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Monica R. Borne
EllenAnn G. Sands

July 21, 1999

990000

Florida Public Service Commission
2540 Shumard Oak Drive
Tallahassee, FL 32399-0850

Re: Notification by International Exchange Communications, Inc., d/b/a
IE COM and International Telecommunications Corp., d/b/a Total
Communication Network, Inc. of Asset Purchase Agreement

Dear Sir:

On behalf of International Exchange Communications, Inc. ("IE COM"), d/b/a IE COM and International Telecommunications Corp. ("ITC"), d/b/a Total Communication Network, Inc., this letter is to advise the Commission of an Asset Purchase Agreement (the "Agreement") which the companies propose to consummate. It is our understanding, based upon review of the applicable statutes and regulations, that this transaction does not require prior Commission approval. Accordingly, absent written notice to the contrary within thirty (30) days of the date of this letter, the parties will proceed to consummate the transaction in a timely fashion.

IE COM and ITC propose to consummate the Agreement whereby IE COM will purchase, and ITC will sell, all of the telecommunications assets of ITC, including all customer accounts (the "Acquisition"). A copy of the Agreement is available for inspection and review upon request by the Commission.

IE COM is a privately held Delaware corporation with principal offices located at 533 Airport Blvd., Suite 505, Burlingame, CA 94010. IE COM is a non-dominant carrier that resells domestic interstate and international long distance service purchased from various facilities-based carriers pursuant to the FCC's *Competitive Carrier* policies. IE COM is a certificated carrier in this State.¹

ITC is a privately held Nevada corporation with principal offices located at 701 B Street, Suite 1450, San Diego, California, 92101. ITC is a non-dominant carrier that resells domestic interstate and international long distance service purchased from various facilities-based carriers pursuant to the FCC's *Competitive Carrier* policies. ITC is

¹IECOM is a certificated carrier in this State, pursuant to authority granted in Docket #98-377-T1, granted March 10, 1999.

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certificated carrier in this State.²

The proposed Acquisition will accomplish the following:

- a. IE COM will buy, and ITC will sell, transfer and assign to IE COM, all of ITC's right, title and interest in and to ITC's assets, as defined in the Agreement;
- b. In consideration for the above transfer and sale of assets, IE COM will pay to ITC the purchase price as described more fully in the Agreement; and
- c. The assets to be sold to IE COM include, to the extent permitted by this Commission, the transfer of all of ITC's customer accounts.

IE COM proposes to acquire and consolidate the customer accounts of ITC in order to create a single, larger long distance carrier operating in a greater number of states. By virtue of these transactions, IE COM will realize significant economic, marketing and administrative efficiencies.

Following consummation of the transaction discussed above, IE COM will transfer all of the present customer accounts of ITC to IE COM, and continue to service these customers through and pursuant to the certification previously obtained by IE COM in this State. Prior to consummation of the proposed transaction, IE COM intends to notify all *current end users of ITC* of the event and also of any change in rates, by either a separate mailing or by a bill insert. To the extent that any present ITC rate products are not included in IE COM's Tariffs, IE COM will amend its Tariffs accordingly. As such, the transaction should not cause any *inconvenience or confusion* to the pre-existing customers of either ITC or IE COM. In no event will any transferred customers be charged higher rates as a result of the proposed transaction.

The technical, managerial and financial personnel of IE COM will assist with the integration and consolidation of the transferred accounts after the transaction, and will serve both the existing IE COM customers and the transferred ITC customers with the same high level of expertise.

Critical to the proposed transaction and consolidation of customer accounts is the

²In this State, ITC provides intrastate telecommunications services pursuant to a Certificate of Public Convenience and Necessity dated September 26, 1996.

need to ensure the continuation of high quality service to all customers currently served by both IE COM and ITC. The proposed transaction will serve the public interest for the following reasons:

- a. It will enable IE COM to provide a streamlined level of service for all involved customers by creating a single, larger operation to provide long distance service to the customers in this State as well as other states. The transaction will enhance the operating efficiencies, including market efficiencies, of IE COM.
- b. It will increase the appeal to present and potential customers because of IE COM's larger size and greater variety of service offerings as well as enhance the ability of IE COM to appeal to and serve national accounts.
- c. It will result in cost savings as the result of discounts on quantity ordering of materials and services.
- d. Accordingly, the requested transaction and consolidation will serve to create a heightened level of operating efficiency which generally will serve to enhance the overall capacity of IE COM to compete in the marketplace and to provide telecommunications services for a greater number of consumers of this State at competitive rates.
- e. Additionally, IE COM will possess a greater customer account base as the result of the proposed purchase of assets, and will thus be a stronger carrier to provide high quality service to all customers presently serviced by both IE COM and ITC.

The parties are forwarding this letter to the Commission for informational purposes, to be included in the appropriate files. *Absent receipt of written notification to the contrary within thirty (30) days of the date of this letter, we will proceed under the understanding that no approval or other formal action is required by the Commission prior to consummation of the proposed transaction.*

Enclosed are the original and twelve (12) copies of this letter. Please return one (1) of the copies file-stamped in the envelope provided. If you need any further information or have any questions regarding the matters discussed herein, please do not hesitate to contact the undersigned. Thank you for your assistance in this matter.

Respectfully submitted,



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Counsel for International Exchange
Communications, Inc., d/b/a IE COM and
International Telecommunications Corp.,
d/b/a Total Communication Network, Inc.

From: Kay Flynn
To: Tommy Williams
Subject:
fwd: International Exchange
Communications, Inc. d/b/a IE
COM etc.

===NOTE=====7/28/99==2:02pm==
CC: Amanda Fazio
.....

Tommy, did you ever hear back from
Nowalsky law firm about the 7/21 letter
we received? We were waiting to see if
the matter needed to be docketed.

Kay

Fwd=by:=Tommy=William=7/28/99==2:18pm==
Fwd to: Kay Flynn
.....

I thought that I had replied. It is a
customer base only. Does not need to be
documented but place in undocketed file
for record keeping. Attach this to it.

Fwd=by:=Kay=Flynn=====7/28/99==2:20pm==
Fwd to: Tommy Williams
.....

We didn't make a note of it--I'll
attach this to the original. Thanks.
