

# PhoenixNetwork.

December 13, 1996

961500-TT

Florida Public Service Commission  
Mr. William D. Talbot, Executive Director  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

RE: Sale of Assets by Automated Communications, Inc. ("ACI"), d/b/a AC America, Inc. Docket No. 920968-TI, Cert. No. 3143 approved December 24, 1992 to Phoenix Network, Inc. ("Phoenix"), Docket No. 900305-TI, Cert. No. 2479 approved October 11, 1990

Dear Mr. Talbot:

This letter serves to jointly inform the Commission of the purchase by Phoenix of ACI's Florida subscribers and other assets. Both Phoenix and ACI are authorized to resell intrastate interexchange carrier services in the state of Florida as referenced above.

Pursuant to an Agreement and Plan of Merger (the "Plan") signed by both parties, the general terms of the transaction are that ACI agreed to convey, and Phoenix agreed to acquire, all the assets and liabilities of ACI under the terms specified in the Plan. For accounting purposes, all assets of ACI will merge into Phoenix Network Acquisition Corp., a wholly-owned subsidiary of Phoenix Network, Inc. The same officers that control Phoenix will control ACI, and ACI will cease doing business. Subsequently, ACI's Certificate of Public Convenience and Necessity should be canceled, and it is Phoenix's intention to adopt ACI's existing tariff in its entirety.

Phoenix's acquisition of ACI's Florida assets described herein is fully in the public interest. The acquisition will have no adverse impact on existing service or subscribers. ACI has had a successful record of serving Florida customers since authorization. Phoenix has grown rapidly and expanded its operations nationwide. Phoenix's strong financial and organizational standing coupled with its significant volume of service procurement agreements with underlying carriers enable Phoenix to provide ACI's subscribers with comprehensive, cost effective long distance service. And, unless otherwise requested, ACI subscribers will continue to receive those network services of the subscriber's existing underlying

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Phoenix Network, Inc. 1687 Cole Boulevard Golden, Colorado 80401 | 3452 DEC 18 96  
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carrier, thus making the transfer of ACI's services to Phoenix essentially transparent to subscribers. As Phoenix utilizes the same underlying carrier network services currently provided by ACI, as well as additional underlying carrier network services, the high level of service quality and reliability currently enjoyed by ACI's subscribers will remain unaffected. There will be no impairment or interruption of service to Florida subscribers as a result of Phoenix's acquisition of ACI's subscribers. ACI's subscribers have been notified of the acquisition in writing by direct mail.

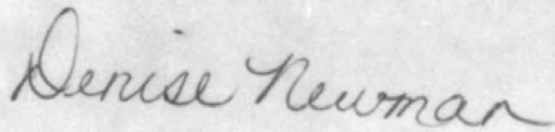
The mailing address and telephone number of the contact for this transaction is:

Denise Newman  
Regulatory Compliance Administrator  
Phoenix Network, Inc.  
1687 Cole Boulevard  
Golden, CO 80401  
(303) 205-3532

Please mark your records to reflect that there has been a corporate relocation for Phoenix Network, Inc. from its San Francisco, California offices to Golden, CO as shown above.

If there are any questions or directives regarding this letter, you may contact the undersigned. Please date stamp and return the extra copy of the transmittal letter as proof of filing. An envelope with the return postage is included for this purpose.

Yours truly,



Denise Newman  
Regulatory Compliance Administrator

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