

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for approval
of transfer of control whereby
Capsule Communications, Inc.
(holder of IXC Certificate No.
2993) will become a wholly owned
subsidiary of Covista
Communications, Inc.

DOCKET NO. 011170-TI
ORDER NO. PSC-01-2050-PAA-TI
ISSUED: October 18, 2001

The following Commissioners participated in the disposition of
this matter:

E. LEON JACOBS, JR., Chairman
J. TERRY DEASON
LILA A. JABER
BRAULIO L. BAEZ
MICHAEL A. PALECKI

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING TRANSFER OF CONTROL

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service
Commission that the action discussed herein is preliminary in
nature and will become final unless a person whose interests are
substantially affected files a petition for a formal proceeding,
pursuant to Rule 25-22.029, Florida Administrative Code.

Section 364.33, Florida Statutes, provides that a person may
not acquire ownership or control of any telecommunications
facility, or any extension thereof for the purpose of providing
telecommunications services to the public, including the
acquisition, transfer, or assignment of majority organizational
control or controlling stock ownership, without prior approval from
this Commission.

By letter received August 29, 2001, Covista Communications,
Inc. (CCI) and Capsule Communications, Inc. (Capsule) filed with
this Commission an application for approval of transfer of control
of Capsule to CCI. Capsule is the holder of Interexchange

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Telecommunications (IXC) Certificate No. 2993. CCI is strictly a holding company, and does not hold any authorizations to provide telecommunications service with any state commissions or the FCC. Capsule will become a wholly-owned subsidiary of CCI, and thus an affiliate of CCI's operating subsidiary, Covista, Inc. (Covista). Capsule has stated that the transaction will be virtually transparent to its customers in Florida and it will not affect the services being provided. Capsule has stated that it will continue to operate under its existing certificated name and tariff on file with this Commission.

In accordance with our authority under Section 364.33, Florida Statutes, to approve the acquisition or transfer of majority organizational control or controlling stock ownership of a telecommunications company providing service in Florida, we have reviewed the Petition of CCI and Capsule, and find it appropriate to approve it. We have based our review and decision upon an analysis of the public's interest in efficient, reliable telecommunications service.

Based on the foregoing, it is,

ORDERED by the Florida Public Service Commission that Covista Communications, Inc. and Capsule Communications, Inc.'s request for approval of transfer of control of Capsule Communications, Inc. to Covista Communications, Inc. is hereby approved. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall be closed.

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By ORDER of the Florida Public Service Commission this 18th
Day of October, 2001.

BLANCA S. BAYÓ, Director
Division of the Commission Clerk
and Administrative Services

By: Kay Flynn
Kay Flynn, Chief
Bureau of Records and Hearing
Services

(S E A L)

JAE

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak

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Boulevard, Tallahassee, Florida 32399-0850, by the close of business on November 8, 2001.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.