

January 31, 2005

BY OVERNIGHT MAIL

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

RECEIVED

FEB 01 2005

PUBLIC SERVICE
COMMISSION

Re: Americatel Corp. d/b/a 123 Americatel
Notice of Indirect Transfer of Control

Dear Mr. Dorman:

Americatel Corporation d/b/a 123 Americatel ("Americatel"), pursuant to the Rules of the Public Service Commission of Kentucky ("Commission"), advises the Commission of a transaction which will result in an indirect transfer of the ultimate control of telecommunications company authorized to operate in Kentucky. As described in greater detail below, Almendral, S.A. ("Almendral") will acquire from Telecom Italia International N.V. ("TII"), as provided under a stock purchase agreement executed between Almendral and TII on January 24, 2005 (the "Stock Purchase Agreement"), a controlling interest in Empresa Nacional de Telecomunicaciones, S.A. ("ENTEL-Chile"), a Chilean corporation and Americatel's ultimate parent company (hereinafter, the "Transaction"). ENTEL-Chile holds a 100 percent ownership interest in ENTEL International B.V.I. Corporation ("ENTEL-BVI"), a company organized under the laws of the British Virgin Islands. ENTEL-BVI, in turn, holds an 80 percent ownership interest in Americatel. Thus, as a result of the Transaction, Almendral will acquire an indirect controlling interest in Americatel. Although the controlling interest in Americatel's ultimate parent will change, the stock of Americatel will continue to be held by ENTEL-BVI, and Americatel will continue to provide services to its existing Kentucky customers under existing service arrangements pursuant to its certification granted by the Commission. The Transaction, therefore, will be completely seamless and transparent to Americatel's customers. Attached hereto as Exhibit A for your reference are organization charts that illustrate the current corporate structure of the Americatel and the structure that will exist immediately following consummation of the indirect transfer of control.

Based on a review of Kentucky law, it is Americatel's understanding that no approval is required in Kentucky to complete the Transaction described herein. Accordingly, Americatel submits this filing as a courtesy and to ensure the continuing accuracy of the Commission's

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

Americatel further states as follows:

I. THE PARTIES

A. Telecom Italia International N.V. (Transferor)

TII, a Netherlands corporation headquartered in Amsterdam, The Netherlands, is a wholly-owned subsidiary of Telecom Italia S.p.A. one of the world's largest telecommunications operators. TII holds a 54.76% voting interest in the stock of ENTEL-Chile. ENTEL-Chile, a corporation organized under the laws of Chile, with headquarters in Santiago, Chile, is one of the largest long distance carriers in Chile and is a pioneer in the privatization of Latin America's telecommunications industry. ENTEL-Chile holds a 100 percent ownership interest in ENTEL-BVI, which in turn holds an 80 percent ownership interest in Americatel.

B. Americatel Corporation (Licensee)

Americatel, ENTEL-Chile's indirect subsidiary, is a corporation organized under the laws of the State of Delaware, with headquarters at 4045 NW 97th Avenue, Miami, Florida 33178. Serving the needs of its Kentucky customers with connections to the Latin American and Caribbean regions, Americatel provides international and domestic long distance services, including "dial around" casual calling (*i.e.*, "1010XX") service, presubscribed 1+ calling, and prepaid calling card services. In Kentucky, Americatel is authorized to provide long distance service as an interexchange carrier pursuant to authorization granted by the Commission in March 1998 (Utility No. 5136900). In addition to its operations in Kentucky, Americatel is also authorized to provide interstate and international services and local and/or intrastate long distance services throughout the contiguous United States.

C. Almendral S.A. (Transferee)

Almendral is a publicly held corporation incorporated under the laws of Chile. Almendral is headquartered in Santiago, Chile and its shares are publicly traded in the Chilean Stock Exchange. Almendral's origins go back to 1921 when the Compañía Chilena de Electricidad ("Chilectra") was born. Through the years Chilectra experienced a series of changes, until its privatization in 1987 when Almendral's predecessor, Chilquinta was born. From 1987 through 2001, Chilquinta held investments in several basic services, including electric utilities, telecommunications, waste management and real estate. Indeed, until 2001, Chilquinta held a 25.5% interest in ENTEL-Chile and, indirectly, Americatel, which interest was sold to TII in 2001. Since 2001, therefore, Almendral has no longer had interests in electric utilities and telecommunications companies and currently only holds portfolio companies in the waste management services and real estate areas, all of which are investments in Chile.

II. DESCRIPTION OF THE TRANSACTION

Americatel is a subsidiary of ENTEL-BVI, which, in turn, is a wholly-owned subsidiary of ENTEL-Chile, a domestic and international long distance carrier in Chile organized under the laws of Chile.

The indirect transfer of control of Americatel's operations in the United States is a very small part of a large transaction in which Almendral is acquiring ENTEL-Chile, a large international carrier based in Chile. Under the Stock Purchase Agreement, Almendral will acquire a 54.76 percent voting interest in ENTEL-Chile from TII. As a result of the Transaction, Almendral will hold a direct or indirect controlling interest of 54.76 percent in ENTEL-Chile.¹ Therefore, as shown graphically on Exhibit A, Almendral will acquire an indirect controlling interest in Americatel once the Transaction is consummated. The Transaction is governed by the laws of Chile and the Stock Purchase Agreement provides that the transfer of INTEL-Chile's shares will be consummated on the 60th day after execution of the Stock Purchase Agreement.

The Transaction will be completed at the holding company level and consummation of the Transaction will not result in any transfer or assignment of the operating authority held by Americatel or its customers or result in a name change by Americatel. Immediately following the Transaction, Americatel expects to continue to conduct its operations in substantially the same manner in which those operations are currently conducted and customers of Americatel will continue to receive service under the same rates, terms and conditions that currently apply to those services. As a result, the Transaction will be completely transparent to customers served in Kentucky by Americatel in terms of the services that they receive.

III. PUBLIC INTEREST STATEMENT

As noted above, the transfer of control of Americatel is occurring as part of a much larger international transaction in which the control of ENTEL-Chile, Americatel's indirect parent in Chile, is being transferred to Almendral, a successor company to Chilquinta, which until 2001 in effect held joint control of ENTEL-Chile with TII. Almendral is therefore well-qualified to control ENTEL-Chile and its subsidiaries, including Americatel. Under the new Almendral ownership, day-to-day operations of Americatel in the United States will continue to be managed by Americatel's well qualified existing management and technical team.

Almendral is a public company listed on the Chilean stock exchange. Almendral is financially well qualified to continue and expand the operations of Americatel. Thus, the Transaction described above will serve the public interest by permitting Americatel to continue

¹ Under the terms of the Stock Purchase Agreement, it is possible that all or part of the ENTEL-Chile shares to be acquired by Almendral, will be held by a yet-to-be-formed Chilean wholly-owned subsidiary of Almendral (the "Subsidiary"). The insertion of a wholly-owned subsidiary as the holder of all or part of the stock of ENTEL-Chile will not affect the ultimate control of Americatel as described in this Petition. Americatel will advise the Commission if such a Subsidiary will hold the shares. To the extent any ownership interests of ENTEL-Chile will be ultimately held by such a Subsidiary, Americatel requests, by this Petition, authority from the Commission should this event occur.

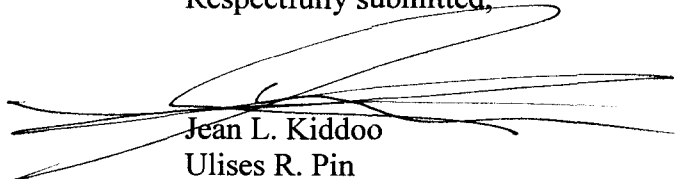
to offer its existing services and providing Americatel with access to additional resources that will allow Americatel to better assess and implement its business strategies going forward. Access to those resources will facilitate Americatel's ability to continue to provide high quality services to existing customers.

In addition, the proposed indirect ownership change will not inconvenience, confuse or otherwise harm Americatel's customers. Indeed, the proposed Transaction in Chile will be completely transparent to Americatel's customers in Kentucky. In sum, the proposed Transaction is expected to enable the ability of Americatel to continue to provide high-quality telecommunications services in Kentucky which should invigorate competition and thereby benefit consumers of telecommunications services in Kentucky.

IV. CONCLUSION

For the reasons stated above, Americatel respectfully submits that the Transaction will serve the public interest, convenience, and necessity. Questions regarding this filing may be directed to the undersigned.

Respectfully submitted,



Jean L. Kiddoo
Ulises R. Pin
Jeffrey R. Strenkowski

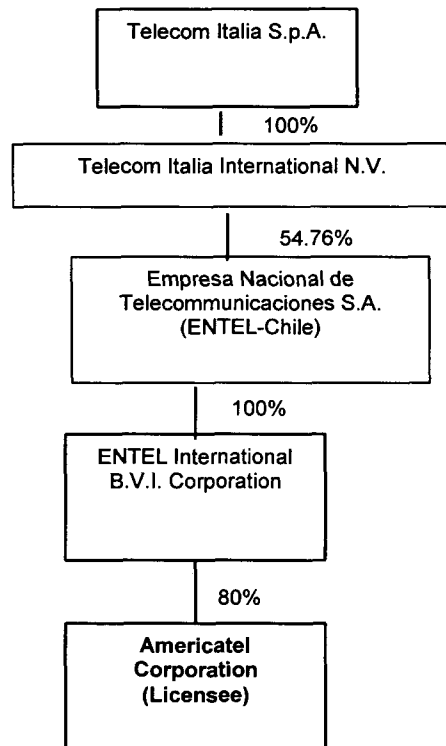
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Counsel for Americatel Corporation

EXHIBIT A

Illustrative Organization Charts

Americatel Corporation Ownership Pre-Transaction



Americatel Corporation Ownership Post-Transaction

