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September 20, 2001

**VIA OVERNIGHT COURIER**

RECEIVED  
SEP 24 2001  
FEDERAL BUREAU OF INVESTIGATION  
U.S. DEPARTMENT OF JUSTICE

Thomas M. Dorman  
Executive Director  
Public Service Commission of Kentucky  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40601

**Re: Notification of Intermedia Communications, Inc. and WorldCom, Inc.  
Of the Transfer of Control of Intermedia to Worldcom**

Dear Mr. Dorman:

By letter dated July 13, 2001, on behalf of WorldCom, Inc. (WorldCom) and Intermedia Communications, Inc. (Intermedia) we notified the Commission that the transfer of control of Intermedia to WorldCom was completed effective July 1, 2001. At the time of that notification, a decision as to the ultimate disposition of the Intermedia operations had not yet been made. This letter provides an update to the Commission as to the Company's current plans with respect to the Intermedia operations.

As we noted in the Notice filed on October 27, 2001 advising the Commission of that transaction, WorldCom had announced that it was considering the sale of all, or substantially all, of Intermedia's regulated telecommunications assets (other than its ownership interest in Digex, Inc., a provider of managed Web and application hosting services). The Notice also advised the Commission that, pending a decision as to whether to sell the assets or to retain control of them itself, WorldCom intended to operate Intermedia as a separate company from WorldCom's other regulated subsidiaries under its own certificates and tariffs and that, once a decision was made as to whether it would retain or sell the Intermedia assets, WorldCom would advise the Commission of that decision.<sup>1</sup>

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<sup>1</sup> As the Commission may be aware, subsequent to filing the Notice, WorldCom and Intermedia entered into consent decree with the U.S. Department of Justice (DOJ) which provided, among other things, that WorldCom would divest all of the Intermedia assets (other than the Digex shares) following the closing of the transaction and

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WorldCom hereby advises the Commission that it has determined not to sell Intermedia's regulated telecommunications operations in Kentucky. As stated in the Notice, those operations are currently being operated separately from WorldCom's other operating subsidiaries under the existing Intermedia certificates and tariffs. WorldCom is currently evaluating how it will consolidate the non-Internet Intermedia operations into existing WorldCom operations or otherwise make changes to the existing Intermedia business plan. WorldCom will return to the Commission to make such filings as may be appropriate or required depending upon how it decides to reorganize or consolidate Intermedia.

An original and ten (10) copies of this notice letter are enclosed. Please date-stamp and return the extra copy of this filing to us in the enclosed self-addressed stamped envelope.

Should you have any questions concerning this matter, please do not hesitate to contact us.

Respectfully submitted,

  
Jean L. Kiddoo

cc: C. Kent Hatfield  
Marsha Ward  
Scott Sapperstein

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would hold the Intermedia assets separate from WorldCom's other operations pending that sale. The consent decree, which was entered into as a result of DOJ's concerns regarding the transaction's effect on the competitive provision of Internet backbone and access services, also provided that the DOJ could consent to divestiture of less than all of the Intermedia assets. Subsequently, the DOJ has indicated that it anticipates consenting to WorldCom's request to retain ownership and control of all but Intermedia's Internet business unit (IBI). Accordingly, on August 29, 2001, the DOJ and World Com jointly sought a modification to the "hold separate" stipulation and order to remove the hold separate obligation from all but IBI. That modification was approved by the U.S. District Court on the same day (August 29, 2001), and WorldCom is no longer under any legal obligation to divest the Intermedia's regulated telecommunications business, including its facilities and services that are operated pursuant to the Commission's jurisdiction in Kentucky.