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Monica R. Borne
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BY FEDERAL EXPRESS

Executive Secretary
Florida Public Service Commission
2540 Shumard Oak Drive
Tallahassee, FL 32399-0850

001488-TP

Re: Notification by Network Telephone Corporation and LightNetworks, Inc. of an Asset Purchase Agreement

Dear Sir or Madam:

On behalf of Network Telephone Corporation ("NTC") and LightNetworks, Inc. ("LNI"), this letter is to advise the Commission of an Asset Purchase Agreement (the "Agreement") which the companies propose to consummate. It is our understanding, based upon review of the applicable statutes and regulations, that this transaction does not require prior Commission approval. **Accordingly, absent written notice to the contrary within thirty (30) days of the date of this letter, the parties will proceed to consummate the transaction in a timely fashion.**

NTC and LNI propose to consummate the Agreement whereby NTC will purchase, and LNI will sell, substantially all of the telecommunications assets of LNI, including but not limited to the customer records and customer lists (the "Acquisition"). The customers of LNI would be given the opportunity to switch their service from LNI to a substantially similar product offering of NTC or choose a different carrier. A copy of the Agreement is available for inspection and review upon request by the Commission.

NTC is a privately held Florida corporation with principal offices located at 815 South Palafox Place, Pensacola, Florida 32501. NTC is a wholly owned subsidiary of NT Corporation, a Delaware corporation which does not possess any federal or state authorizations to provide telecommunications services. NTC is a competitive provider of local and interexchange services. NTC is authorized to provide both local and interexchange services in all of the BellSouth states and interexchange services only in Texas and Arkansas.

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NTC is also authorized by the FCC to offer domestic interstate interexchange and international services in all fifty (50) states and the District of Columbia as a non-dominant carrier. NTC is a certificated local and interexchange provider in this State.¹

LNI is a privately held Delaware corporation with principal offices located at 2700 Northeast Expressway, Suite B450/900, Atlanta, Georgia 30345. LNI is authorized to provide both local and interexchange services in five (5) states and is authorized to provide interexchange services on in two (2) states. LNI is also authorized by the FCC to offer domestic interstate and international services in all fifty (50) states and the District of Columbia as a non-dominant carrier. LNI is a certificated carrier in this State.²

The proposed Acquisition will accomplish the following:

- a. NTC will buy, and LNI will sell, transfer and assign to NTC, all of LNI's right, title and interest in and to LNI's assets, as defined in the Agreement;
- b. In consideration for the above transfer and sale of assets, NTC will pay to LNI the purchase price as described more fully in the Agreement.

NTC proposes to acquire and consolidate the customer accounts of LNI in order to create a single, larger long distance carrier operating in a greater number of states. By virtue of these transactions, NTC will realize significant economic, marketing and administrative efficiencies.

Following consummation of the transaction discussed above, the customers of LNI would be given the opportunity to switch their service from LNI to a substantially similar product offering of NTC or choose a different carrier. Those customers of LNI who choose to switch their service to NTC will be transferred to NTC and NTC will continue to service these customers through and pursuant to the certification previously obtained by NTC in this State.

¹ In this State, NTC provides resold intrastate local exchange and long distance telecommunications services pursuant to authority granted in Docket Number 98-0547-TI, Order No. PSC-98-1016-FOF-TI, effective July 27, 1998 and Docket No. 98-0134-TX, Order No. PSC 98-0435, effective March 27, 1998.

² In this state, LNI provides resold intrastate local exchange and long distance telecommunications services pursuant to authority granted in Docket No. 99-1766-TI, Order No. PSC, 00-0558-CO-TI, Auth. No. T-99-2025, dated March 14, 2000 and Docket No. 99-1765-TX, Order No. PSC-00-0557-CO-TX, Auth. No. T-99-2024, Dated March 14, 2000.

Prior to consummation of the proposed transaction, NTC intends to notify all current end users of LNI of the event and of the opportunity to switch their service to a substantially similar product offering of NTC or to choose a different carrier.

The technical, managerial and financial personnel of NTC will assist with the integration and consolidation of the transferred accounts after the transaction, and will serve both the existing NTC customers and the transferred LNI customers with the same high level of expertise.

Critical to the proposed transaction and consolidation of customer accounts is the need to ensure the continuation of high quality service to all customers currently served by both NTC and LNI. The proposed transaction will serve the public interest for the following reasons:

- a. It will enable NTC to provide a streamlined level of service for all involved customers by creating a single, larger operation to provide long distance service to the customers in this State as well as other states. The transaction will enhance the operating efficiencies, including market efficiencies, of NTC.
- b. It will increase the appeal to present and potential customers because of NTC's larger size and greater variety of service offerings as well as enhance the ability of NTC to appeal to and serve national accounts.
- c. It will result in cost savings as the result of discounts on quantity ordering of materials and services.
- d. Accordingly, the requested transaction and consolidation will serve to create a heightened level of operating efficiency which generally will serve to enhance the overall capacity of NTC to compete in the marketplace and to provide telecommunications services for a greater number of consumers of this State at competitive rates.
- e. Additionally, NTC will possess a greater customer account base as the result of the proposed purchase of assets, and will thus be a stronger carrier to provide high quality service to all customers presently serviced by both NTC and LNI.

Enclosed are the original and twelve (12) copies of this letter. Please return the additional copy of this letter file-stamped in the envelope provided. If you need any further information, please do not hesitate to contact me. Thank you for your assistance in this matter.

Respectfully submitted,



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