

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for approval of acquisition of indirect control over U.S. TelePacific Corp. d/b/a TelePacific Communications (holder of ALEC Certificate No. 7493 and IXC Certificate No. 7494) by SIPCO Limited.

DOCKET NO. 020482-TP
ORDER NO. PSC-02-0971-PAA-TP
ISSUED: July 17, 2002

The following Commissioners participated in the disposition of this matter:

LILA A. JABER, Chairman
J. TERRY DEASON
BRAULIO L. BAEZ
MICHAEL A. PALECKI
RUDOLPH "RUDY" BRADLEY

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING TRANSFER OF INDIRECT CONTROL

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

Section 364.33, Florida Statutes, provides that a person may not acquire ownership or control of any telecommunications facility, or any extension thereof for the purpose of providing telecommunications services to the public, including the acquisition, transfer, or assignment of majority organizational control or controlling stock ownership, without prior approval from this Commission.

By letter dated May 30, 2002, U.S. TelePacific Corp. d/b/a TelePacific Communications (TelePacific) and SIPCO Limited (SIPCO)

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

filed with this Commission an application for approval of transfer of indirect control of TelePacific to SIPCO. TelePacific is the holder of Alternative Local Exchange (ALEC) Telecommunications Certificate No. 7493 and Interexchange Telecommunications (IXC) Certificate No. 7494. TelePacific is a wholly-owned subsidiary of U.S. TelePacific Holdings Corporation. The stock of U.S. TelePacific Holdings Corporation is disbursed among a number of stockholders such that no single person or entity exercises control over the company by virtue of their stock ownership. Among the stock holders are three companies, TelePacific Holdings Limited, Investcorp TPC L.P., and TelePacific Equity Limited. These three companies are all partially-owned subsidiaries of Investcorp SA (Investcorp). Investcorp is a global investment group that acts as a principal and intermediary in international investment transactions and specializes in facilitating the flow of capital from individual and institutional clients into investments in the United States and Western Europe. Investcorp, in turn, is an indirect, partially-owned subsidiary of SIPCO.

Subsequent to an equity financing transaction the three subsidiaries of Investcorp now collectively own a majority of the voting stock of U.S. TelePacific Holdings Corporation. By means of management agreements and equity interests, SIPCO will have the ability through Investcorp to exercise *de facto* control over U.S. TelePacific Holdings Corporation and TelePacific. TelePacific and SIPCO have stated that the transaction will be virtually transparent and that TelePacific will continue to operate in the same manner. Although TelePacific has not yet commenced operations in Florida, the transaction will not affect any services that will be provided to customers at a future date. TelePacific has stated that it will continue to operate under its existing certificated name and tariff on file with this Commission.

In accordance with our authority under Section 364.33, Florida Statutes, to approve the acquisition or transfer of majority organizational control or controlling stock ownership of a telecommunications company providing service in Florida, we have reviewed the Petition of TelePacific and SIPCO, and find it appropriate to approve it. We have based our review and decision upon an analysis of the public's interest in efficient, reliable telecommunications service. We are vested with jurisdiction over this matter pursuant to Section 364.33, Florida Statutes.

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Based on the foregoing, it is,

ORDERED by the Florida Public Service Commission that U.S. TelePacific Corp. d/b/a TelePacific Communications and SIPCO's request for approval of transfer of indirect control of U.S. TelePacific Corp. d/b/a TelePacific Communications to SIPCO is hereby approved. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall be closed.

By ORDER of the Florida Public Service Commission this 17th Day of July, 2002.

BLANCA S. BAYÓ, Director
Division of the Commission Clerk
and Administrative Services

By: Kay Flynn
Kay Flynn, Chief
Bureau of Records and Hearing
Services

(S E A L)

JAE

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on August 7, 2002.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.