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May 30, 1996

ORIGINAL

By United Parcel Service

960682-TT

Ms. Blanca Bayo
Director
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0864

**Re: Transfer of Assets from Pennsylvania Alternative Communications, Inc. to
LCI International Telecom Corp.**

Dear Ms. Bayo:

LCI International Telecom Corp. ("LCI Telecom") and Pennsylvania Alternative Communications, Inc. ("PACE") (jointly referred to as the "Parties"), by their attorneys, hereby notify the Florida Public Service Commission ("Commission") of their intention to transfer selected assets from PACE to LCI Telecom. Both LCI Telecom and PACE are authorized to provide intrastate interexchange services in Florida. After the transfer of assets described herein, both LCI Telecom and PACE will continue to provide telecommunications services in Florida pursuant to their existing Certificates of Public Convenience and Necessity. Therefore, there will be no transfer of operating authority pursuant to the transfer of assets described herein.

LCI Telecom is a Delaware corporation that is a wholly-owned subsidiary of LCI International Management Services, Inc. ("LCIM"). LCIM, in turn, is a wholly-owned subsidiary of LCI International, Inc. ("LCII"), the ultimate corporate parent of the LCI family of companies.¹ LCIM provides management services to LCI Telecom and holds the

¹ LCII is a publicly-held Delaware corporation whose principal offices are located at 8180 Greensboro Drive in McLean, Virginia 22102. LCII, through its operating

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stock of LCI Telecom. LCI Telecom provides telecommunications services in 48 states, including Florida.² In addition, LCI Telecom is authorized by the Federal Communications Commission ("FCC") to provide a variety of international telecommunications services and is a non-dominant provider of interstate telecommunications services.

PACE is a privately-held Pennsylvania corporation headquartered at 218 South Maple Avenue, Greensburg, Pennsylvania 15601. PACE provides interexchange services in 48 states, including Florida.³ PACE also provides interstate and international telecommunications services pursuant to authority granted by the FCC.

On April 15, 1996 LCI Telecom and PACE signed an Agreement of Purchase and Sale of Assets ("Asset Agreement") pursuant to which PACE will transfer selected assets relating to its telecommunications business to LCI Telecom. The assets to be transferred include: (1) all of PACE's retail long distance telecommunications services customer accounts, including, but not limited to, all customer lists, records, billing information, subscription agreements, contracts, arrangements and other understandings between PACE and its retail customers; (2) all of PACE's rights with respect to its sales agents and sales agencies and all records, payment and other information related thereto; (3) all dialer equipment and other assets necessary to provide service to PACE's dialer customers; and (4) the non-exclusive right to use the name "PACE Long Distance Service" and all other names used by PACE until June 30, 1997.

The transfer of assets will be made in a seamless fashion that will not adversely affect the provision of telecommunications service to PACE's customers in Florida. Customers will continue to be able to purchase the same high quality services from LCI Telecom that they currently purchase from PACE, at the same rates, and under the same terms and conditions. LCI Telecom will amend its tariff as necessary to incorporate the services, rates,

¹(...continued)

subsidiaries, is a non-dominant worldwide long distance telecommunications company that provides a full array of voice and data communications services to business and residential customers. LCII had annual revenue of \$672.9 million in 1995, and reported net income of \$50.8 million. The company currently ranks as the nation's sixth largest interexchange carrier.

² LCI Telecom received its Certificate of Public Convenience and Necessity on July 26, 1989 in Docket No. 890381-TI.

³ PACE received its Certificate of Public Convenience and Necessity on February 12, 1993 in Docket No. 920974-TI, Order No. PSC-93-0121-FOF-TI, Certificate No. 3146.

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terms and conditions currently offered by PACE. Thus, the transfer will have no detrimental impact on consumers in Florida.


Significantly, PACE will continue to operate as a telecommunications service provider in Florida. Therefore, the Parties request that the Commission not cancel PACE's Certificate of Public Convenience and Necessity and tariff.

The transfer of assets from PACE to LCI Telecom is in the public interest because it will enable the Parties to allocate customers between them in the most efficient fashion, thus enhancing their ability to compete in the market for telecommunications services in Florida. From the perspective of affected customers, the transfer will be largely transparent, leaving the quality of service that they expect unaltered. The transfer will also allow LCI Telecom to realize significant economies of scale, thereby making it possible for LCI Telecom to introduce new products and services and to lower prices over time.

It is the Parties' understanding that prior Commission approval is not required for the transfer of assets from PACE to LCI Telecom. If this understanding is incorrect, the Parties respectfully request that the Commission notify them within 30 days of the date of this letter. Absent written notice to the contrary, the Parties will assume that their understanding is correct and will consummate the transaction as planned.

Respectfully submitted,

**LCI INTERNATIONAL TELECOM CORP. and
PENNSYLVANIA ALTERNATIVE COMMUNICATIONS, INC.**

By: 

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Public Service Commission

June 4, 1996

Ms. Marieann K. Zochowski
Kelley Drye & Warren
1200 19th Street, N.W., Suite 500
Washington, D.C. 20036

Docket No. 960682-TI

Dear Ms. Zochowski:

This will acknowledge receipt of an acknowledgement of transfer of assets from PENNSYLVANIA ALTERNATIVE COMMUNICATIONS, INC. d/b/a PACE LONG DISTANCE SERVICE to LCI INTERNATIONAL TELECOM CORP., which was filed in this office on May 31, 1996 and assigned the above-referenced docket number. Appropriate staff members will be advised.

A tentative schedule of events in your docket (referred to as a Case Assignment and Scheduling Record or CASR) should be available, upon request, ten (10) working days after establishment of the docket. You may contact the Records Section at (904) 413-6770 or by fax at (904) 413-7118 to request that a copy of the case schedule be faxed or mailed to you. The schedule of events provides you with an opportunity to anticipate completion stages of work in the docket. These dates are subject to change; therefore, you may wish to call the Records Section periodically to obtain revised schedules for your docket. For firm dates of hearings or other activities, please look to the Commission's official notices and orders. You can also obtain information on your docket by accessing the PSC HomePage on the Internet, at <http://www.state.fl.us/psc/>.

Sincerely,

A handwritten signature in cursive script that reads "Linda C. Williams".

Linda C. Williams
Commission Deputy Clerk Supervisor