

BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION

Application of TTI National, Inc. For
Approval to Transfer Subscribers, and
For Waiver of Commission Rule 4 CSR 240-33.150

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Case No. 102003-0072

**APPLICATION TO TRANSFER SUBSCRIBERS AND FOR
WAIVER OF COMMISSION RULE 4 CSR 240-33.150**

COMES NOW TTI National, Inc. ("TTI"), pursuant to 392.300 and 392.540 RSMo. and 4 CSR 240-2.060, 4 CSR 240-2.015 and 4 CSR 240-33.150 by and through its undersigned attorneys and for its Application to transfer the subscribers of PT-1 Communications, Inc. and PT-1 Long Distance, Inc. (collectively, "PT-1") to TTI's service without first obtaining each subscriber's authorization and verification and for waiver of the Commission verification rules (4 CSR 240-33.150), states:

1. TTI is an interexchange telecommunications company authorized to offer intrastate service in Missouri (pursuant to certificate issued by the Commission) and in 48 other states. It is a Delaware corporation duly authorized to conduct business in Missouri. A certificate of good standing is attached hereto as Exhibit 1. TTI offers switched outbound ("1+"), toll free and calling card services and currently services more than 250,000 customers nationwide. TTI's services are marketed primarily to small business and residential customers. TTI is a wholly owned subsidiary of WorldCom, Inc., a publicly traded company.

2. Questions concerning this application may be addressed to TTI's attorneys:

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-and-

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Notices, correspondence, communications, orders, decisions, and other papers may be served upon TTI's attorneys and such service shall be deemed to be service upon TTI in this matter.

3. On March 9, 2001, PT-1 Communications, Inc. and PT-1 Long Distance, Inc. filed voluntary Chapter 11 Bankruptcy petitions in the United States Bankruptcy Court for the Eastern District of New York.

4. On March 7, 2002, an auction was held at which MCI WorldCom Network Services, Inc. ("MWNSI"), a subsidiary of WorldCom, Inc. made a bid for PT-1's assts, including but not limited to all U.S. - based long distance customer accounts which

have selected PT-1 as their provider for outbound and inbound switched services. Because MWNSI's bid was found to be the best offer for PT-1's¹ assets, the Bankruptcy Court entered an Order² authorizing the sale of substantially all of PT-1's assets, including without limitation, PT-1's customer base and Carrier Identification Codes ("CIC"), 101-6868 and 10-10-972, to MWNSI, free and clear of all liens, claims and encumbrances, transferable to TTI National, Inc. at closing.

5. This transition in service will include appropriate, actual notice³ to each of PT-1's presubscribed customers, notifying them of the purchase, advising them of TTI's service and rates and providing information enabling such customers to choose another carrier rather than TTI, if they so choose. This notice is being provided in compliance with 4 CSR 240-33.150 and with Rule 47 C.F.R. § 64.1120(e)(1) of the Federal Communications Commission ("FCC")⁴ governing the sale and transfers of carriers' customer bases.

6. The notice will inform the customer that on or after October 1, 2002, all "1+" calls from telephone lines previously served by PT-1 will be completed by TTI, unless the customer chooses another carrier. The customers will be informed that they will receive the same rates and similar services as those that they were receiving from

¹ PT-1's assets included but are not limited to, the long distance customer base, long distance revenue streams and accounts receivables, intellectual property, CIC codes, Access Carrier Name Abbreviation (ACNA) permits, records and certain prepaid expenses.

² Order pursuant to Sections 105, 363,365, and 1146 of the Bankruptcy Code (i) Authorizing and Approving the Emergency Sale of Substantially All of Debtors Assets Free and Clear of Liens, Claims, and Encumbrances; (ii) Authorizing the Debtors to Sell such assets to MWNSI or its Designee; (iii) Authorizing and Approving the Terms of the Asset Purchase Agreement; (iv) Authorizing and Approving the Terms of the Management Agreement; (v) Authorizing and Approving Assumption and Assignment of Certain Executory Contracts and Unexpired Leases in connection therewith; (vi) Approving Exchange of Release and/or waivers pursuant to Bankruptcy Rule 9019, (vii) Authorizing and Approving the RFC Agreement; and (viii) Authorizing the Exemption of the Sale from Stamp and similar taxes. This transaction is ongoing in the ordinary course of TTI's business and, therefore, does not require further approval in the pending WorldCom bankruptcy action.

³ The customer notice letter is included in Exhibit 2.

⁴ See Exhibit 2.

PT-1, without interruption and without need for action. The affected PT-1 customers will also be reminded that they are under no obligation to take service from TTI, and that each customer is free to select another company to carry their long distance calls. The customer will also be advised that they should not be charged any fee by the local phone company as a result of the change to TTI, and if any such fee is imposed, TTI will issue a credit for such charge to the customer. The notice will also provide the former PT-1 customers with a toll-free number to assist them if they have any questions regarding the transfer of their service.

7. TTI shall initially offer services that are of comparable quality and at the same rates that PT-1 currently offers its long distance customers, under tariffs to be filed for approval prior to commencement of services, for a period of at least 60 days. After that period of time, TTI reserves the right to change the rates it charges PT-1's former long distance customers in the future.

8. TTI by separate motion filed herewith requests expedited action on this application pursuant to 4 CSR 240-2.080(17) by September 30, 2002, in order to minimize customer service interruption and confusion and to provide a smooth transition of service for former PT-1 customers, while ensuring that the affected customers clearly understand available choices. The Commission should, therefore, grant TTI's request for expedited waiver of the Commission's verification rules delineated in 4 CSR 240-33.150 of the Commission rules and approve the transfer of PT-1's customer base assets to TTI.

9. To the best of its knowledge TTI has no pending actions or final unsatisfied judgments or decisions pending against it involving customer service or rates in any state or federal agency or court, which occurred within three years of the date of this Application.

10. To the best of its knowledge TTI is current in Missouri on its annual report and assessment fees.

11. TTI does not anticipate that the proposed transaction will have any impact on tax revenues of any political subdivision in which structures, facilities or equipment of TTI or PT-1 are located.

WHEREFORE, TTI respectfully requests the Commission grant its request to approve the transfer of PT-1's customer base assets to TTI and for waiver of the Commission's verification rules, 4 CSR 240-33.150.

Respectfully submitted,

CURTIS, OETTING, HEINZ,
GARRETT & O'KEEFE, P.C.

/s/ Carl J. Lumley

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CERTIFICATE OF SERVICE

A true and correct copy of the foregoing document was mailed this 27th day of August, 2002, by U.S. Mail, postage paid to:

Office of Public Counsel
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General Counsel
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/s/ Carl J. Lumley