

SWIDLER BERLIN SHEREFF FRIEDMAN, LLP

THE WASHINGTON HARBOUR
3000 K STREET, NW, SUITE 300
WASHINGTON, DC 20007-5116
TELEPHONE (202) 424-7500
FACSIMILE (202) 424-7645
WWW.SWIDLAW.COM

NEW YORK OFFICE
THE CHRYSLER BUILDING
405 LEXINGTON AVENUE
NEW YORK, NY 10174
TEL (212) 973-0111
FAX (212) 891-9598

May 24, 2002

BY OVERNIGHT MAIL

Blanca S. Bayo, Director
Division of Records & Recording
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

020474-77

Re: WorldxChange Corp. and RSL COM U.S.A., Inc.

Dear Ms. Bayo:

WorldxChange Corp. ("WorldxChange") and RSL COM U.S.A., Inc. ("RSL") (together the "Parties"), through their undersigned counsel hereby advise the Commission and, to the extent necessary, request that the Commission grant a waiver of the Commission's rules on presubscribed carrier changes, to enable WorldxChange to acquire the assets of RSL identified herein, including RSL's long distance customer base and the assets associated with those operations ("Assets"). Since March 16, 2001, RSL has been operating in bankruptcy status under the protection of the Bankruptcy Court for the Southern District of New York.¹ As set forth in greater detail below, WorldxChange's indirect corporate parent Counsel Springwell Communications LLC ("Counsel Communications") and RSL entered into an Asset Purchase Agreement ("Agreement") dated as of March 25, 2002. Subsequently, on April 25, 2002, Counsel Communications assigned its rights under the Agreement to WorldxChange and, accordingly, WorldxChange will acquire the RSL Assets.

¹ See RSL COM U.S.A., Inc., Case No. 01-11469-alg (S.D.N.Y. Filed Mar. 16, 2001) and RSL COM PrimeCall, Inc., Case No. 01-11457-alg (S.D.N.Y. Filed Mar. 16, 2001).

DOCUMENT NUMBER-DATE

05594 MAY 28 08

FPSC-COMMISSION CLERK

The transaction proposed herein is necessary to ensure that RSL's current Florida customers will continue to receive uninterrupted service. The Parties emphasize that following the completion of the proposed transaction, RSL's customers will continue to receive service under the same rates, terms and conditions as that service is currently being provided. However, given the current bankrupt status of RSL, the proposed transaction must be completed rapidly in order to minimize disruption to existing customers being served by RSL.

The Parties hereby request a waiver of the Commission's presubscription carrier changes including Section 25-4.118 of the Florida Administrative Code. The Parties respectfully request that the Commission grant a waiver of its presubscription carrier rules and any other approval that may be necessary as expeditiously as possible in order to allow the Parties to consummate the proposed transaction on or about August 15, 2002.

An original and twelve (12) copies of this filing are enclosed. Please date-stamp the enclosed extra copy of this filing and return it in the self-addressed, postage prepaid envelope provided.

The Parties further state as follows:

I. Description of the Parties

A. WorldxChange Corp. ("WorldxChange")

WorldxChange Corp. is a corporation organized and existing under the laws of the State of Delaware with principal offices located at 9775 Business Park Avenue, San Diego, California 92131. WorldxChange is a wholly owned indirect subsidiary of I-Link Incorporated ("I-Link"), a publicly traded company organized under the laws of the State of Florida. I-Link is controlled by Counsel Communications which holds a direct majority interest in I-Link and therefore, an indirect majority interest in WorldxChange. Counsel Communications is, in turn, majority owned and controlled by Counsel Corporation ("Counsel") a publicly traded Canadian corporation which specializes in investments, including communications companies.

WorldxChange has the managerial and technical resources necessary to operate the RSL Florida operations it proposes to acquire. In particular, WorldxChange has already been authorized by the Commission to provide telecommunications service pursuant to a certification granted by the Commission in Docket No. 011023-TI, issued on August 27, 2001 (Certificate No. 7570).² Further information concerning WorldxChange's legal, technical, managerial and

² The Order issued on August 27, 2001 amended Certificate Number 7570. WorldxChange was formerly known as PT-1 Counsel, Inc. but changed its name in connection with its acquisition of certain operations of WorldxChange Communications, Inc. out of bankruptcy in 2001.

financial qualifications to provide service was submitted with its application for certification with the Commission as noted above and is, therefore, a matter of public record. WorldxChange respectfully requests that the Commission take official notice of that information and incorporate it herein by reference.

B. RSL COM U.S.A., Inc. ("RSL")

RSL is a corporation organized and existing under the laws of the State of Delaware. RSL's principal place of business is located at 1001 Brinton Road, Pittsburgh, PA 15221. RSL currently provides a variety of regulated and unregulated telecommunications services, including long distance and frame relay data services, through the resale of the facilities of other carriers and RSL's own circuit and data switches. In Florida, RSL provides intrastate toll service by virtue of a certification granted by the Commission in Docket No. 970588-TI, issued on June 13, 1997 (Certificate No. 4068).⁴

II. Contact Information

Questions or inquiries concerning this filing may be directed to:

William B. Wilhelm, Jr.
Edward S. Quill, Jr.
Swidler Berlin Shereff Friedman, LLP
3000 K Street, NW, Suite 300
Washington, DC 20007-5116
(202) 424-7500 (Tel)
(202) 424-7645 (Fax)

with a copy to:

Eric Fishman
David O'Connor
Holland & Knight LLP
2099 Pennsylvania Avenue, NW
Suite 100
Washington, DC 20006-6801
(202) 955-3000 (Tel)
(202) 955-5564 (Fax)

⁴ The Order issued on June 13, 1997 amended Certificate Number 4068 to change the name of the company from International Telecommunications Corporation to RSL.

III. Description of the Transaction

Through the proposed transaction ("Transaction"), WorldxChange proposes to acquire the long distance business of RSL. Specifically, the Assets to be acquired by WorldxChange include, among other things, most of the regulated communications assets associated with RSL's domestic telecommunications operations, including the telecommunications equipment and all of the long distance customers and customer accounts of RSL located in Florida.⁵ Because WorldxChange is already authorized to provide service in Florida, however, WorldxChange will not need to obtain additional operating authority to provide service RSL's customer base. As a result, WorldxChange is not seeking to acquire RSL's certification in connection with the Transaction.

The contemplated Transaction will allow RSL's long distance operations to emerge from bankruptcy into WorldxChange and provide greater certainty to RSL's existing customers.⁶ In order to complete the Transaction and gain Bankruptcy Court approval, WorldxChange's corporate parent, Counsel Communications, and RSL entered into an Asset Purchase Agreement as of March 25, 2002.⁷ Counsel Communications is a holding company that does not provide telecommunications in any jurisdiction. As a result, Counsel Communications has completed an assignment whereby through the proposed Transaction, the RSL regulated customers and Assets will be assigned directly to Counsel Communications's operating subsidiary, WorldxChange, which will assume the day to day management and operational responsibilities necessary to provide service to RSL's customers.

Although through the proposed Transaction, WorldxChange will replace RSL as the service provider for RSL's customers, WorldxChange will continue to provide service to RSL customers under the same rates, terms and conditions of services as currently provided by RSL.⁸ The Transaction will therefore be (other than the change in the name of their service provider) virtually transparent to customers because they will experience no change in the services they receive as a result of the transaction. In order to avoid customer confusion, upon issuance of the sale order by the Bankruptcy Court, now expected on May 23, 2002, the Parties will provide pre-consummation customer notice of the proposed transaction. The Parties will provide a copy of such customer

⁵ WorldxChange will also acquire RSL's data customers which are served through RSL's frame relay based service. RSL provides such services on an unregulated basis. As a result, The Parties understand that no authority is required to complete the acquisition with respect to such assets. If, however, the Commission determines that such approval is required, The Parties respectfully request that such approval be granted through this filing as well.

⁶ A chart illustrating the Transaction is provided in Exhibit A.

⁷ The Parties will provide a copy of the Agreement upon request.

⁸ WorldxChange will adopt RSL's tariffs in conjunction with the proposed transaction and/or make other appropriate arrangements to ensure continuity of service to RSL's existing customers in compliance with Florida law.

Bianca S. Bayo, Director

May 24, 2002

Page 5

notice to the Commission once it becomes available. By separate application, RSL will seek Commission authority, as necessary, to voluntarily withdraw RSL's certification and terminate service in the State, effective upon consummation of the Transaction.

IV. Public Interest Considerations

The Parties respectfully submit that this Transaction serves the public interest. In particular, the Parties submit that (1) the Transaction will increase competition in the Florida telecommunications market by reinforcing WorldxChange's status as a viable competitor and (2) the Transaction will minimize the disruption of service and be virtually transparent to remaining RSL customers.

The proposed Transaction is expected to invigorate competition in Florida. RSL's financial position at this stage effectively precludes it from becoming or remaining a viable competitor in the telecommunications market. As a practical matter, RSL is no longer able to effectively compete for new customers. As a result, the proposed transaction will not diminish competition in Florida. At the same time, the expansion of WorldxChange's customer base is expected to enhance WorldxChange's position in the Florida telecommunications market and permit WorldxChange to compete more effectively for customers in Florida.

Existing RSL customers, in particular, will realize significant public interest benefits from the Transaction. In light of RSL's precarious financial position, the proposed Transaction will provide greater stability to RSL's customers and ensure that those customers can continue to enjoy high quality, affordable service without interruption. Moreover, given that WorldxChange proposes to provide service on the same rates, terms and conditions of services that RSL currently provides, the Parties expect the Transaction to be virtually transparent to customers (except for the change in name of the carrier from RSL to WorldxChange, about which RSL's customers will be notified).

V. Conclusion

Given that RSL's customer base is subject to continuing erosion and that RSL is unable to compete effectively as a result of its capital constraints and the uncertainty of its current financial position, the Parties seek to complete the proposed acquisition as quickly as possible. Rapid completion of the Transaction is a critical factor in order to avoid interruption of service or other inconvenience to affected RSL customers. Accordingly, the Parties respectfully request that the Commission advise the Parties as soon as possible if it believes further filings are required in connection with the Transaction.

Respectfully submitted,

By: 

William B. Wilhelm, Jr.

Edward S. Quill, Jr.

SWIDLER BERLIN SHEREFF FRIEDMAN, LLP

3000 K Street, NW, Suite 300

Washington, DC 20007-5116

(202) 424-7500 (Tel)

(202) 424-7645 (Fax)

COUNSEL FOR THE PARTIES

Dated: May 24, 2002

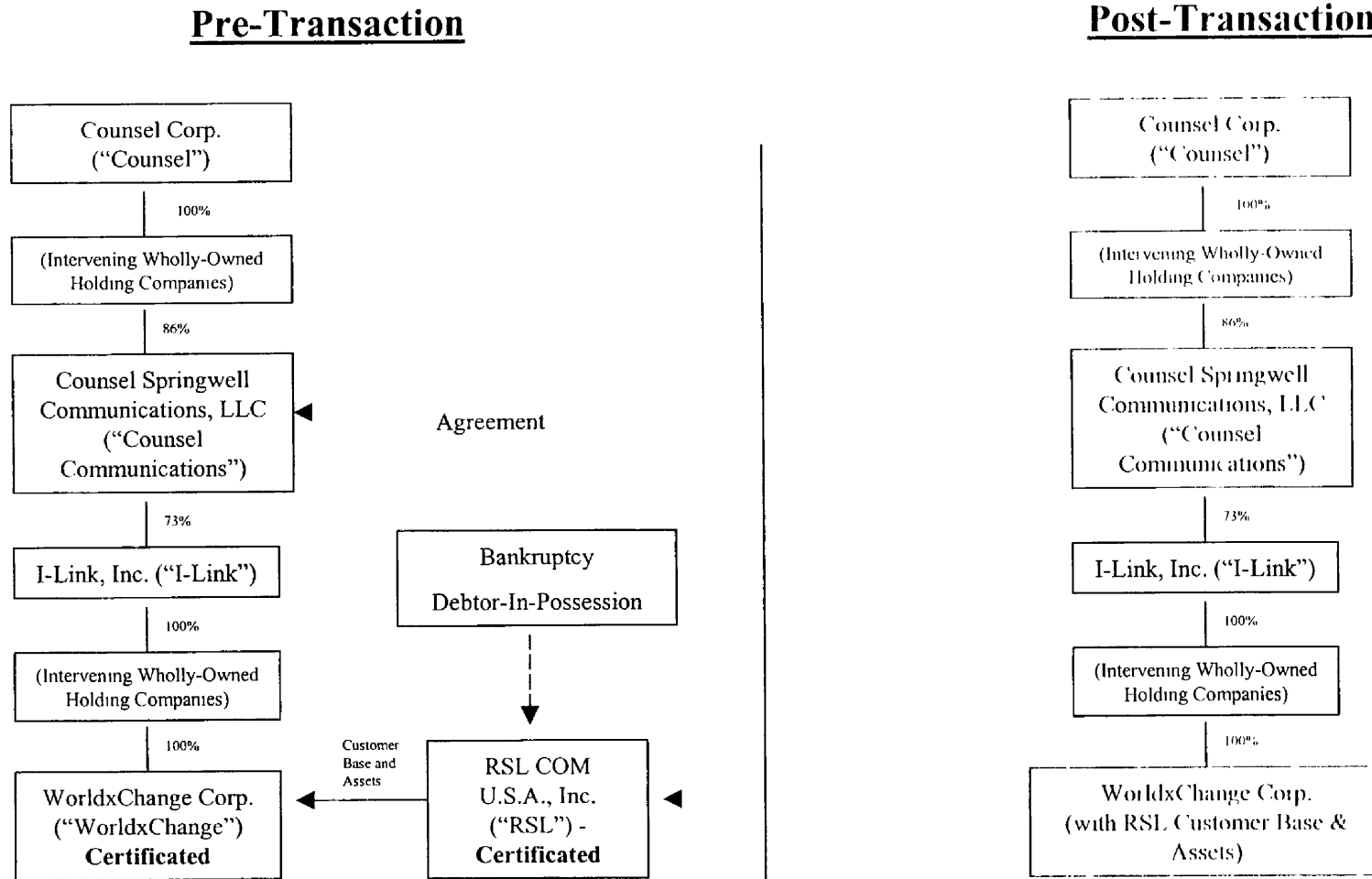
LIST OF EXHIBITS

Exhibit A - Illustrative Chart
Verifications

Exhibit A

Illustrative Chart

Exhibit B: Illustrative Chart of WorldxChange/RSL Transaction



Verifications

VERIFICATION

STATE OF California :
 :
COUNTY OF San Diego : ss.

I, Kenneth L. Hilton, being first duly sworn, state that I am Chief Executive Officer of WorldxChange Corp., party in the foregoing filing before the Florida Public Service Commission, that I am authorized to make this Verification on behalf of WorldxChange Corp. and that the contents of the foregoing filing are true and correct to the best of my knowledge, information, and belief.

Kenneth L. Hilton

Name: Kenneth L. Hilton
Title: Chief Executive Officer
WorldxChange Corp.

Sworn and subscribed before me this 22nd day of May, 2002.

Desiree M. Neal
Notary Public

My commission expires 7/30/04



VERIFICATION


STATE OF DISTRICT OF COLUMBIA
: ss.
CITY OF :

I, Eric Fishman, being first duly sworn, state that I am Assistant Secretary of RSL COM U.S.A., Inc., Parties in the foregoing Filing; that I am authorized to make this Verification on behalf of RSL COM U.S.A., Inc. and that the contents of the foregoing Filing are true and correct to the best of my knowledge, information, and belief.



Eric Fishman
Assistant Secretary
RSL COM U.S.A., Inc.

Sworn and subscribed before me this 16th day of May, 2002.



Notary Public

Laura E. Ledet
Notary Public of the District of Columbia

My commission expires _____ ~~My Commission Expires 11/30/06~~