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May 31, 2002

VIA OVERNIGHT DELIVERY

Thomas Dorman, Executive Director
Public Service Commission of Kentucky
211 Sower Blvd.
P.O. Box 615
Frankfort, KY 40602

Re: WorldxChange Corp. and RSL COM U.S.A., Inc.

Dear Mr. Dorman:

WorldxChange Corp. ("WorldxChange") and RSL COM U.S.A., Inc. ("RSL") (together the "Parties"), through their undersigned counsel hereby advise the Public Service Commission of Kentucky ("Commission") of a transaction wherein WorldxChange will acquire the assets of RSL identified herein, including RSL's long distance customer base and the assets associated therewith ("Assets").

Since March 16, 2001, RSL has been operating in bankruptcy under the protection of the Bankruptcy Court for the Southern District of New York ("Bankruptcy Court").¹ As set forth in greater detail below, WorldxChange's indirect corporate parent Counsel Springwell Communications LLC ("Counsel Communications") and RSL entered into an Asset Purchase Agreement ("Agreement") dated as of March 25, 2002. Subsequently, on April 25, 2002, Counsel Communications assigned its rights under the Agreement to WorldxChange. Accordingly, WorldxChange will acquire the RSL Assets.

The transaction described herein is necessary to ensure that RSL's current Kentucky customers will continue to receive uninterrupted service. The Parties emphasize that following the completion of this transaction, RSL's customers will continue to receive service under the same rates, terms and conditions as that service is currently being provided. Given the current bankrupt

¹ See RSL COM U.S.A., Inc., Case No. 01-11469-alg (S.D.N.Y. Filed Mar. 16, 2001) and RSL COM PrimeCall, Inc., Case No. 01-11457-alg (S.D.N.Y. Filed Mar. 16, 2001).

Thomas Dorman
May 31, 2002
Page 2

status of RSL, this transaction must be completed rapidly in order to minimize disruption to existing customers being served by RSL.

Based on a review of Kentucky law, the Parties believe that Commission approval is not required to complete the transaction described herein. Accordingly, given the need for a rapid completion of the proposed transaction, the Parties intend to consummate this transaction as soon as possible. Accordingly, the Parties respectfully request that the Commission notify the Parties within thirty (30) days if it believes further filings are required with respect to the proposed transaction.

The Parties further state as follows:

Description of the Parties

A. WorldxChange Corp. ("WorldxChange")

WorldxChange Corp. is a corporation organized and existing under the laws of the State of Delaware with principal offices located at 9775 Business Park Avenue, San Diego, California 92131. WorldxChange has the managerial and technical resources necessary to operate the RSL Kentucky operations it proposes to acquire, since it is already operating as a registered resale provider of such services in the state, having filed a tariff with the Commission effective as of July 23, 2000.

WorldxChange is a wholly owned indirect subsidiary of I-Link Incorporated ("I-Link"), a publicly traded company organized under the laws of the State of Florida. I-Link is controlled by Counsel Communications which holds a direct majority interest in I-Link and therefore, an indirect majority interest in WorldxChange. Counsel Communications is in turn majority owned and controlled by Counsel Corporation ("Counsel"), a publicly traded Canadian corporation which specializes in investments, including communications companies.

B. RSL COM U.S.A., Inc. ("RSL")

RSL is a corporation organized and existing under the laws of the State of Delaware. RSL's principal place of business is located at 1001 Brinton Road, Pittsburgh, PA 15221. RSL currently provides a variety of regulated and unregulated telecommunications services, including long distance and frame relay data services, through the resale of the facilities of other carriers. As a resale provider in Kentucky, RSL has had effective tariff on file with the Commission since April 27, 1997.

Contact Information

Questions or inquiries concerning this notification may be directed to:

with a copy to:

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Description of the Transaction

Through this transaction, WorldxChange will acquire the long distance business of RSL. Specifically, the Assets to be acquired by WorldxChange include, among other things, most of the regulated communications assets associated with RSL's domestic telecommunications operations, including the telecommunications equipment and all of the long distance customers and customer accounts of RSL located in Kentucky.

The transaction will allow RSL's long distance operations to emerge from bankruptcy into WorldxChange and provide greater certainty to RSL's existing customers. In order to complete the transaction and gain Bankruptcy Court approval, WorldxChange's corporate parent, Counsel Communications, and RSL entered into an Asset Purchase Agreement as of March 25, 2002. Counsel Communications is a holding company that does not provide telecommunications in any jurisdiction. As a result, Counsel Communications has completed an assignment whereby through this transaction, the RSL regulated customers and telecommunications Assets will be assigned directly to Counsel Communications's operating subsidiary, WorldxChange, which will assume the day-to-day management and operational responsibilities necessary to provide service to RSL's customers. A diagram of the proposed transaction is attached as **Exhibit A**.

As a result of this transaction WorldxChange will replace RSL as the service provider for RSL's customers, but will, by amending its filed tariff, continue to provide service to RSL customers under the same rates, terms and conditions of services as currently provided by RSL. The transaction will therefore be (other than the change in the name of the service provider) virtually transparent to customers because they will experience no change in the services they receive as a result of the transaction. In order to avoid customer confusion, , the Parties will provide pre-consummation customer notice of the proposed transaction as soon as possible. RSL will, at a later date, separately withdraw its current tariff on file with the Commission.

Public Interest Considerations

The Parties respectfully submit that this transaction serves the public interest. In particular, the Parties submit that (1) the transaction will increase competition in the Kentucky telecommunications market by reinforcing WorldxChange's status as a viable competitor and (2) the transaction will minimize the disruption of service and be virtually transparent to the remaining RSL customers.

The transaction also is expected to invigorate competition in Kentucky. RSL's financial position at this stage effectively precludes it from becoming or remaining a viable competitor in the telecommunications market. As a practical matter, RSL is no longer able to effectively compete for new customers. Therefore, the proposed transaction will not diminish competition. At the same time, the expansion of WorldxChange's customer base is expected to enhance WorldxChange's position in the Kentucky telecommunications market and permit WorldxChange to compete more effectively for customers in Kentucky.

Existing RSL customers, in particular, will realize significant public interest benefits from the transaction. In light of RSL's precarious financial position, the transaction will provide greater stability to RSL's customers and ensure that those customers can continue to enjoy high quality, affordable service without interruption. Moreover, given that WorldxChange proposes to provide service on the same rates, terms and conditions of services that RSL currently provides, the Parties expect the transaction to be virtually transparent to customers (except for the change in name of the carrier from RSL to WorldxChange, about which RSL's customers will be notified).

Conclusion

Given that RSL's customer base is subject to continuing erosion and that RSL is unable to compete effectively as a result of its capital constraints and the uncertainty of its current financial position, the Parties seek to complete the proposed acquisition as quickly as possible. Rapid completion of the transaction is a critical factor in order to avoid interruption of service or other inconvenience to affected RSL customers. Accordingly, the Parties respectfully notify the Commission of their intent to consummate this transaction as soon as possible. The Parties, through their above-named representatives stand ready and willing to provide the Commission with additional information, should the Commission have questions or concerns in this matter.

Thomas Dorman
May 31, 2002
Page 5

Kindly date-stamp and return the enclosed extra copy of this notice in the postage-paid envelope provided.

Respectfully submitted,

By: 

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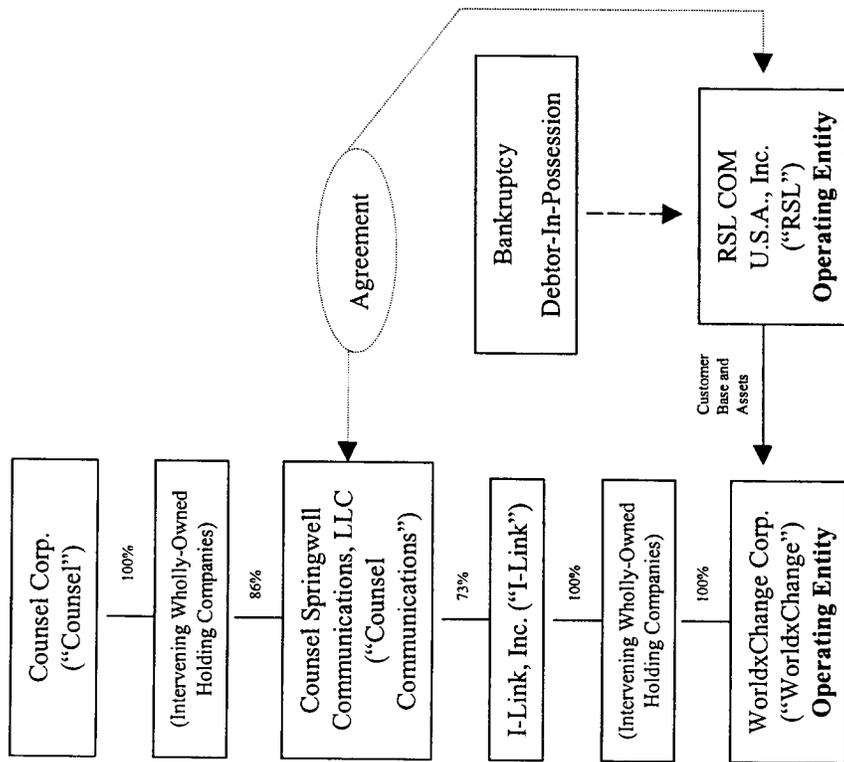
COUNSEL FOR THE PARTIES

Attachment

cc: Eric Fishman (Holland & Knight)
David O'Connor (Holland & Knight)

Exhibit A: Illustrative Chart of WorldxChange/RSL Transaction

Pre-Transaction



Post-Transaction

