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March 31, 2000

BY AIRBORNE EXPRESS

Florida Public Service Commission
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2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

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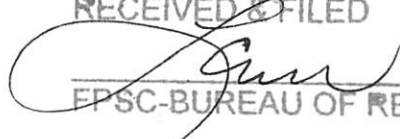
RE: Approval of Agreement and Plan of Merger and Reorganization
By and Among NewSouth Holdings, Inc. and UniversalCom, Inc.

Dear Sir/Madam:

On behalf of NewSouth Holdings, Inc. ("NewSouth") and UniversalCom, Inc. ("UCI"), this letter is to advise the Commission of an Agreement and Plan of Merger and Reorganization (the "Agreement") whereby a wholly owned subsidiary of NewSouth ("Merger Sub") will merge with and into UCI with UCI continuing as the surviving entity (hereinafter, the "Acquisition").

The practical effect of the Acquisition will be that NewSouth will acquire all of the issued and outstanding shares of UCI common stock for equitable consideration. After the transaction UCI will continue to operate, in all material respects, as it currently operates. The technical, managerial and financial personnel of NewSouth, in addition to various current UCI employees, will become the technical, managerial and financial personnel of UCI after this transaction. UCI will continue to provide service under its present operating authorities, certifications and tariffs.

The proposed Agreement will be beneficial to the involved companies as well as their customers, primarily due to the enhanced overall financial strength of the combined companies which will result from the transaction. Approval of the Agreement will not in any way be detrimental to the public interests of this state. The customers of UCI will continue to receive the same high quality service presently rendered to them, and there will not be any increase in their rates due to this transaction at this time.

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FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

UCI is a privately held Florida corporation with principal offices located at 185 Stahlman Avenue, Destin, FL 32540. UCI is a non-dominant carrier that provides intrastate, interstate and international long distance and local exchange services. UCI is authorized by the FCC to provide interstate and international services as a non-dominant carrier as well as local and intrastate interexchange service, pursuant to certification, registration or tariff requirements, in four (4) states. UCI is a certificated carrier in this state.¹

NewSouth is a privately held Delaware corporation with principal offices located at NewSouth Center, 2 North Main Street, Greenville, South Carolina 29601. NewSouth is a holding company whose wholly owned subsidiary, NewSouth Communications, Corp. ("NCC"), provides intrastate, interstate and international long distance and local exchange services.

NCC is authorized by the FCC to provide interstate and international services as a non-dominant carrier as well as local and/or intrastate service, pursuant to certification, registration or tariff requirements, in twenty-two (22) states. NCC is a certificated carrier in this state.²

When incorporated, Merger Sub will be a Florida corporation which is a wholly owned subsidiary of NewSouth. Merger Sub will be formed strictly for the purposes of effectuating the Acquisition. In connection with the Acquisition, Merger Sub will merge with and into UCI and UCI will continued to provide service under UCI's present operating authorities, certifications and tariffs.

The Acquisition contemplates Merger Sub merging with and into UCI. The practical effect of the merger will be the acquisition by NewSouth of all of the outstanding and issued shares of UCI's common stock for equitable consideration. After the transaction, UCI will continue to operate, in all material respects, as it currently operates. UCI will continue to operate as a regulated entity pursuant to its present certifications, registrations, tariff requirements and rate structures. The transaction will not affect NCC, which will continue to operate as a regulated entity in this state pursuant to its present certifications, registration, tariff requirements and rate structures.

¹UCI provides interexchange telecommunications services in this state pursuant to Docket No. 930248-TI, Order No. PSC-93-0787-FOF-TI, dated 6/15/93; and provides alternative local exchange services pursuant to Authority No. T-95-576, dated 12/7/95.

²NCC provides interexchange telecommunications services in this state pursuant to Docket No. 981394-TI, Order No. PSC 98-1697-FOF-TI, dated 12/15/98; and provides alternative local exchange services pursuant to certificate in Docket No. 981222-TX, dated 12/5/98.

The parties submit that the Acquisition will accomplish the following:

- (a) NewSouth will acquire all of the issued and outstanding shares of the stock of UCI by virtue of the merger of Merger Sub with and into UCI;
- (b) As a result of the transaction, UCI will become a wholly owned subsidiary of NewSouth; and
- (c) UCI will continue to operate as a regulated entity pursuant to its present certifications, registrations, tariff requirements and rate structures as provided by and pursuant to applicable law.
- (d) NCC, a wholly owned subsidiary of NewSouth, will continue to operate as a regulated entity pursuant to its present certifications, registrations, tariff requirements and rate structures as provided by and pursuant to applicable law.

It is respectfully represented herein that the transfer of stock as outlined above will be made for fair and equitable consideration to the stockholders of UCI. The technical, managerial and financial personnel of NewSouth, in addition to various current UCI employees, will become the technical, managerial and financial personnel of UCI after the transaction, and UCI will continue to provide service to its customers with the same high level of expertise currently in place.

The practical effect of the transaction is a change in ownership of the common stock of UCI. UCI will continue to operate in all material respects as it presently operates. The Acquisition will be seamless and transparent to the customers of UCI. As a result, the customers of UCI will in no way be adversely impacted by the Acquisition.

Critical to the Acquisition is the need to ensure the continuation of high quality service to all customers currently served by UCI. The Acquisition will serve the public interest for the following reasons:

- (a) First, it will enhance the operating efficiencies, including market efficiencies, of the combined companies.
- (b) Second, it will increase the appeal to present and potential customers as communications services will be provided in a more cost-effective manner due to greater buying power and lower transport costs.
- (c) Finally, it will allow the combined companies to provide a broader array of services to customers at competitive prices.

Accordingly, the Acquisition will serve to create a heightened level of operating efficiency and expanded service offerings which generally will serve to enhance the overall capacity of the combined companies to compete in the marketplace and to provide telecommunications services for customers in this state at competitive rates.

The parties are forwarding this letter to the Commission for informational purposes, to be included in the appropriate files. The parties will proceed on our understanding that no approval or other formal action is required by the Commission prior to consummation of the proposed transaction.

Enclosed please find an original and six (6) copies of this letter. Please date stamp and return the additional copy in the envelope provided.

Thank you very much for your assistance with this matter.

Respectfully submitted,



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cc: Mr. Patrick Wiggins