

Morgan Lewis

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March 10, 2016

Via Electronic Filing

Carlotta Stauffer, Commission Clerk
Florida Public Utilities Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Notification of a Proposed Transfer of Control of DSCI, LLC to U.S. TelePacific Corp.

Dear Ms. Stauffer,

DSCI Holdings Corporation (“Parent”), DSCI, LLC, and U.S. TelePacific Corp. (“TelePacific”) (collectively, the “Parties”), by undersigned counsel, notify the Florida Public Utilities Commission (the “Commission”) of the proposed transfer of control of DSCI, LLC to U.S. TelePacific Corp (the “Transaction”). It is the Parties’ understanding that Commission approval is not required to complete the transaction described herein. Accordingly, the Parties submit this letter for informational purposes.

Description of the Parties

A. DSCI Holdings Corporation and DSCI, LLC

Parent is a privately held Massachusetts corporation and DSCI, LLC is a privately held Delaware limited liability company. Both Parent and DSCI, LLC have their principal offices located at 303 Wyman Street, Suite 350, Waltham, MA 02451. DSCI, LLC is a competitive local exchange carrier and provider of hosted communications, managed IT and connectivity services. In Florida, DSCI, LLC is authorized to provide resold competitive local exchange services pursuant to CLEC Certificate No. 8739, granted by the Commission in Docket No. 080527-TX on November 18, 2008, as assigned to DSCI, LLC in Docket No. 160031-TX on March 1, 2016.

B. U.S. TelePacific Corp.

TelePacific is a California corporation with its headquarters located at 515 S. Flower Street, 47th Floor, Los Angeles, California 90071-2201. TelePacific Managed Services (“Merger Sub”) is a California corporation and wholly-owned subsidiary of TelePacific.

TelePacific provides facilities-based business communications services, including local, long distance, data and Internet services to small-to-medium sized businesses in California, Nevada and Texas. TelePacific's affiliate Mpower Communications Corp., a Nevada corporation, also serves customers in Nevada and California; TelePacific's its affiliate Arrival Communications, Inc., a Delaware corporation, serves customers in California; TelePacific's affiliate TelePacific Communications Co. f/k/a Tel West Network Services Corporation, a Washington corporation, serves customers in Texas. TelePacific and its affiliates are also authorized by the FCC to provide international and domestic interstate services as non-dominant carriers. With thousands of customers, TelePacific is one of the largest telecommunications companies headquartered in California.

TelePacific is a wholly owned subsidiary of U.S. TelePacific Holdings Corp. ("TPAC Holdings"). The following entities currently own 10 percent or more of TPAC Holdings:

Investcorp S.A.: Investcorp S.A.'s 39.6% interest is held indirectly through control of various corporations. Of these corporations, only TelePacific Equity Limited individually owns or controls more than 10% of TPAC Holdings. Investcorp is a private equity investor with three business areas: corporate investment in the US, Europe, and the Gulf; real estate investment in the US; and global hedge funds.

Clarity Partners, L.P.: Clarity Partners, L.P. and certain affiliated entities collectively hold 23.97% of TPAC Holdings. Headquartered in Los Angeles, Clarity Partners, L.P. is a private equity fund focused on communications, media and business service sectors.

TelePacific has sufficient financial qualifications to consummate the Transaction and to provide adequate working capital to meet the operational needs of DSCI, LLC for the foreseeable future. TelePacific has obtained financing commitments that will enable it to consummate the Transaction.

Designated Contacts

Questions, correspondence or other communications concerning this filing should be directed to:

For U.S. TelePacific Corp.:

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With a copy to:

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For DSCI Holdings Corporation and DSCI,
LLC:

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With a copy to:

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Description of the Transaction

Pursuant to an Agreement and Plan of Merger (“Agreement”) dated March 1, 2016, TelePacific will acquire ownership and control of DSCI, LLC by merging Merger Sub with and into DSCI, LLC, with DSCI, LLC surviving the merger as a wholly owned subsidiary of TelePacific. As a result, immediately following the consummation of the Transaction, DSCI, LLC will be a direct, wholly owned subsidiary of TelePacific. For the Commission’s reference pre- and post-transaction organization charts are provided as Exhibit A.

Following the proposed Transaction, DSCI, LLC’s customers will remain customers of DSCI, LLC and will continue to receive services under the same rates, terms and conditions as those services are presently provided to them. As a result, the Transaction will be virtually transparent to DSCI, LLC’s customers. The only change resulting from the Transaction will be that DSCI, LLC will be a direct, wholly owned subsidiary of TelePacific, which is already well qualified to control the continuing operations of DSCI, LLC.

The Transaction will not result in any assignment of licenses or assets, trigger any Federal or state anti-slamming or bulk customer transfer rules (because the certificated, customer-facing service provider will be unchanged), or adversely affect the market for telecommunications services in the State of Florida. The Transaction also will not adversely affect competition for the provision of telecommunications in the State of Florida because all of the customers served by DSCI, LLC have, and following consummation of the Transaction will continue to have, access to multiple competitive alternatives.

While the Transaction will result in changes in the equity ownership of DSCI, LLC, it is not expected to change or affect the day-to-day operations of DSCI, LLC. The Parties anticipate customers will benefit from the availability of additional management expertise following the acquisition by TelePacific. The post-Transaction management of DSCI, LLC will be able to draw upon the substantial experience in the telecommunications industry of the current management team of TelePacific.

Public Interest Considerations

The proposed Transaction will serve the public interest in promoting competition among telecommunications providers. The proposed Transaction will enhance the ability of TelePacific and DSCI, LLC to expand their respective operations both in terms of service area coverage and through the ability of each entity to offer customers an expanded line of products and services. As a result, the Parties believe the combined companies will be able to compete more effectively against incumbent carriers and larger competitive carriers. DSCI, LLC will continue to be operated by highly experienced, well-qualified management, operating and technical personnel. DSCI, LLC will also have access to the financial, operational and managerial resources of TelePacific, and such support will strengthen their competitive position. Such support will strengthen the competitive position of DSCI, LLC to the benefit of the telecommunications marketplace in Florida.

DSCI, LLC will continue to offer competitive and innovative products following the Transaction at the same rates and on the same terms and conditions as currently provided (subject to future changes pursuant to applicable law and contract provisions). The Transaction is expected to be transparent to customers of DSCI, LLC and is not expected to result in the discontinuance, reduction, loss or impairment of service to any customer. Ultimately, the Transaction will benefit customers by enabling DSCI, LLC to become a stronger competitor in its market.

* * * *

Please acknowledge receipt and acceptance of this filing. Should you have any questions regarding this filing, please do not hesitate to contact us.

Respectfully submitted,



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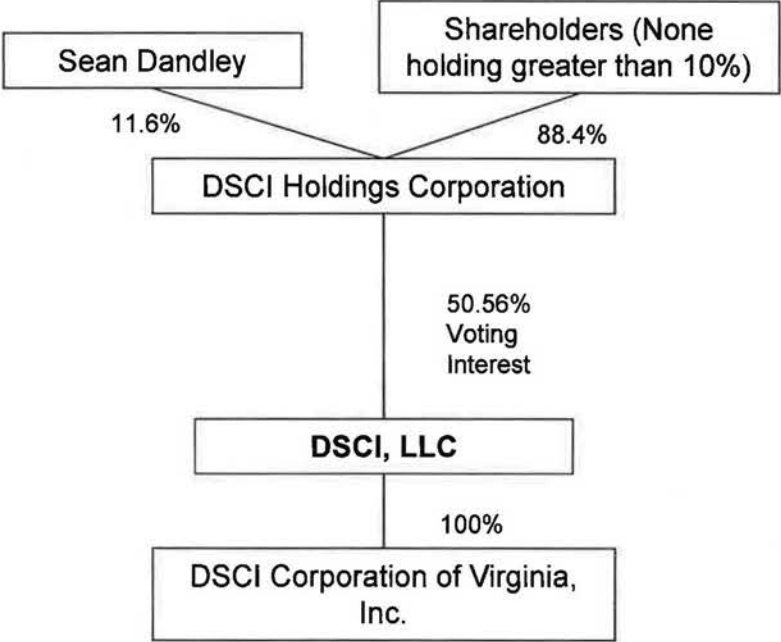
Attorneys for U.S. TelePacific Corp.

EXHIBIT A

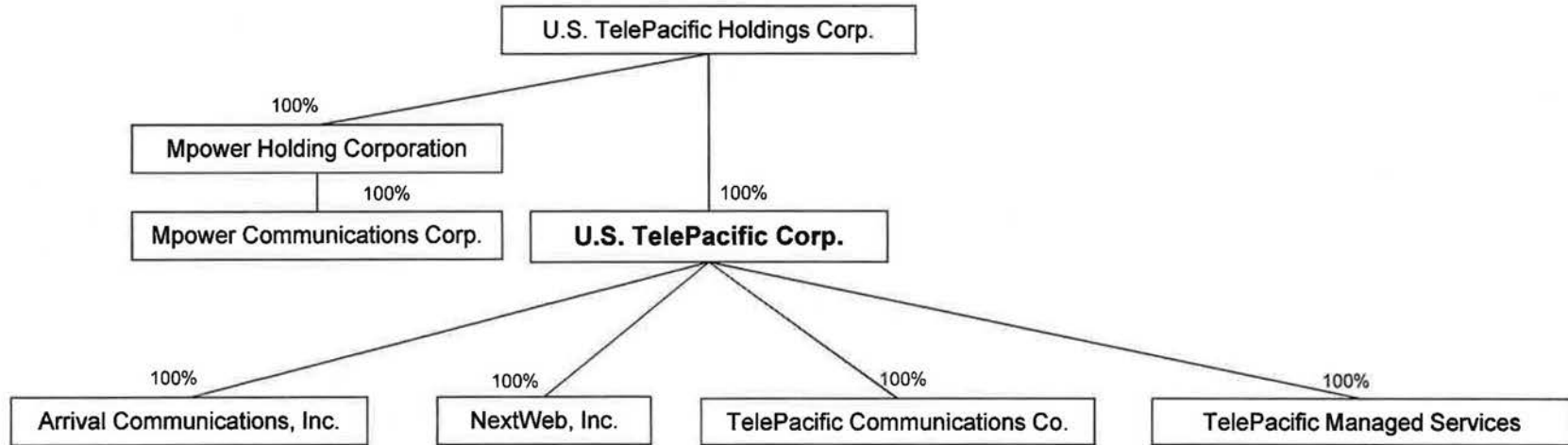
Pre- and Post-Transaction Corporate Ownership Charts

DSCI, LLC

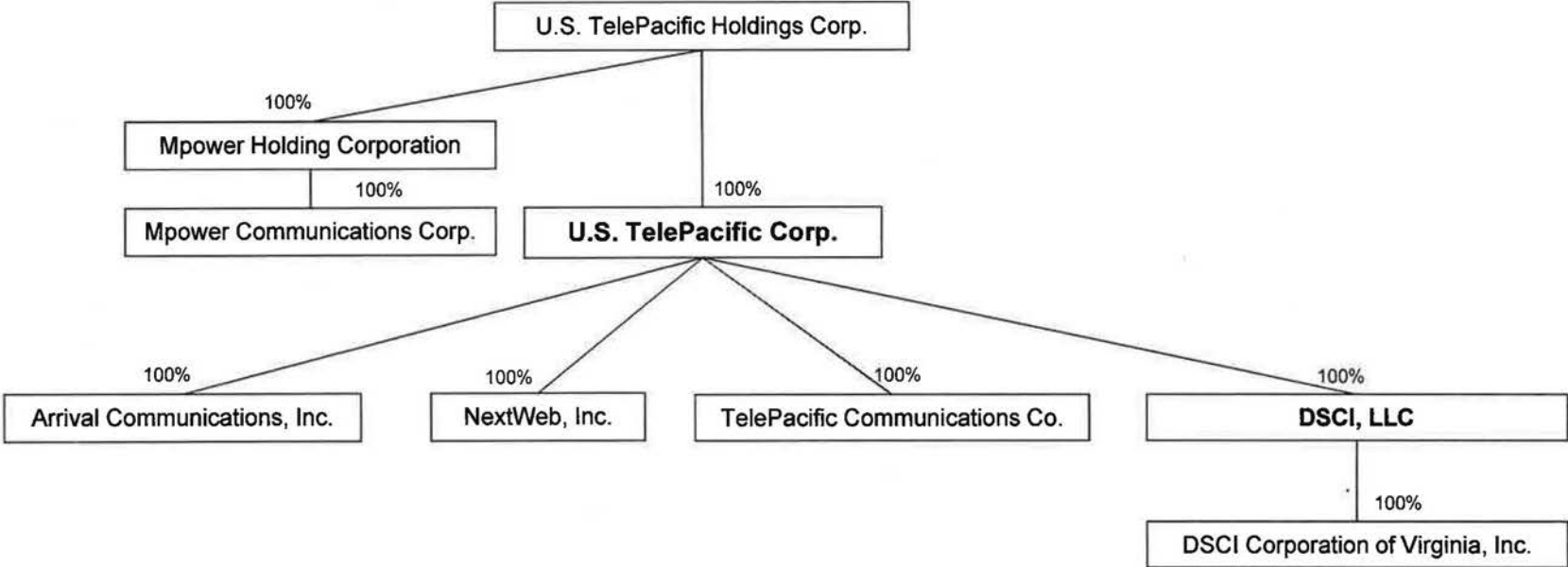
Pre-Transaction Corporate Ownership Chart



U.S. TelePacific Corp. Pre-Transaction Corporate Ownership Chart



U.S. TelePacific Corp. Post-Transaction Corporate Ownership Chart



Verifications

STATE OF CALIFORNIA §
 §
CITY OF LOS ANGELES §

VERIFICATION

I, Michael Cowan, hereby declare that I am the Secretary, Vice President, and Acting General Counsel of U.S. TelePacific Corp. ("TelePacific"); that I am authorized to make this Verification on behalf of TelePacific; that the foregoing filing was prepared under my direction and supervision; and that the contents are true and correct to the best of my knowledge, information, and belief.

I declare under penalty of perjury that the forgoing is true and correct. Executed this 10 day of March, 2016.



Michael Cowan
Secretary, Vice President, and Acting General
Counsel
U.S. TelePacific Corp.

STATE OF NEW HAMPSHIRE §
CITY OF MANCHESTER §

VERIFICATION

I, Tim Battles, hereby declare that I am the Senior Vice President of DSCI Holdings Corporation and DSCI, LLC (“DSCI”); that I am authorized to make this Verification on behalf of DSCI; that the foregoing filing was prepared under my direction and supervision; and that the contents 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. Executed this 8th day of March, 2016.



Tim Battles
Senior Vice President
DSCI Holdings Corporation and DSCI, LLC