pirelli could potentially be considered as *de facto* controlling Olivetti, Telecom Italia, and thus Americatel. Accordingly, the Applicant hereby notifies the Commission of the potential indirect transfer of *de facto* control of Americatel to Pirelli as described above.

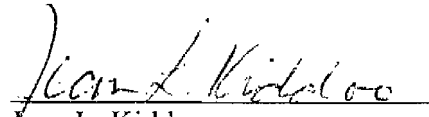
#### **Public Interest Statement**

Consummation of the proposed Transaction will serve the public interest. As a result of the proposed Transaction, Americatel will become affiliated with an entity (Pirelli) that has the management experience, workforce and means that will strengthen Americatel's ability to bring competitive integrated telecommunications services to consumers in the United States. The proposed Transaction will allow Americatel to manage its telecommunications operations more efficiently, thereby permitting greater investment in facilities, customer service and technological innovation. The Transaction will result in a company better equipped to accelerate its growth as a competitive telecommunications provider. In addition, the proposed Transaction will be consummated in a seamless fashion, will be transparent to customers, and will not in any way inconvenience or cause harm to any of Americatel's customers.

**CONCLUSION**

Americatel respectfully requests expedited review of this filing and Commission approval, to the extent required, in order to permit completion of the proposed Transaction. An original and six (6) copies of this letter are enclosed. Please date-stamp the enclosed extra copy of this filing and return it in the attached self-addressed, stamped envelope.

Respectfully submitted,



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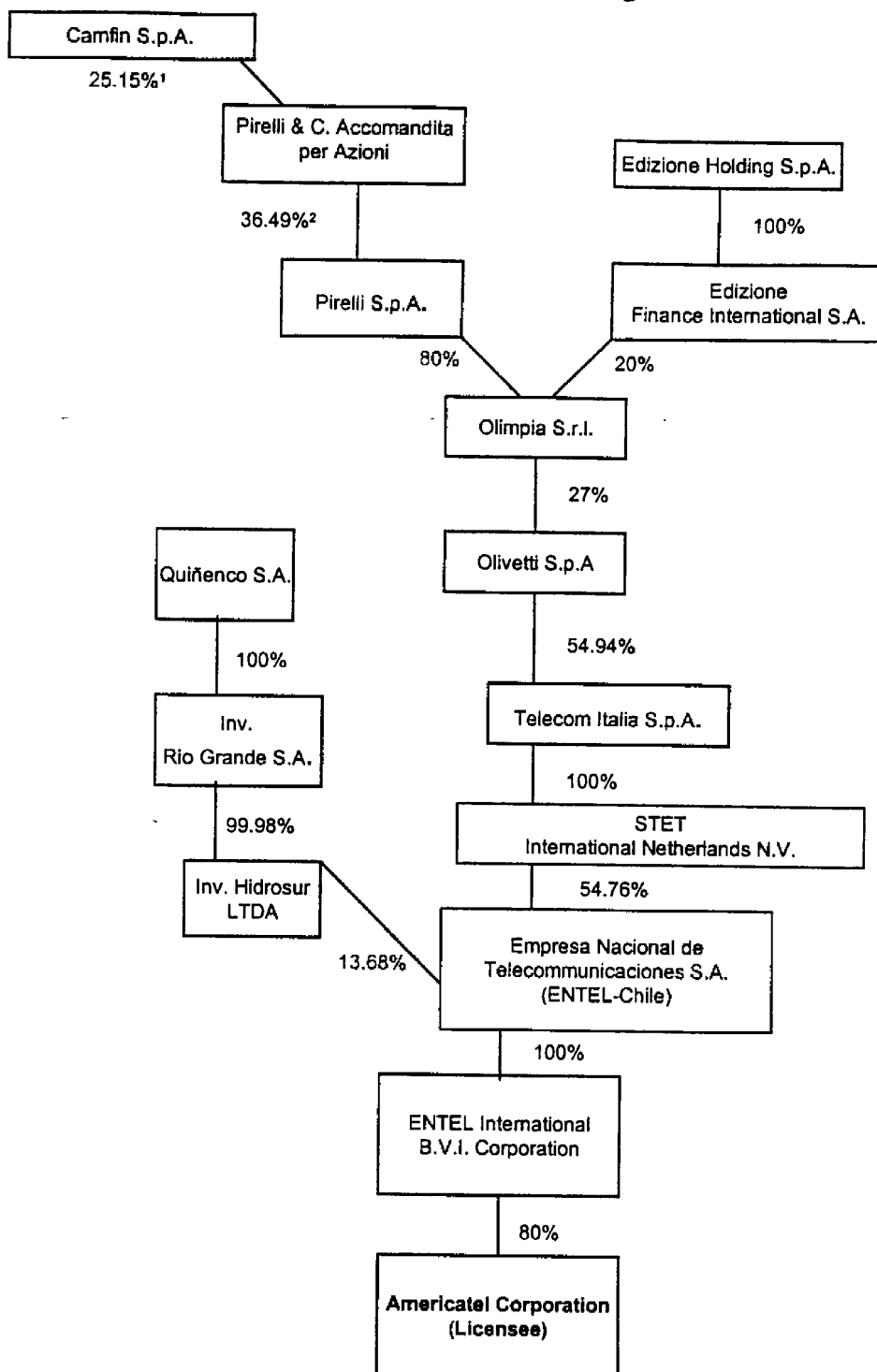
**Attachment**

cc: Thomas Williams (FPSC)  
Denisse Becerra (Americatel)

**EXHIBIT A**

**Organizational Chart of Transaction Depicting Post-Transaction Corporate Structure**

## Bell/Pirelli Potential Indirect Transfer of Control of Americatel Corporation Post-Closing



<sup>1</sup>Camfin S.p.A. is indirectly controlled by Marco Tronchetti Provera, an Italian citizen.

<sup>2</sup>Approximately 39.8% disregarding Pirelli's ownership of approximately 8.51% of its share capital. Intervening subsidiaries not included.

**VERIFICATION**

I hereby declare on behalf of Americatel Corporation that statements in the foregoing Application with respect to Americatel Corporation, and the proposed transfer of control for which Commission approval is sought, are true and correct to the best of my knowledge, information and belief.

I declare under penalty of perjury that the foregoing is true and correct.

SIGNATURE:

NAME:

Alejandro Vargas

TITLE:

VP and Corporate Senior Counsel

DATE:

8-15-2001



**VERIFICATION**

I hereby declare on behalf of Pirelli S.p.A. that statements in the foregoing Application with respect to Pirelli S.p.A., and the proposed transfer of control for which Commission approval is sought, are true and correct to the best of my knowledge, information and belief.

I declare under penalty of perjury that the foregoing is true and correct.

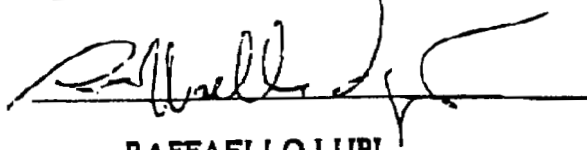
SIGNATURE: Luciano Sodi  
NAME: SODI LUCIANO  
TITLE: LEGAL COUNSEL  
DATE: August 15, 2001

**VERIFICATION**

I hereby declare on behalf of Bell S.A. that statements in the foregoing Application with respect to Bell S.A., and the proposed transfer of control for which Commission approval is sought, are true and correct to the best of my knowledge, information and belief.

I declare under penalty of perjury that the foregoing is true and correct.

SIGNATURE:



NAME:

RAFFAELLO LUPI

TITLE:

Chairman of the Board of Directors

DATE:

August 17, 2001