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July 17, 2008

Ann Cole, Commission Clerk  
Office of Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

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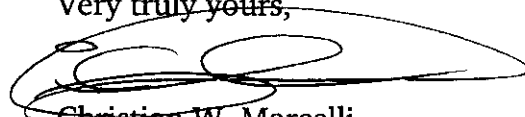
RE: Notice of Intent to File Petition of ITS Telecommunications Systems, Inc. for approval of the transfer of controlling stock interest in ITS Telecommunications Systems, Inc.  
Our File No.: 43016.01

Dear Ms. Cole:

Pursuant to Rule 25-4.005, Florida Administrative Code, and on behalf of ITS Telecommunications Systems, Inc., I am writing to notify you that ITS Telecommunications Systems, Inc., intends to file the attached Petition with the Florida Public Service Commission in the near future. No customers will be affected by this change. I will send an executed copy of the Petition to you when it is filed.

Please do not hesitate to call me at the number shown above if you have any questions or concerns about this notice.

Very truly yours,



Christian W. Marcelli  
Of Counsel

CWM/tlc  
Enclosures

BEFORE THE PUBLIC SERVICE COMMISSION

Petition For Approval Of Transfer of  
Controlling Stock Interest In  
ITS Telecommunications Systems, Inc.,  
Cancellation of PATS Certificate No. 7551,  
And Waiver of Carrier Selection Requirements

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

**PETITION FOR APPROVAL OF TRANSFER  
OF CONTROLLING STOCK INTEREST IN  
ITS TELECOMMUNICATIONS SYSTEMS, INC.,  
CANCELLATION OF PATS CERTIFICATE, AND  
WAIVER OF CARRIER SELECTION REQUIREMENTS**

1. To the extent required by section 364.33, Florida Statutes, ITS Telecommunications Systems, Inc. ("ITS") hereby requests approval of the indirect transfer of control of telecommunications facilities from Postco, Inc. ("Postco") to Indiantown Utility Company, LLC ("IUC") resulting from the Stock Purchase Agreement (the "Agreement") executed on June 2, 2008. A copy of the Agreement is attached hereto as Exhibit "A".

2. The transaction detailed in the Agreement is a stock transaction and does not affect the ownership or operation of ITS's assets.<sup>1</sup> As such, the transaction will be transparent and seamless to consumers of ITS. ITS will continue to provide service just as it did before the transaction.

3. No transfer of assets or certificates held by ITS will be required by or result from the stock purchase transaction. No tariffs will be amended. No change in control of any kind will

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<sup>1</sup> In addition to ITS Telecommunications Systems, Inc. (holder of Local Exchange Telecommunications Certificate No. 30, Alternative Local Exchange Telecommunications Certificate No. 4873, Pay Telephone Service Certificate No. 7551 and IXC Registration TK 162), the transaction involves the transfer of Arrow Communications, Inc., holder of IXC Certificate No. 3498. No request is made for approval of transfer of such companies and/or certificates that are not required pursuant to Florida Statutes.

occur as to ITS or any of Postco's subsidiaries that are certificated in Florida. As such, ITS will continue to have the requisite managerial, technical and financial ability to provide the services that it currently provides.

4. Upon completion of the transaction, this Commission will retain the same regulatory authority over ITS that it possesses today. As a result, the Commission will be able to ensure high quality service at just and reasonable rates after the closing of the Agreement as it does today.

5. This indirect transfer of control of facilities and operations is in the public interest. ITS was previously controlled by Robert M. Post, Jr., who died in 2007. In connection with wrapping up his estate, the business entities he formerly controlled are being disposed of. The acquisition by IUC of the shares of stock in ITS will not result in any change in management or operation of ITS, and the expertise of existing management will remain in place. IUC has access to extensive resources to fund any needed capital costs of ITS. Buyer will provide to Staff appropriate financial statements upon request. By combining ITS's management approach and regulatory and operational expertise with the financial resources and support of IUC, ITS will continue to have the ability to provide consistent and uninterrupted service to its customers.

6. The proposed transaction does not affect the Commission's powers with respect to the rates and services of the Applicant or the authority of other governmental agencies as to ITS's services or facilities. Thus, the proposed transaction will not have any adverse effect upon ITS or its services.

7. ITS respectfully requests that the Commission give this Application expedited consideration.

#### THE PARTIES

8. ITS Telecommunications Systems Inc. (*i.e.*, ITS) is a Florida corporation certificated by this Commission to provide local exchange services (ILEC Certificate No. 30, ALEC Certificate No. 4873) and pay telephone services (PATS Certificate No. 7551), and is a wholly-owned subsidiary of Postco. ITS's principal business address is 15925 S.W. Warfield Blvd., Indiantown, FL 34956. Although the transaction described herein contemplates the transfer of the majority organizational control of ITS, Section 364.337, Florida Statutes, exempts competitive local exchange telecommunications companies from obtaining approval of the transfer of such certificates. As such, the transfer of such certificate does not require approval, and ITS does not request such approval.

9. Arrow Communications, Inc. ("Arrow") is a Florida corporation certificated by this Commission to provide interexchange telecommunications services (IXC Certificate No. 3498). Although the transaction described herein contemplates the transfer of the majority organizational control of Arrow, Section 364.02(14), Florida Statutes, exempts interexchange telecommunications companies from the requirement of Commission approval for such a transfer of majority organizational control and, as such, no approval is requested. Arrow desires to retain its IXC Certificate and Registration without change or modification in registration, name, operations, tariffs or services offered. The inclusion of Arrow in this Application is merely as a courtesy to notify the Commission of such a transfer.

## REQUIREMENTS FOR APPROVAL OF TRANSFER OF CONTROL

10. Section 364.33, Florida Statutes, grants the Commission authority to approve a transfer of control of telecommunications facilities for the purpose of providing service to Florida customers.

11. Section 364.33 does not apply to competitive local exchange carriers ("CLECs"). Likewise, intrastate interexchange carriers ("IXCs") are exempt from this statutory requirement pursuant to Section 364.02(14)(g), Florida Statutes. Though the transfer of a pay telephone service certificate requires Commission approval, ITS requests cancellation of its PATS Certificate (See Paragraph 22, below).

12. In light of these provisions, this Commission's approval should be required only as to the indirect transfer of control of the facilities and operations of ITS Telecommunications Systems, Inc. with respect to its ILEC certificate.

13. In determining whether to approve a transfer pursuant to Section 364.33, Florida Statutes, the Commission has stated that its review of the public interest includes review of the management, technical and financial capability of the companies within the framework of Chapter 364, Florida Statutes.<sup>2</sup>

## MANAGERIAL, TECHNICAL AND FINANCIAL ABILITY

14. ITS has a seasoned management team with many years of experience in the telecommunications industry. Its customer services staff and the local operating staff are also well experienced in their areas of operations. There are no plans to change either the

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<sup>2</sup> See Order No. PSC-06-0531-PAA-TP, Joint Application for Approval of Indirect Transfer of Control of Facilities Relating to Merger of AT&T Inc. and BellSouth Corporation, Docket No. 060308-TP (issued June 23, 2006).

management team or the customer services staff as a result of the proposed transaction. ITS will continue to be managed and operated by the same officers and personnel that currently run their operations. The Applicant will continue to receive the same support from its corporate parent after the closing of the proposed transaction as they do today. Attached hereto as Exhibit "B" is a list of the officers and managers (and the number of years of experience they have in the industry) that will remain in managerial and technical positions with the newly established holding company.

15. ITS has an experienced technical team that it will maintain, as indicated in Exhibit "B" attached hereto. The subject transaction does not affect the technical capabilities of ITS or any of the telecommunications subsidiaries, and ITS will maintain the same technical capabilities it possesses today. All equipment, buildings, systems, software licenses and other assets owned by and used by ITS in the provision of its service will remain with ITS with no change in status or ownership.

16. Following the transfer of control, ITS will continue to own or have arrangements to use all of the necessary network assets and ordering, provisioning, billing and customer care capabilities required to continue to provide excellent quality telecommunications services.

17. Upon transfer of majority organizational control, ITS will be financially capable of fulfilling all of the requirements of a telecommunications utility. This capability will be unaffected by the change in corporate parent. The post-closing parent company of ITS will possess the financial capability to allow ITS to provide high quality communications services to its consumers. Buyer will provide to Staff appropriate financial statements.

18. The post-closing capital structure of ITS will be substantially similar to its pre-closing capital structure. ITS is unaware of any factors that would make its current capital structure

and/or equity ratio unreasonable. Nor is ITS aware of any circumstances that would suggest that IUC's ability to finance ITS is anything but reasonable to maintain its high level of quality telecommunications services.

19. As noted in Paragraphs 2 and 3, above, this transaction will be completely transparent and seamless to ITS's customers.

20. All of the above facts demonstrate that ITS will maintain the requisite managerial, technical and financial capabilities to fully support its operations subsequent to the transfer of majority organizational control. As such, this Commission should find that the requested approval for transfer is within the public interest.

#### REQUEST FOR WAIVER OF CARRIER SELECTION RULES

21. To the extent necessary under Rule 25-4.118, Florida Administrative Code, ITS requests a waiver of such carrier selection requirements or, in the alternative, a determination that Rule 25-4.118 does not apply when a transfer of majority organizational control does not affect the name or structure of the carrier and/or service providers involved. As noted in Paragraphs 2, 3 and 19, this transaction is transparent and seamless to customers, and as such, carrier selection requirements should be waived or ruled inapplicable.

#### CANCELLATION OF CERTIFICATE NO. 7551 FOR PAY TELEPHONE SERVICE

22. Pursuant to Rule 25-24.514(2), ITS requests the voluntary cancellation of its PATS Certificate No. 7551. The regulatory assessment fees are current and none are further due at the time of this Petition. ITS requests this cancellation because it no longer provides any pay telephone services.

CONCLUSION

For the foregoing reasons, ITS has demonstrated that the transfer of majority organizational control as a result of the Stock Purchase Agreement, Request for Waiver of Carrier Selection Rules and voluntary cancellation of ITS's PATS certificate are in the public interest.

Respectfully submitted on this  
\_\_\_\_\_ day of July, 2008, by:

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By: \_\_\_\_\_  
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