

ORIGINAL

MORRISON & FOERSTER LLP

ATTORNEYS AT LAW

SAN FRANCISCO
LOS ANGELES
PALO ALTO
WALNUT CREEK
SACRAMENTO
ORANGE COUNTY
SAN DIEGO
DENVER

2000 PENNSYLVANIA AVENUE, NW
WASHINGTON, D.C. 20006-1888
TELEPHONE (202) 887-1500
TELEFACSIMILE (202) 887-0763

NEW YORK
BUENOS AIRES
LONDON
BRUSSELS
BEIJING
HONG KONG
SINGAPORE
TOKYO

April 11, 2000

Writer's Direct Contact
(202) 887-6935
mtobey@mofo.com

By Overnight Delivery

Blanca S. Bayo
Director, Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Gerald Gunter Building
Tallahassee, Florida 32399-0850

000440-TP

00 APR 12 AM 10 21
MAIL ROOM
SEARCHED
SERIALIZED
INDEXED

Re: Notification of Transfer of Control of Teleglobe USA Inc., Teleglobe Business Solutions, Inc., Excel Telecommunications, Inc., and Long Distance Wholesale Club, Inc. to BCE, Inc.

Dear Ms. Bayo:

By this letter, Teleglobe Inc. ("Teleglobe") and BCE, Inc. ("BCE") hereby notify the Commission of a transaction pursuant to which BCE will acquire indirect control of Teleglobe's wholly owned subsidiaries Teleglobe USA Inc. ("TUSA"), Teleglobe Business Solutions Inc. ("TBS"), Excel Telecommunications, Inc. ("Excel"), and Long Distance Wholesale Club, Inc. ("LDWC") through its acquisition of their parent company, Teleglobe. The transaction will occur at the holding company level only and will not affect the Florida operations of TUSA, TBS, Excel, and LDWC.

TUSA, TBS, Excel, and LDWC (the "Teleglobe Companies") are authorized to provide interexchange and alternative local exchange telecommunications services in Florida. BCE, an international company providing local and long distance voice and data services primarily in Canada, currently does not hold, either directly or indirectly, any authorizations to provide intrastate service in Florida. TUSA, TBS, and LDWC, all Delaware corporations, and Excel, a Texas corporation, are indirect, wholly owned subsidiaries of Teleglobe. Page 1 of Exhibit 1 illustrates the corporate relationship of these companies.

As described more fully below, the transfer of control will result in a change in the ultimate parent company of TUSA, TBS, Excel, and LDWC, which will become indirect wholly owned subsidiaries of BCE. Following the merger, TUSA, TBS, Excel, and LDWC intend to continue providing service to their current Florida customers under

DOCUMENT NUMBER-DATE

04500 APR 12 8

dc-201464

FPSC-RECORDS/REPORTING

MORRISON & FOERSTER LLP

Blanca S. Bayo
April 11, 2000
Page Two

the same corporate names and existing service arrangements pursuant to their existing certificates and tariffs, such that the transfer of control will be virtually transparent to their customers.

DESCRIPTION OF THE COMPANIES

A. The Teleglobe Companies

TUSA, headquartered at 11480 Commerce Park Drive, Reston, Virginia 20191, holds an authorization to provide interexchange telecommunications services throughout Florida.¹ TUSA is an interexchange carrier authorized pursuant to certification, registration or tariff requirements, or on an unregulated basis, to provide interexchange services in all 50 states and Puerto Rico. In addition, TUSA provides a variety of international voice, data, video, and private line services pursuant to its FCC authorizations under Section 214 of the Communications Act of 1934, as amended. Because TUSA's core target market consists of international carrier customers, its intrastate operations are not significant.

This Commission has authorized TBS, formerly operating in Florida under the name of Telco Holdings, Inc. d/b/a Dial & Save to provide interexchange telecommunications services² and alternative local exchange services throughout Florida.³ TBS is headquartered at 3900 Skyhawk Drive, Chantilly, Virginia 20151. Pursuant to certification, registration or tariff requirements, or on an unregulated basis, TBS is authorized to provide interexchange services in 46 states and competitive local

¹ *In re: Applications for Certificate to Provide Interexchange Telecommunications Service Certificate No. 5190, Order No. PSC-97-1073-FOF-TI, Docket No. 970582-TI (issued Sept. 15, 1997).*

² *In re: Application for Certificate to Provide Interexchange Telecommunications Services Certificate No. 3496, Order No. PSC-93-1636-FOF-TI, Docket No. 930820-TI (issued Nov. 8, 1993); Amended in re: Request for Change of Name in Interexchange Telecommunications Certificate No. 3496 from Telco Communications Group, Inc. to Telco Communications Group, Inc. d/b/a Dial & Save, Order No. PSC-94-0186-FOF-TI, Docket No. 931197-TI (issued Feb. 14, 1994); see also Order No. PSC-00-0250-FOF-TP, Docket No. 992017-TP (Feb. 17, 2000) (approving the name change from Telco Holdings, Inc. to TBS).*

³ *In re: Application for Certificate to Provide Alternative Local Exchange Telecommunications Services by Dial & Save of Florida, Inc. Certificate No. 4699, Order No. PSC-96-1020-FOF-TX, Docket No. 960647-TX (issued Aug. 7, 1996).*

MORRISON & FOERSTER LLP

Blanca S. Bayo
April 11, 2000
Page Three

exchange services in 21 states. TBS offers a variety of voice services, primarily targeting corporate customers.

Excel's headquarters are located at 8750 N. Central Expressway, Suite 2000, Dallas, Texas 75231. Excel is authorized by the Commission to provide interexchange telecommunications services⁴ and alternative local exchange telecommunications services⁵ throughout Florida. Excel owns and operates a nationwide, facilities-based telecommunications network, providing interexchange and/or local exchange services in all 50 states and Canada.

LDWC is headquartered at 8750 N. Central Expressway, Suite 2000, Dallas, Texas 75231. LDWC is authorized by this Commission to provide interexchange telecommunications services throughout Florida.⁶ LDWC provides dial-around (1010-XXX) interexchange services in 46 states and internationally pursuant to authorization from the FCC.

Teleglobe, the ultimate corporate parent of the Teleglobe Companies, is a Canadian corporation traded on the New York and Toronto Stock Exchanges. A leading global provider of voice, Internet, and other services, Teleglobe Inc. delivers advanced broadband applications to customers in more than 100 countries. With its extensive global Internet network, Teleglobe Inc. provides service to Internet providers worldwide. To support its continuing investments in broadband communication services, Teleglobe Inc. maintains a balance of wholesale and retail customer traffic. Through its operating subsidiaries worldwide, Teleglobe Inc. has a significant global market presence in broadband applications, Internet connectivity, value-added international telephony and retail long distance services.

Information concerning TUSA, TBS, Excel, and LDWC's legal, technical, managerial, and financial qualifications to provide telecommunications services was submitted with their respective applications for certification filed with the Commission

⁴ *In re: Application of Excel Telecommunications, Inc. for a Certificate of Public Convenience and Necessity Authorizing Operation as an Interexchange Telephone Company in Florida*, Order No. 22611, Docket No. 891356-TI (issued Feb. 27, 1990).

⁵ *In re: Application for Certificate to Provide Alternative Local Exchange Telecommunications Service by Excel Telecommunications, Inc. Certificate No. 4695*, Order No. PSC-96-1020-FOF-TX, Docket No. 960605-TX (issued Aug. 7, 1996).

⁶ *In re: Application for Certificate to Provide Interexchange Telecommunications Service by Long Distance Wholesale Club*, Order No. PSC-94-1439-FOF-TI, Docket No. 940867-TI (issued Nov. 23, 1994).

Blanca S. Bayo
April 11, 2000
Page Four

and is, therefore, a matter of record before the Commission.⁷ The Applicants respectfully request that the Commission take official notice of the record and of its decisions with respect to those granted applications.

B. BCE

BCE is a Canadian holding company that is publicly traded on the New York Stock Exchange, and owns majority or significant shares of many telecommunications-related companies.⁸ Through an intermediate holding company (which is 20% indirectly owned by SBC Communications, Inc. ("SBC")), BCE owns Bell Canada. BCE itself, which is applying herein to acquire indirect control over the Teleglobe Companies, has no investment by SBC. Through Canadian-based subsidiaries, joint ventures, and associated companies operating traditional wireline telephone networks, cellular and other wireless communications networks, satellite networks, and international gateway networks, BCE provides residential and business customers in Canada with a full range of domestic and international telecommunications services. In addition, through its subsidiaries, BCE provides satellite communications and direct-to-home television services, systems integration expertise, directories, electronic commerce solutions, Internet access and high-speed data services, and information technology services. Outside of Canada, BCE has indirect investments in affiliates that develop and operate telecommunications systems in various markets, primarily in Latin America and the Asia-Pacific region, with a focus on the wireless sector. In the United States, neither BCE nor any BCE affiliate currently holds any authorizations to provide intrastate telecommunications service.

BCE has the legal, financial, technical, and managerial qualifications to acquire control of TUSA, TBS, Excel, and LDWC and to operate these companies in the public interest. As stated in BCE's consolidated financial statements submitted in its 1999 Annual Report, as of December 31, 1999, BCE had revenues of over \$14 billion and net earnings of over \$5 billion. BCE is managed by a team of highly qualified executives with many years of both managerial and technical experience in the telecommunications industry. A list of BCE's senior management personnel, with accompanying biographies, is attached hereto as **Exhibit 2**.

⁷ See Docket Nos. 970582-TI, 930820-TI, 960647-TX, 891356-TI, 960605-TX, 940867-TI.

⁸ BCE has a significant ownership in Nortel Networks, but has announced that it will spin off that interest to its shareholders.

Blanca S. Bayo
April 11, 2000
Page Five

DESCRIPTION OF THE TRANSACTION

Teleglobe and BCE have determined that they can realize significant economic and marketing efficiencies, and, ultimately, strengthen the respective businesses of the two companies by establishing Teleglobe as a wholly owned subsidiary of BCE. Currently, BCE's 80% subsidiary, Bell Canada, holds 23% of the stock of Teleglobe. On February 15, 2000, BCE announced its intention to acquire the other 77% of Teleglobe's common shares through a tender offer to be made to Teleglobe's shareholders other than Bell Canada.

Although the process of merger has not been finalized, the Applicants expect that BCE will implement the acquisition by way of a Plan of Arrangement under the Canada Business Corporations Act. Pursuant to the Plan of Arrangement, each Teleglobe Inc. common share (other than those currently held by Bell Canada) will be transferred to BCE at the Effective Date of the Plan of Arrangement ("Effective Date") in exchange for a fraction (between 0.85 and 0.97, to be determined based on the trading price of the BCE common share for a determined period prior to the Effective Date) of a BCE common share. Thereafter, TUSA, TBS, Excel, and LDWC will become indirect wholly owned subsidiaries of BCE. **Exhibit 1** illustrates the corporate structure of BCE and Teleglobe prior to the proposed transaction, the transfer of control process, and the corporate structure of BCE immediately following completion of the transaction. The Effective Date will occur on a date, selected by the parties, after (1) Teleglobe and BCE have received all necessary regulatory approvals to consummate the acquisition; and (2) the shareholders of Teleglobe have approved the Plan of Arrangement. The Effective Date is intended to occur no later than the end of the year, with the expectation that it occur by July 1, 2000. **Exhibit 3** lists the current officers and directors of TUSA, TBS, Excel, and LDWC and BCE. There are no plans to change BCE's officers or directors after the proposed transaction closes.

Although the transaction will result in a change of the ultimate corporate parent of TUSA, TBS, Excel, and LDWC, it will not result in a change in the manner in which these companies provide service to their Florida customers.⁹ TUSA, TBS, Excel, and LDWC will continue to provide seamless service to their existing Florida customers

⁹ Customers may contact TUSA at (800) 920-9224 or at www.teleglobe.com. TBS's customer service number is (800) 871-0999. Customers may view information about Excel at www.excel.com. Excel's and LDWC's customer service numbers are: (800) 875-9235; (800) 643-9235 (Spanish, Korean, Vietnamese and Tagalog); (800) 520-4001 (TTY/TDD--hearing and speech impaired only); and (800) 209-8133 (commercial and business accounts).

MORRISON & FOERSTER LLP

Blanca S. Bayo
April 11, 2000
Page Six

pursuant to their certifications, with no change in the terms or conditions of service as a result of the transaction. Their Florida operations will continue to be led by the same team of well-qualified telecommunications professionals. In addition, these personnel will be able to draw upon the resources and experience of the BCE management and operational personnel to augment their ability to provide Florida customers with high quality, state-of-the-art services. The Applicants intend that the substantial managerial, technical, and financial expertise of the combined management and operational personnel will assure that this transaction maintains the high quality of service the Teleglobe Companies provide in Florida. As such, the transaction through which TUSA, TBS, Excel, and LDWC will become indirect, wholly owned subsidiaries of BCE will be virtually transparent to Florida customers.

PUBLIC INTEREST STATEMENT

The proposed transaction will serve the public interest in promoting competition by permitting Teleglobe and BCE to strengthen their competitive positions through combining their financial resources and complementary services, facilities and expertise. Specifically, the proposed merger will permit Teleglobe and BCE to realize significant economic, marketing, and technical service efficiencies that will enhance Teleglobe's ability to provide high-quality, low-cost competitive telecommunications services. Teleglobe and BCE also will benefit significantly from the substantial managerial, technical, and financial expertise of the combined company's management and operations teams. Thus, the transfer of control will enable TUSA, TBS, Excel, and LDWC to strengthen their competitive positions in Florida, which will inure to the benefit of consumers through improved service. The transfer will ensure the continued provision of high quality, affordable telecommunications services to existing customers and should promote competition in the Florida telecommunications service market by offering consumers a cost effective, high quality competitive alternative to the most powerful players in the state telecommunications market.

CONCLUSION

The merger will ensure the continued provision of high quality, affordable telecommunications services to TUSA, TBS, Excel, and LDWC's existing Florida customers and should promote competition in the Florida telecommunications service market.

MORRISON & FOERSTER LLP

Blanca S. Bayo
April 11, 2000
Page Seven

Enclosed are six (6) copies of this letter for filing. Please stamp the return copy and return it in the enclosed prepaid, self-addressed envelope. If you have any questions regarding the transaction or this notification, please contact undersigned.

Very truly yours,

A handwritten signature in cursive script, appearing to read "M. Tobey".

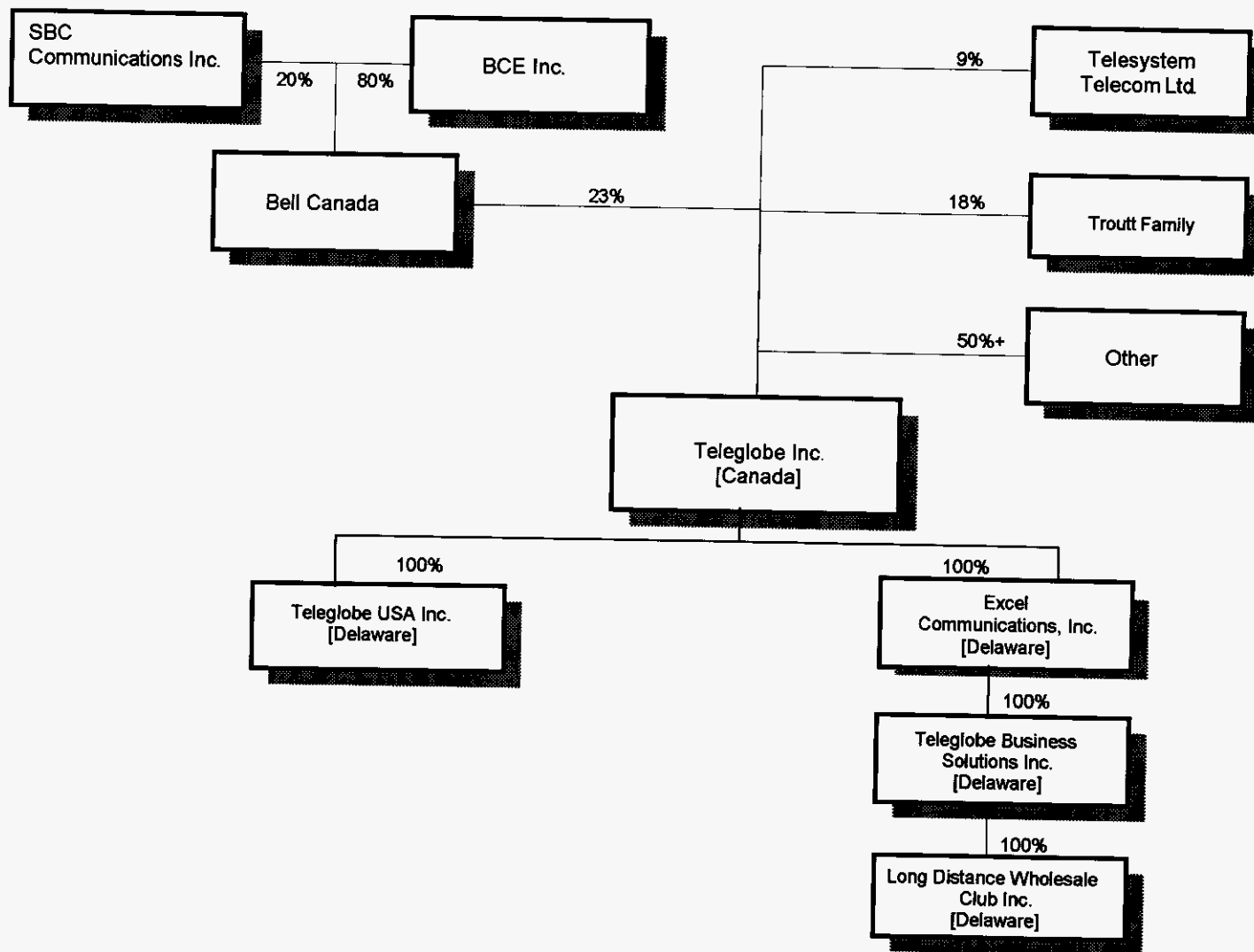
Margaret L. Tobey
Counsel to TUSA, TBS, Excel, and LDWC

Enclosures

EXHIBIT 1

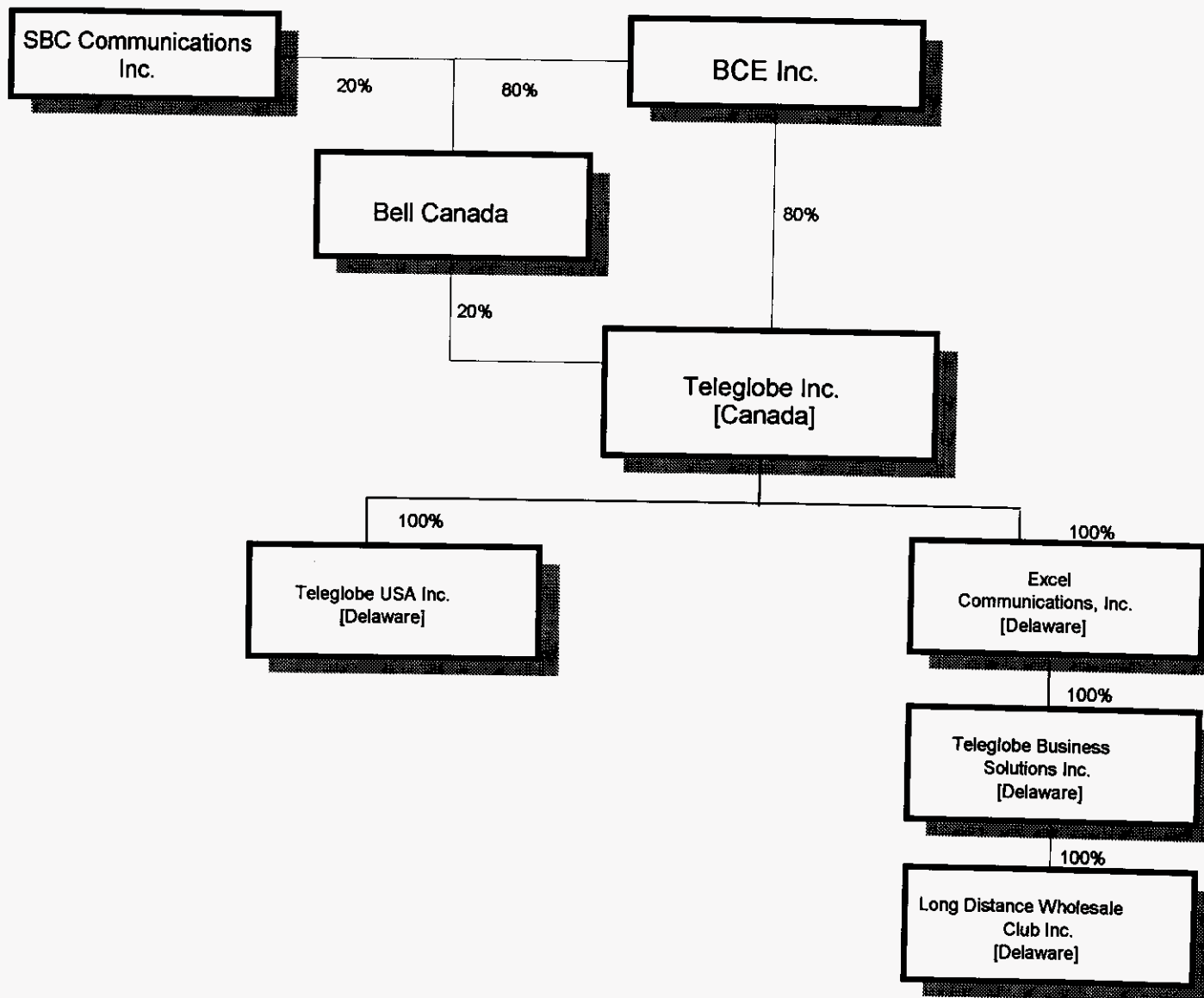
PRE- AND POST-MERGER ORGANIZATIONAL CHARTS

Pre Merger Structure



* Some of the companies identified herein may be indirectly owned through intermediate holding companies.

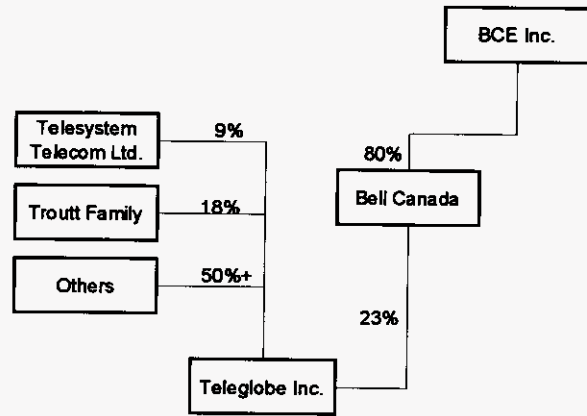
Post Merger Structure



* Some of the companies identified herein may be indirectly owned through intermediate holding companies.

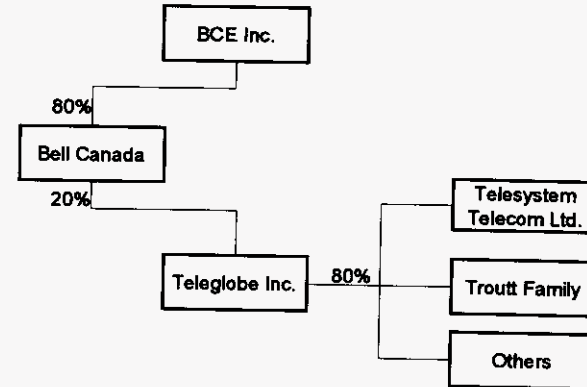
Teleglobe - BCE Transfer of Control Process

STEP 1



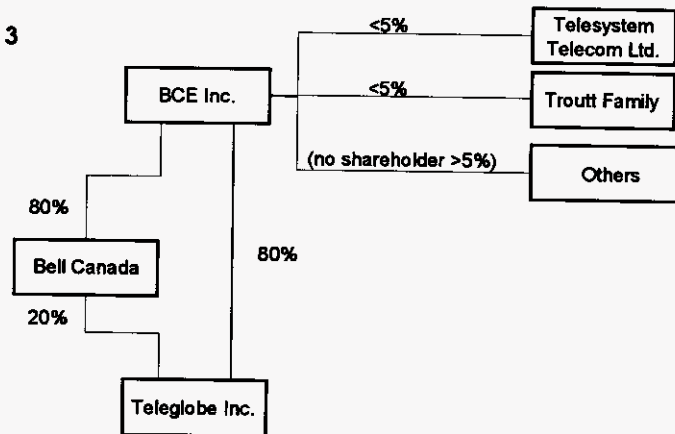
Current status

STEP 2



Bell Canada converts a portion of its common shares into subordinate voting shares so that its combined voting interest declines under 20%.

STEP 3



Teleglobe shareholders other than Bell Canada exchange their Teleglobe shares for BCE shares at between .85 and .97 share of BCE for each share of Teleglobe, dependent upon trading price for BCE shares at the time of exchange.

* Some of the companies identified herein may be indirectly owned through intermediate holding companies.

EXHIBIT 2

BCE INC. SENIOR MANAGEMENT

L. R. WILSON, O.C. L. R. Wilson has been Chairman of the Board of BCE Inc. since May 6, 1998. He joined BCE Inc. in 1990 when he was appointed President and Chief Operating Officer. He then went on to be President and Chief Executive Officer of BCE Inc., between 1992 and 1993; Chairman, President and Chief Executive Officer of BCE Inc., from 1993 to 1996; and Chairman and Chief Executive Officer of BCE Inc., from 1996 to 1998. Mr. Wilson is a member of the Board of Directors of BCE Inc., Bell Canada, Bell Canada International Inc., Nortel Networks Corporation, Bell-Northern Research Ltd., Teleglobe Inc., Chrysler Canada Ltd., Chrysler Corporation, Tate & Lyle PLC (London, England), CAE Inc., C.D. Howe Institute and The Canadian Institute for Advanced Research.

JEAN C. MONTY. Jean C. Monty was appointed President and Chief Executive Officer of BCE Inc., effective May 6, 1998. He joined BCE on October 1, 1997 when he was appointed President and Chief Operating Officer and a director of the company. He is also Chairman and Chief Executive Officer of Bell Canada, and Chairman of the Board of Bell Mobility Inc. and Teleglobe Inc. Prior to joining BCE Inc., Mr. Monty was Vice-Chairman and Chief Executive Officer of Nortel (Nortel Networks Corporation). He joined Nortel in October 1992, as President and Chief Operating Officer, becoming President and Chief Executive Officer in March 1993. Mr. Monty began his career at Bell Canada in 1974 and has held numerous positions in the BCE group. Mr. Monty is a member of the board of directors of Nortel Networks Corporation and Bombardier. He is also a director of many BCE companies.

PETER J.M. NICHOLSON. Peter J.M. Nicholson is Chief Strategy Officer and an Officer of BCE Inc. In 1978, Dr. Nicholson left Ottawa and was elected to the Nova Scotia Legislature where he was opposition finance critic. At the time, he became associated with H.B. Nickerson & Sons, a major east-coast fisheries company, and eventually left the Legislature to devote full-time to the company as a Vice-President. In 1982, he joined the Taskforce on Atlantic Fisheries established by the federal government to restructure the industry which had been financially devastated by the 1981-82 recession. Dr. Nicholson joined The Bank of Nova Scotia in 1984 where he was Senior Vice-President and Executive Assistant to the Chairman. The position involved advising the Chairman on a broad range of strategic issues as well as on government relations and public affairs. Between March 1994 and September 1995, Dr. Nicholson was Clifford Clark Visiting Economist in the federal Department of Finance under Ottawa's executive interchange program. This is a senior advisory position to the Minister and Deputy Minister of Finance. In September 1995, he joined BCE Inc. where he is now Chief Strategy Officer.

MARC J. RYAN. Mr. Ryan worked for a short period in private practice and, for three years, with the Quebec Securities Commission. Since 1977, Mr. Ryan has been employed with Bell Canada and with BCE Inc., Bell Canada's parent company. He has assumed increasing levels of responsibility and is currently Corporate Secretary of BCE Inc.

WES SCOTT . Wes Scott is Chief Corporate Officer, BCE Inc. In this capacity, Mr. Scott works closely with the BCE team on the future implementation of BCE's strategy - Human Resources & Legal functions. Mr. Scott has held a variety of senior executive positions in the BCE group over his thirty-year career, including operations, finance and marketing. Before re-joining BCE in February 2000, he was Vice-Chairman, responsible for strategic coordination and direction of Bell Canada's corporate functions - finance, human resources, corporate communications, legal, strategic planning and regulatory matters. Prior to this, Mr. Scott was Executive Vice-President and Chief Financial Officer of Northern Telecom. From 1993 to 1995, Mr. Scott was CEO of Stentor Resource Center Inc., the jointly owned marketing and engineering research arm of Canada's major largest telecommunications companies. Immediately prior to joining Stentor, he was President of Bell Ontario.

MARTINE TURCOTTE. Ms. Turcotte was appointed Chief Legal Officer of BCE Inc. in June, 1999 and is also a Member of the BCE Executive Council. She first joined BCE in August, 1988 as Legal Counsel and has held numerous positions in the BCE group with Bell Canada International, BCE Media and Bell Canada.

WILLIAM D. ANDERSON. William D. Anderson is chief financial officer of BCE Inc. Mr Anderson is Chairman of the Board of BCE Emergis, Bimcor Inc. and TeleReal. He is also a Director of CGI Group Inc. From 1972 to 1980, Mr Anderson was an income tax specialist at KPMG Peat Marwick and was promoted partner in the firm in 1980. Mr Anderson joined BCE Inc. as Vice-President, Taxation in 1992 and was appointed Chief Financial Officer of Bell Cablemedia plc in 1994. He returned to BCE as Senior Vice-President, Finance in 1997 and was subsequently appointed Chief Financial Officer of BCE. From 1998 to 1999, he also served as Chief Financial Officer for Bell Canada.

EXHIBIT 3

TELEGLOBE USA INC.

Officers:

<u>Officer</u>	<u>Title</u>
John Cahill	President
Stephen Beebe	Vice President, Finance and Treasurer
John Brunette	Vice President, Law and Secretary
Dominique Jacquet	Vice President, Chief Information Officer
Philip Walker	Vice President
A. Kieran Bustamante	Assistant Secretary
Marc Van Doorn	Corporate Controller
Steve Heap	Vice President, Global Network Planning and Engineering
Donna Tanenbaum	Vice President, Human Resources
Andrew Burroughs	Vice President, Marketing and Product Management

Directors:

Paolo Guidi
Claude Seguin

TELEGLOBE BUSINESS SOLUTIONS INC.

Officers:

<u>Officer</u>	<u>Title</u>
Kenny A. Troutt	Chief Executive Officer
Selby A. Shaver	President and Chief Operating Officer
J. Christopher Dance	President, Local Service Division and Secretary
Nicholas A. Merrick	Executive Vice President, Business Development
Stephen Ingram	Executive Vice President and Chief Information Officer
Kenneth Hilton	Executive Vice President, Consumer Marketing
Paul D. Fletcher	Vice President and Treasurer
John Brunette	Vice President
Kieran Bustamante	Assistant Secretary

Directors:

Selby A. Shaver
Nicholas A. Merrick

EXCEL TELECOMMUNICATIONS, INC.

Officers:

<u>Officer</u>	<u>Title</u>
Christina A. Gold	Chief Executive Officer
Selby A. Shaver	President and Chief Operating Officer
Christopher P. Kelly	Vice President, General Counsel and Secretary
Paul D. Fletcher	Vice President and Treasurer
J. Christopher Dance	President, Local Services Division
Cynthia Worthman	Executive Vice President and Chief Financial Officer
Stephen Ingram	Executive Vice President and Chief Information Officer
Malcolm Aylett	Executive Vice President and Chief Operating Officer, International
Kevin Pennington	Executive Vice President, Administration
Nicholas A. Merrick	Executive Vice President, Business Development
Kenneth Hilton	Executive Vice President, Consumer Marketing
Robert Keil	Executive Vice President, Operations
Steve Richards	Executive Vice President, Product Management and Direct Marketing

Directors:

Christina A. Gold
Selby A. Shaver
Cynthia Worthman

LONG DISTANCE WHOLESALE CLUB, INC.

Officers:

<u>Officer</u>	<u>Title</u>
Kenny A. Troutt	Chief Executive Officer
Selby A. Shaver	President and Chief Operating Officer
J. Christopher Dance	President, Local Service Division and Secretary
Nicholas A. Merrick	Executive Vice President, Business Development
Stephen Ingram	Executive Vice President and Chief Information Officer
Kenneth Hilton	Executive Vice President, Consumer Marketing
Paul D. Fletcher	Vice President and Treasurer

Directors:

Selby A. Shaver
Nicholas A. Merrick

BELL CANADA ENTERPRISES INC.

Officers:

<u>Officer</u>	<u>Title</u>
Jean C. Monty	President and Chief Executive Officer
William D. Anderson	Chief Financial Officer
Peter J.M. Nicholson	Chief Strategy Officer
C. Wesley M. Scott	Chief Corporate Officer
Martine Turcotte	Chief Legal Officer
Michael T. Boychuk	Corporate Treasurer
Barry W. Pickford	Vice President, Taxation
Marc J. Ryan	Corporate Secretary

Directors:

L.R. Wilson, O.C.
Richard J. Currie, C.M.
John H. McArthur
Jean C. Monty, C.M.
Donna S. Kaufman
J. Edward Newall, O.C.
Ralph M. Barford
Thomas E. Kierans
Guy Saint-Pierre, O.C.
Brian M. Levitt
Paul M. Tellier, P.C., C.C., Q.C.
Micheline Charest
Judith Maxwell
Victor L. Young, O.C.