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PUBLIC SERVICE
COMMISSION

November 6, 2000

Mr. Thomas N. Dorman
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40601

**RE: Notice of Reorganization: BLT Technologies, Inc.; Touch 1 Long
Distance, Inc.; MCI WorldCom Communications, Inc.**

Dear Mr. Dorman:

BLT Technologies, Inc. ("BLT"), MCI WorldCom Communications, Inc. ("MCI WorldCom Communications" or "MCI WorldCom"), and Touch 1 Long Distance, Inc. ("Touch 1") (collectively, "the Companies"), through undersigned counsel, hereby notify the Commission that they intend to consolidate the operations of three related carriers into a single entity. BLT, MCI WorldCom and Touch 1 intend to accomplish this reorganization as described below.

MARK
INACTIVE

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1. Merge BLT with and into MCI WorldCom Communications (MCI WorldCom Communications will be the surviving entity). After the merger, BLT will no longer exist as a legal entity. Because BLT will no longer exist, the parties seek to cancel BLT's operating authority.
- 2. Transfer all of BLT's assets related to its regulated operations in Kentucky to MCI WorldCom Communications.
- 00013668
3. Merge Touch 1 with and into MCI WorldCom Communications (MCI WorldCom Communications will be the surviving entity). After the merger, Touch 1 will no longer exist as a legal entity. Because Touch 1 will no longer exist, the parties also seek to cancel Touch 1's operating authority.
- 4. Transfer all of Touch 1's assets related to its regulated operations in Kentucky to MCI WorldCom Communications.

The principal result of the proposed internal restructuring will be that MCI WorldCom Communications will provide intrastate interexchange service and prepaid card services to its existing customers and customers served by BLT and Touch 1.

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To further clarify the reorganization, the parties provide the following information:

I. THE PARTIES

The parties are all operating subsidiaries of WorldCom Inc., a publicly traded Georgia corporation. WorldCom's principal offices are located at 500 Clinton Center Drive, Clinton, Mississippi 39056. Collectively, WorldCom's operating subsidiaries are authorized to provide telecommunication services in 50 states, including Kentucky.

MCI WorldCom Communications is a Delaware corporation providing interexchange service, and in many states local service, to end-users. BLT is a Washington corporation. BLT operates primarily as a provider of prepaid calling cards in 49 states. Touch 1 is an Alabama corporation and operates as a reseller of interexchange services in 47 states.

The organizational chart attached hereto as Exhibit A depicts the current organizational structure of the entities affected by the restructuring.

II. DESIGNATED CONTACTS

The designated contacts for purposes of this Application are:

C. Kent Hatfield
MIDDLETON & REUTLINGER
2500 Brown & Williamson Tower
Louisville, KY 40202-3410
phone: (502) 584-1135

Susan J. Berlin
WorldCom, Inc.
6 Concourse Parkway, Ste. 3200
Atlanta, Georgia 30328
phone: (770) 284-5491

Copies of all correspondence, notices, inquiries and orders should be sent to:

Leigh Ann Cox
WorldCom, Inc.
Manager, State Policy
500 Clinton Center Drive
Building Three, 3rd Floor
Clinton, MS 39056

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III. NOTICE OF INTERNAL REORGANIZATION AND TRANSFER OF ASSETS

WorldCom's growth has been fueled by the acquisition of over 100 companies. This circumstance has created a complicated web of intercorporate relationships, and a confusing patchwork of regulatory authority. The resulting complexity has made administration unnecessarily burdensome for both WorldCom and the regulatory agencies that regulate WorldCom. From time to time, WorldCom has consolidated various operating subsidiaries to reduce these burdens. By consolidating operations of the subsidiaries noted herein, WorldCom hopes to simplify its managerial tasks, decrease potential customer confusion and lessen the burden on regulators. The reorganizations will allow WorldCom to operate more efficiently and effectively by eliminating a number of redundant administrative functions. In addition, merging Touch 1 into MCI WorldCom will provide Touch 1's customers access to calling plans unavailable through Touch 1.

The proposed reorganization will include the merger of BLT with and into MCI WorldCom Communications (illustrated at Exhibit B). After the merger, BLT will cease to exist and MCI WorldCom Communications will assume BLT's operations and will provide prepaid card service in support of BLT's existing customers. BLT's certificates would then be cancelled.

The proposed reorganization also involves the transfer of customers and assets from Touch 1 to MCI WorldCom Communications (illustrated at Exhibit C). After the merger, MCI WorldCom Communications will assume Touch 1's operations and will provide telecommunication services to Touch 1's customers. Touch 1 will cease to exist and its certificate would then be cancelled.

The proposed reorganizations will have no material adverse impact on consumers in Kentucky. Interexchange service and prepaid calling card services will continue to be provided over the same reliable transmission facilities and infrastructure MCI WorldCom is currently using, and customer service will continue to be provided by the same teams of qualified consumer representatives. Touch 1 Customers will be given appropriate, actual notice of the change in the name of their telecommunications service provider, enabling such customers to choose another carrier rather than MCI WorldCom. Residential customers using Touch 1 toll free services will be issued new numbers and personal identification numbers in order to ensure a smooth transition and uninterrupted toll free services.

To reflect changes as the result of the reorganizations, MCI WorldCom will file tariff revisions to: 1) incorporate BLT's prepaid services, without change; and 2) introduce calling plans applicable to Touch 1's customers, at rates equal to or better than existing

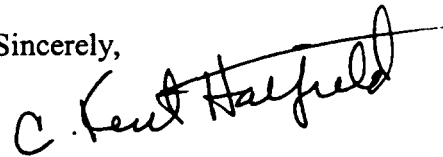
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Touch 1 rates applicable to these customers. Exhibit D attached hereto depicts the proposed structure of the affected entities following the reorganization. As with the reorganization, these tariff revisions will have no material adverse impact on consumers. Rather, they will align the tariffs with the appropriate entity providing service. Upon approval of the revised MCI WorldCom Communications tariff, BLT and Touch 1 will withdraw their existing tariffs and will cease to offer service to consumers in Kentucky.

Apart from the tariff review and approval process, and except for cancellation of the operating authority of BLT and Touch 1 when the transactions are complete, the Companies do not believe formal Commission action is required with respect to these internal transactions. Should the Commission find otherwise, the Companies ask the Commission for prompt approval of this reorganization. The Companies will advise the Commission when the transactions have been completed.

Enclosed with this transmittal are five additional copies of this letter. Please indicate its receipt by your office by returning a file stamped copy to me in the enclosed, self-addressed, stamped envelope.

Sincerely,



C. Kent Hatfield

CKH:jms

cc: Amy Dougherty, Esquire
Susan Berlin, Esquire