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July 3, 2002

BY OVERNIGHT DELIVERY

Blanca S. Bayó Director, Division of Records and Reporting Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0870

020649-TP

Re: Transfer of Certain Telecommunications Services Provided to Shared Tenant Service Customers

Cypress Communications Operating Company, Inc. ("Cypress Operating Company") and Intermedia Communications, Inc., Access Network Services, Inc., and MCI WorldCom Communications, Inc. ("WorldCom Applicants") (Cypress Operating Company and WorldCom Applicants together "Applicants"), through their undersigned counsel hereby request that the Commission grant such authority as may be necessary or required, including as necessary a waiver of the Commission's rules on presubscribed carrier changes, to enable WorldCom Applicants to transfer to Cypress Operating Company the local and long distance services provided by the WorldCom Applicants to customers at shared tenant services ("STS") locations. This transfer is part of a larger transaction involving the sale of WorldCom, Inc.'s ("WorldCom's") STS business to Cypress Communications, Inc. ("Cypress Communications"), the parent company of Cypress Operating Company (collectively "Cypress").

Shared tenant services consist generally of a package of single-source, managed communications solutions to small- and medium-sized businesses that are offered on a location-specific basis to tenants in multi-tenant office buildings and complexes. It enables such businesses to reap the advantages of advanced communications expertise, equipment and technology that would otherwise only be available to their larger competitors. In connection with a review of its business lines, WorldCom has decided to focus its business plans in areas other than the highly specialized shared tenant services market. Accordingly, Cypress Communications, WorldCom, and certain WorldCom subsidiaries have entered into an Asset Purchase Agreement ("Agreement") dated as of May 31, 2002, whereby Cypress will acquire WorldCom's shared tenant service

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business nationwide, including the provision of local and long distance telephone services currently provided by the WorldCom Applicants to STS customers in Florida.

Applicants emphasize that the proposed transaction will be virtually transparent to existing customers with respect to the services that they receive. Following the transition of the STS business from WorldCom to Cypress, Cypress will provide service to the STS customers under the same rates, terms and conditions as those customers currently receive service. In accordance with applicable requirements, Applicants have notified customers of the proposed transaction. Applicants seek to complete the proposed transaction on an expedited basis so that the transition can be made to a service provider who is focused on the shared tenant service line of business and who can integrate the acquired operations into its existing STS business and thereby expand and improve its ability to offer valuable high quality service to this market segment. Accordingly, Applicants respectfully request that the Commission approve this Application as soon as possible.

Description of Cypress Communications Operating Company, Inc.

Cypress is a leading provider of premium bundled telecommunications services to small-and medium-sized businesses located in multi tenant office buildings throughout the United States. Cypress offers customized, fully integrated premium service bundles that may include some combination of high speed Internet connectivity, e-mail services, fully managed firewall services, web hosting, virtual private networks, feature rich digital desktop stations, local, long distance and toll free services, calling cards, audio and web conferencing and digital business television. Cypress delivers these services over state-of-the-art fiber optic, digital, and broadband networks that it designs, constructs, owns, and operates inside large- and medium-sized office buildings. Cypress's STS service greatly reduces its customers' administrative burdens by eliminating the need to manage multiple vendors, and offer a wide variety of communications solutions. The company prides itself on superior customer service and responsiveness, and it dedicates a team of in-building or near-building support specialists to each customer so all their service needs receive immediate attention.

Cypress Operating Company is a corporation organized and existing under the laws of the State of Delaware with its principal place of business located at 15 Piedmont Center, 3575 Piedmont Road, Suite 100, Atlanta, Georgia 30305. Cypress Operating Company is a wholly owned subsidiary of Cypress Communications, which, in turn, is a wholly owned subsidiary of U.S. RealTel, Inc. ("U.S. RealTel"). U.S. RealTel is a publicly traded corporation organized under the laws of the State of Delaware with its principal place of business also located at 15 Piedmont Center, 3575 Piedmont Road, Suite 100, Atlanta, Georgia 30305.

Cypress is financially qualified to provide the shared tenant services it is acquiring as part of the proposed transaction and has access to the financing and capital necessary to conduct these shared tenant operations. As a provider that specializes in the provision of in-building communications solutions, Cypress also has specialized managerial and technical expertise that make it particularly suited to provide the shared tenant services that Cypress proposes to acquire in Florida. Cypress's management team has extensive experience in the telecommunications

industry, as well as the business, technical and managerial expertise necessary to conduct its telecommunications operations. In fact, Cypress Communications is authorized to provide STS services in Florida pursuant to a certificate granted on June 6, 2000 by the Commission in Docket 000332.

In addition, Cypress Operating Company filed applications on May 21, 2002, seeking certification from the Commission to provide alternative local exchange and interexchange communications services, which are currently pending before the Commission in Docket No. 020457-TX and Docket No. 020458-TI. Further information concerning Cypress Operating Company's legal, technical, managerial and financial qualifications to provide service was submitted with its applications for certification with the Commission in the proceeding noted above and is, therefore, a matter of public record. Applicants respectfully request that the Commission take official notice of that information and incorporate it herein by reference.

<u>Description of MCI WorldCom Communications, Inc. ("MCI WorldCom"), Access Network Services, Inc. ("Access Network") and Intermedia Communications, Inc. ("Intermedia") (together "WorldCom Applicants")</u>

MCI WorldCom and Intermedia are corporations organized and existing under the laws of the State of Delaware with principal offices located at 500 Clinton Center Drive, Clinton, Mississippi 39056. Access Network is a Texas corporation also located at 500 Clinton Center Drive, Clinton, Mississippi 39056. MCI WorldCom and Access Network are wholly owned indirect subsidiaries and Intermedia is a wholly owned subsidiary of WorldCom, Inc., a publicly traded Georgia corporation with its principal place of business located at 500 Clinton Center Drive, Clinton, Mississippi, 39056. The local and long distance services that are the subject of this Application are provided to STS customers in Miami and Tampa. The customer premises and other equipment that is being acquired by Cypress as part of this transaction are not used by the WorldCom Applicants in the operation of their other lines of business in Florida.

Description of the Transaction

Through the proposed transaction, Cypress proposes to acquire and operate WorldCom's existing shared tenant service operations. Specifically, Cypress Communications, WorldCom and certain WorldCom subsidiaries have entered into an Asset Purchase Agreement dated as of May 31, 2002, whereby WorldCom will assign to Cypress through an asset sale WorldCom's STS operations, including approximately 360 customers located in Miami and Tampa. This Application seeks approval to transfer to Cypress Operating Company the local and long distance services provided to WorldCom's STS customers by the WorldCom Applicants as part of the transaction to transfer the STS business to Cypress. As noted previously, the proposed transaction will be virtually transparent to existing customers in terms of the services they receive, and will not affect the rates, terms and conditions of any of the existing customers. Cypress and WorldCom will

A copy of the Agreement will be provided to the Commission upon request.

cooperate to allow each Applicant to complete the arrangements necessary (such as any required tariff adoption for Cypress or any necessary WorldCom contract assignments) to ensure that customers continue to receive uninterrupted services from Cypress that are the same as the service those customers currently receive from WorldCom. The proposed transaction also contemplates the assignment of the necessary physical plant and equipment currently used by WorldCom to provide its shared tenant services to the customers. In addition, in compliance with the Federal Communications Commission and applicable state rules, Applicants have notified affected customers well in advance of the transaction.²

The proposed transaction will not affect the manner in which WorldCom and its various operating subsidiaries, including the WorldCom Applicants, otherwise provide telecommunications service in the United States generally. Shared tenant services represent only a very small part of WorldCom's existing local and long distance business in the United States. Other WorldCom customers will not be affected in any way by the transaction. Therefore, Applicants do not seek authority through this Application to transfer or relinquish any of the WorldCom Applicants' existing Florida certifications or to amend or modify WorldCom Applicants' tariffs or rates other than as necessary to eliminate STS-specific services and rates, if any.

Public Interest Considerations

Applicants submit that the proposed transaction serves the public interest. The proposed transaction is expected to invigorate competition in Florida. Through the transaction, Cypress will obtain STS assets and customers which will expand the company's client base, provide Cypress a greater presence in the STS segment of the telecommunications market in many states, including Florida, and thereby make Cypress a more viable competitor in those markets.

As noted above, Cypress Operating Company recently submitted applications for authority to provide local exchange and interexchange telecommunications service to the Commission, which include a more complete description of Cypress Operating Company's technical, managerial and financial qualifications to provide service in Florida. To the extent that such certification is required for Cypress Operating Company to provide the telecommunications services that are the subject of this Application to the STS customers Cypress Operating Company seeks to serve following the completion of the transaction, Applicants respectfully request that the Commission grant this Application concurrent with the grant of such authority.

The transaction will not adversely impact the existing customers of the WorldCom Applicants. The proposed transaction is structured to assure an orderly transition of the STS customers from the WorldCom Applicants in Florida to Cypress, a company that specializes in the provision of in-building services to commercial customers. Moreover, given that Cypress proposes to provide service on the same rates, terms and conditions of the services that the WorldCom Applicants currently provide and that the transaction will not involve a change in the equipment

Copies of the form of the letters that have been sent to customers are provided in Exhibit A.

through which that service is provided, Applicants expect the transaction to be virtually transparent to customers. The WorldCom Applicants' shared tenant customers have been notified of the transaction and the change in their telecommunications provider from WorldCom Applicants to Cypress.

Applicants are seeking to complete the proposed transaction as expeditiously as possible in order to minimize customer confusion and realize the benefits of the proposed transaction. Accordingly, Applicants respectfully request that the Commission expedite the processing of this Application and grant the requested authority to permit Applicants to consummate the transaction as soon as possible.

Conclusion

For the reasons stated above, Applicants respectfully submit that the public interest, convenience, and necessity would be furthered by a grant of this Application. Applicants respectfully request expedited treatment to permit Applicants to consummate the transaction as soon as possible. An original and six (6) copies of this filing are enclosed. Please date-stamp and return the enclosed extra copy of this filing in the postage-prepaid, addressed envelope provided.

Respectfully submitted,

Marsha Ward WorldCom, Inc. 6 Concourse Parkway Atlanta, Georgia 30328 (770) 284-5490 (Tel) (770) 284-5488 (Fax)

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COUNSEL FOR APPLICANTS

LIST OF EXHIBITS

Exhibit A

Customer Notice Letter

Verifications

Exhibit A

Customer Notice Letters





June 18, 2002

Re: Change of service provider; assignment of existing contracts

Dear Valued Customer:

As you may know, Cypress Communications, Inc. has entered into an asset purchase agreement with WorldCom to acquire the shared tenant services business at your location. Beginning on or after July 29, 2002, Cypress Communications, Inc., and its affiliate, Cypress Communications Operating Company, Inc. (collectively, "Cypress Communications"), will be providing the shared tenant and related telecommunications services that are currently being provided to you by Shared Technologies Fairchild Telecom (dba Intermedia Advanced Building Networks) and its related telecommunications services provider Intermedia Communications, Inc.

Cypress Communications is a leading provider of premium bundled telecommunications services to small and medium sized businesses located in multi tenant office buildings throughout the United States. The company offers customized, fully integrated *premium* service bundles that may include some combination of voice, high speed internet connectivity, email services, fully managed firewall services, web hosting, virtual private networks, feature rich digital desktop stations, local, long distance and toll free services, calling cards, audio and web conferencing and digital business television. (Additional information on Cypress Communications is available on our website at www.cypresscom.net.)

As your new service provider, Cypress Communications will continue to provide you with the same local and long distance telephone services and other services you currently receive in accordance with the terms and conditions of your existing contract, and notice of future changes, if any, to those terms will be provided in accordance with your existing contracts and applicable This change in service providers has been filed with the FCC and state regulatory authorities, and will be virtually seamless for you, because Cypress Communications will utilize similar, if not the same, in-building facilities and support staff currently used to serve you. Please be assured that you will not incur any charges, including local telephone company carrier change charges, related to the transfer of your account to Cypress Communications, but any "freeze" you have placed on your existing telephone lines to prevent unauthorized transfer to another long distance carrier will be over-ridden for purposes of this transaction, and will need to be reinstated by you after the transfer is complete. While Cypress Communications hopes that you will choose to remain with it following the transfer and for many years to come, you do have the right to select another carrier for your services consistent with the terms of your existing contract. Any questions you may have regarding your current services can be addressed by calling the Shared Technologies Fairchild Telecom (dba Intermedia Advanced Building Networks) customer service department using your current toll-free number, 866-711-3207. You June 18, 2002 Page 2

may also contact Cypress' customer service department to learn more about Cypress' services prior to the transfer by calling our toll-free number at 866-819-4098.

In addition, in connection with this change in service providers, your existing contract with WorldCom (or a WorldCom affiliate) is being assigned to Cypress Communications, Inc. Beginning on or after July 29, 2002, Cypress Communications will assume and enjoy all of the rights and responsibilities of WorldCom (or a WorldCom affiliate) under your existing contract for services and your relationship with WorldCom under that contract will be transferred to Cypress. Additional information will be provided relating to changes in billing addresses, technical support numbers, and other contract-related contact information. In the meantime, please continue to pay your invoices in the normal manner.

It has been the pleasure of WorldCom and their various subsidiaries to provide you with quality local, long distance and data communications services and we emphasize that you are a valued customer and will be treated as such by Cypress Communications, who looks forward to serving you and appreciates your business.

Sincerely,





June 18, 2002

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June 18, 2002

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July 2, 2002

Re: Change of service provider; assignment of existing contracts

Dear Valued Customer:

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Cypress Communications is a leading provider of premium bundled telecommunications services to small and medium sized businesses located in multi tenant office buildings throughout the United States. The company offers customized, fully integrated *premium* service bundles that may include some combination of voice, high speed internet connectivity, email services, fully managed firewall services, web hosting, virtual private networks, feature rich digital desktop stations, local, long distance and toll free services, calling cards, audio and web conferencing and digital business television. (Additional information on Cypress Communications is available on our website at www.cypresscom.net.)

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July 2, 2002 Page 2

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Sincerely,

Verifications

VERIFICATION

STATE OF GEORGIA

SS.

COUNTY OF FULTON

I, Gregory P. McGraw, being first duly sworn, state that I am President and Chief Operating Officer of Cypress Communications Operating Company, Inc., Applicant in the foregoing Application; that I am authorized to make this Verification on behalf of Cypress Communications Operating Company, Inc.; that the foregoing Application was prepared under my direction and supervision; and that the contents are true and correct to the best of my knowledge, information, and belief.

Name: Gregory P. McGraw

Title: President & Chief Operating Officer

Cypress Communications Operating Company, Inc.

Sworn and subscribed before me this 17th day of June, 2002.

Notary Public Notary Public

JEAN L. NEWEY

Notary Public, Gwinnell County, Georgia My Commission Expires July 20, 2002

My commission expires

VERIFICATION

Virgina Faifer STATE OF

COUNTY OF

I, John W. Sidgmore, being first duly sworn, state that I am President and Chief Executive Officer of Intermedia Communications, Inc., Access Network Services, Inc., and MCI WorldCom Communications, Inc., Applicants in the foregoing Application; that I am authorized to make this Verification on behalf of Intermedia Communications, Inc., Access Network Services, Inc., and MCI WorldCom Communications, Inc.; that the foregoing Application was

prepared under my direction and supervision; and that the contents are true and correct to the

best of my knowledge, information, and belief.

Name/

John W. Sidgmore

President and Chief Executive Officer Intermedia Communications, Inc. Access Network Services, Inc.

MCI WorldCom Communications, Inc.

Sworn and subscribed before me this 21 day of June, 2002.

My commission expires