

Timolyn Henry

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**From:** LoMonte, Frank D. [Frank.LoMonte@sablaw.com]  
**Sent:** Thursday, September 08, 2005 4:30 PM  
**To:** Filings@psc.state.fl.us  
**Subject:** Application of MCI, Inc. for Approval of Merger and Transfer of Certificate [new docket - no docket number assigned] - 9-8-05  
**Attachments:** MCI application; Exhibit 1; Exhibit 2; Exhibit 3; Exhibit 4

**Please find attached, on behalf of MCI, Inc., the following documents submitted for filing with the Commission on this date:**

**The Application of MCI, Inc., for Approval of Merger and Transfer of Certificate of Public Convenience and Necessity, and Certificate of Service [7 pages]**

Exhibit 1 [1 page] 08533-05  
Exhibit 2 [1 page] 08534-05  
Exhibit 3 [1 page] 08535-05  
Exhibit 4 [1 page] 08536-05

**Please call me if there are any questions or problems regarding this filing.  
Thank you,**

**Frank D. LoMonte  
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<<MCI application>> <<Exhibit 1>> <<Exhibit 2>> <<Exhibit 3>> <<Exhibit 4>>

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ORIGINAL

BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

In Re: )  
Application of MCI, Inc. )  
for Grant of the Authority Necessary )  
for the Merger and Transfer of )  
Certificate of Public Convenience and )  
Necessity of Southernnet, Inc. to )  
Teleconnect Long Distance Services and )  
Systems Co. )

Docket No. \_\_\_\_\_

**APPLICATION FOR APPROVAL OF MERGER AND TRANSFER OF  
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY**

MCI, Inc. ("MCI"), by its undersigned counsel, and on behalf of its subsidiaries Southernnet, Inc. ("Southernnet") and Teleconnect Long Distance Services and Systems Co. ("Teleconnect" and together with Southernnet, "MCI"), hereby requests pursuant to Fla. Stat. § 364.345 that the Commission grant such authority as may be necessary or required for the merger and transfer of Certificate of Public Convenience and Necessity of Southernnet to Teleconnect. The merger is another step in MCI's effort to streamline its corporate structure, achieve cost savings and eliminate any administrative duplication. The merger is expected to be completed by December 31, 2005.

**A. Description of the Applicant, MCI**

MCI is a corporation created and existing under the laws of the State of Delaware, with its principal office located at 22001 Loudoun County Parkway, Ashburn, Virginia 20147. Through various operating subsidiaries, including Southernnet and Teleconnect,

MCI provides international and domestic interstate, intrastate and local telecommunications services. MCI is the parent company of various operating subsidiaries and offers no services directly to the public and holds no certificates of public convenience and necessity issued by the Commission.

Southernnet, Inc. is a Georgia corporation with its principal office located at 22001 Loudoun County Parkway, Ashburn, Virginia 20147. Southernnet is as a reseller of interexchange services in 10 states, including Florida, and operates under the Telecom\*USA brand.

Teleconnect Long Distance Services and Systems Co. is an Iowa corporation with its principal office located at 22001 Loudoun County Parkway, Ashburn, Virginia 20147. Teleconnect is authorized to provide resold interexchange service in 37 states and also operates under the Telecom\*USA brand.

**B. Contact Information**

Correspondence concerning this application may be directed to:

David I. Adelman, Esq.  
Frank D. LoMonte, Esq.  
Sutherland Asbill & Brennan LLP  
999 Peachtree Street, NE  
Atlanta, Georgia 30309  
(404) 853-8000 phone  
(404) 853-8806 fax  
david.adelman@sablaw.com  
frank.lomonte@sablaw.com

With a copy to:

Leigh Ann Cox, Manager  
MCI, Inc.  
500 Clinton Center Drive  
Building 3, 3<sup>rd</sup> Floor  
Clinton, MS 39056  
Phone: (601) 460-8968  
Fax: (601) 460-8971  
Email: [leigh.ann.cox@mci.com](mailto:leigh.ann.cox@mci.com)

**C. Description of Proposed Merger**

The merger is an essential aspect of MCI's continued plans to streamline its corporate structure and allow it to operate in a more efficient manner. The merger will result in Southernnet's assets, which are primarily operator service and transactional services and which include a small number of presubscribed customers, being merged with those of Teleconnect. As shown in Exhibits 1 and 2, Southernnet will be merged into Teleconnect. MCI, the ultimate parent of both companies, will retain control of the surviving subsidiary, Teleconnect. Southernnet currently provides services to a limited number of customers, approximately 35 in Florida on a presubscribed basis. In addition, Southernnet predominately provides service on a transaction basis using dial around numbers such as 1010321 and 1010220. Customers using these transactional services do not have to be presubscribed to Southernnet to take advantage of these offerings. The merger and subsequent transfer of the relatively few presubscribed

customers will not adversely affect the provision of interexchange services in Florida. The affected customers will receive a notice of the merger, a copy of which is attached as Exhibit 3. Customers will receive the same services at the same high quality from Teleconnect that they currently receive from Southernnet. Upon consummation of the merger, Teleconnect will file revise Southernnet's tariffs to reflect the Teleconnect name. No changes will be made to the rates, terms and conditions or service offerings; only the name will change, and all branding will still remain Telecom\*USA, making the merger transparent to the customer and anyone utilizing dial-around services.

**D. Request for Transfer of Certificate of Public Convenience and Necessity to Teleconnect**

Since the two companies are corporate affiliates providing the same services and utilizing the same business plan and brand, MCI requests that Southernnet's existing Certificate of Public Convenience and Necessity<sup>1</sup> be transferred to Teleconnect<sup>2</sup> so that Teleconnect may commence providing telecommunication services to Southernnet's customers immediately upon consummation of the merger. The result of the merger and transfer of certificate be seamless to Southernnet's customers. Southernnet's 35 presubscribed Florida customers will continue to receive the same services, at the

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<sup>1</sup> Southernnet holds Reseller Certificate of Authority No. 47, issued by the Commission.

<sup>2</sup> A copy of Teleconnect's certificate of authority to transact business in Florida is attached. If the Commission determines that a transfer of Southernnet's existing Certificate of Public Convenience and Necessity is not appropriate, MCI respectfully requests that the Commission treat this Application as a request for new authority for Teleconnect.



Sutherland Asbill & Brennan LLP  
999 Peachtree Street, NE  
Atlanta, Georgia 30309  
(404) 853-8000

*Counsel for MCI, Inc.*



**BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION**

**In Re:** )  
**Application of MCI, Inc.** )  
**for Grant of the Authority Necessary** )  
**for the Merger and Transfer of** )  
**Certificate of Public Convenience and** )  
**Necessity of Southernnet, Inc. to** )  
**Teleconnect Long Distance Services and** )  
**Systems Co.** )

**Docket No.** \_\_\_\_\_

**CERTIFICATE OF SERVICE**

I hereby certify that I have served the following parties with the foregoing  
**Application of MCI, Inc. for Grant of the Authority Necessary for the Merger and  
Transfer of Certificate of Public Convenience and Necessity of Southernnet, Inc. to  
Teleconnect Long Distance Services and Systems Co.**, by depositing a copy of same in  
the United States Mail, first class postage paid, and addressed as follows, unless  
otherwise noted:

Beth Keating  
Staff Counsel  
Florida Public Service Commission  
Division of Legal Services  
25430 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850  
[bkeating@psc.state.fl.us](mailto:bkeating@psc.state.fl.us)

This 8<sup>th</sup> day of September, 2005.

\_\_\_\_\_  
/s/  
C. Everett Boyd, Jr., Esq.