



**RSL COM**  
RSL COM U.S.A., INC.

January 3, 2001

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PUBLIC SERVICE  
COMMISSION

**VIA OVERNIGHT DELIVERY**

Ms. Helen C. Helton  
Executive Director  
Kentucky Public Service Commission  
211 Sower Blvd.  
Frankfort, KY 40601

05109900-0510  
2251099-0505  
INACTIVE

Re: Request for Decertification of LDM Systems, Inc. as an Intrastate, Interexchange Carrier and for Assignment of its CLEC Authorization to RSL COM U.S.A., Inc.

Dear Ms. Helton:

Transmitted herewith, on behalf of RSL COM U.S.A., Inc. ("RSL USA"), the parent company of LDM Systems, Inc. ("LDM"), are an original and 3 copies of its Request for Decertification and Assignment. Specifically, RSL USA and LDM request: 1) voluntary withdrawal of the Certificate of Public Convenience and Necessity issued to LDM on June 29, 1995 in Docket No. 94-431 to provide resold intrastate interexchange ("IXC") services; and 2) assignment of the LDM authorization issued on November 5, 1997 to provide competitive local exchange carrier ("CLEC") services from LDM to RSL USA.

Upon the consent of the Commission, LDM will cease providing telecommunications services in the state, and LDM's current customers will continue to be served by RSL USA under the same rates and pursuant to the same terms and conditions of service. Accordingly, the decertification of LDM will not leave LDM customers without a service provider. LDM has also provided notice of its merger to each of its customers.

An extra copy of this filing is enclosed. Please date-stamp the extra copy and return it to me in the enclosed self-addressed, stamped envelope. Should you have any questions concerning this matter, please contact Mr. David Parries, Director - Regulatory Affairs, at (212) 588-3668.

Respectfully submitted,

Richard Nelson  
Vice President, RSL COM U.S.A., Inc. &  
Vice President, LDM Systems, Inc.

Enclosure

**BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF THE STATE OF KENTUCKY**

In the Matter of Request )  
for Decertification of LDM Systems, Inc. )  
as an Intrastate, Interexchange Carrier )     Docket No. \_\_\_\_\_  
and for Assignment of Its CLEC )  
Authorization to Its Parent Company, )  
RSL COM U.S.A., Inc. )

To: The Commission

**Request for Decertification and Assignment**

Pursuant to the rules and regulations of the Public Service Commission ("Commission"), RSL COM U.S.A., Inc. ("RSL USA"), the parent company of LDM Systems, Inc. ("LDM"), hereby requests Commission approval of the following:

1. Withdrawal of LDM's Certificate of Public Convenience and Necessity ("CPCN") to provide resold intrastate interexchange ("IXC") services in the state; and
2. Assignment of LDM's authorization to provide competitive local exchange carrier ("CLEC") services from LDM to RSL USA.

In support of these requests, RSL USA submits the following:

**A. LDM SYSTEMS, INC.**

LDM is a New York corporation with principal offices at 430 Park Avenue, Fifth Floor, New York, NY 10022. LDM is currently authorized to provide intrastate IXC services in 45 states, including Kentucky. (*See Docket No. 94-431 dated June 29, 1995.*)

LDM is also authorized to provide CLEC services in a number of states, including Kentucky. (*See Order dated November 5, 1997.*)

On December 3, 1997, the shareholders of LDM and RSL USA entered into a Stock Purchase Agreement whereby RSL USA acquired 100 percent of the issued

and outstanding capital stock of LDM on a fully diluted basis from LDM shareholders. All LDM customers were notified of the transaction and were informed that RSL USA was now the parent company of LDM.

Accordingly, LDM is currently operating as a wholly-owned subsidiary of RSL USA. Since the RSL USA transaction, LDM has continued to provide resold interexchange services in the state under its own name and pursuant to the rates, terms and conditions of its own tariff and operating authority.

For corporate reasons related to the cost, complexity and inefficiency of operating separate corporate subsidiaries that provide similar telecommunications services, RSL USA has made the internal business decision to consolidate the majority of its telecommunications offerings into RSL USA. As part of this consolidation, RSL USA proposes to merge the telecommunications assets of its subsidiary, LDM, into RSL USA and to dissolve LDM as a separate entity. Accordingly, upon the grant of all requisite federal and state regulatory approvals, all LDM assets, including LDM's customer base, will be merged into RSL USA.

**B. RSL COM U.S.A., Inc.**

RSL USA is a Delaware corporation with principal offices located at 430 Park Avenue, Fifth Floor, New York, New York 10022. RSL USA is authorized to provide intrastate interexchange service in 49 states, including Kentucky. (*See original tariff approval dated April 27, 1997.*) RSL USA is the parent company of LDM and RSL COM PrimeCall, Inc.

**C. DISSOLUTION OF LDM SYSTEMS, INC.**

Because of RSL USA's internal business decision to dissolve LDM as a separate subsidiary, RSL USA is first requesting the voluntary withdrawal of

LDM's authority to provide resold intrastate, IXC authority in Kentucky. This authority was issued to LDM by the Commission on June 29, 1995 in Docket No. 94-431. Additionally, RSL USA requests that the Commission grant an assignment of LDM's CLEC authority from LDM to RSL USA. This CLEC authority was originally given to LDM on November 5, 1997. Upon approval of the Commission, RSL USA will seek the dissolution of LDM as a separate corporate entity and will merge the remaining LDM assets into RSL USA. RSL USA will also make the necessary application to the Secretary of State to relinquish LDM's Certificate of Authority to transact business in the state.

RSL USA requests Commission approval to transfer the LDM customer base and other telecommunications assets from LDM to RSL USA.<sup>1</sup> As the Notice to Customer in the attached Exhibit A indicates, current LDM customers have been notified that RSL USA will be their preferred long distance provider, and that no changes are being made to their rates or services.

Upon the request of the Commission, RSL USA will also cause the LDM tariff to be cancelled and RSL USA will amend its own tariff, to the extent applicable, by transferring the rate section of the LDM tariff to the RSL USA tariff, wherein the rate section will be grandfathered.

As part of RSL USA's request for LDM's CLEC authorization to be assigned to RSL USA, the company wishes to note that, currently, LDM does not have any local exchange customers in Kentucky. Accordingly, customer notifications will not be necessary.

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<sup>1</sup> Importantly, RSL USA has filed for a waiver from the Federal Communications Commission authorizing RSL USA to be designated as the preferred carrier for customers formerly presubscribed to LDM, without having first obtained each LDM customer's authorization and verification.

#### D. PUBLIC INTEREST CONSIDERATIONS

Upon approval of the Commission, RSL USA will begin providing services to former LDM subscribers at the same rates or better and under the same terms and conditions as they currently receive. Former LDM customers will therefore continue to receive high-quality telecommunications service at affordable rates without interruption.

Thus, the public will benefit through the availability of, and access to, an active carrier of competitive services. As such, the decertification of LDM as an IXC, and the assignment of LDM's CLEC authority to RSL USA, will not cause inconvenience or confusion to LDM customers who have already been notified of RSL USA's relationship with LDM. Indeed, the transaction will be transparent to LDM customers in terms of the services that they receive.

RSL USA certifies that it continues to have the necessary technical, managerial, and financial resources to provide the public with quality telecommunications service throughout the state.

WHEREFORE, RSL USA respectfully requests that the Commission authorize the withdrawal of LDM's IXC CPCN, approve the decertification of LDM as a reseller of resold interexchange services in the state, and approve the assignment of LDM's CLEC authority to RSL USA, and to grant such other relief and make such other order as the Commission deems appropriate.

Respectfully submitted,

RSL COM U.S.A., Inc.

A handwritten signature in cursive script, appearing to read "Richard Nelson", is written over a horizontal line.

Richard Nelson

Vice President, RSL COM U.S.A., Inc. and

Vice President, LDM Systems, Inc.

430 Park Avenue

Fifth Floor

New York, NY 10022

Tel: (212) 588-3624

Fax: (212) 588-3601

VERIFICATION

State of New York )  
 ) SS: 108-54-5322  
County of New York )

Richard Nelson, being duly sworn, deposes and says that he is the Vice President of RSL COM U.S.A., Inc. and the Vice President of LDM Systems, Inc.; that he has read the foregoing Request for Decertification and Assignment, and knows the contents thereof; and that the same is true of his own knowledge except as to the matters therein stated upon information and belief, and as to those matters, he believes them to be true.

Richard Nelson  
Richard Nelson  
Vice President, RSL COM U.S.A., Inc. and  
Vice President, LDM Systems, Inc.

Subscribed and sworn to before me this 4 day of January, 2001.

Lynne Davis  
Notary Public

My Commission expires: 10/19/01

LYNNE DAVIS  
Notary Public, State of New York  
No. 4909100  
Qualified in Nassau County  
Commission Expires 10/19/01

## EXHIBIT A

### NOTICE TO LDM CUSTOMERS

#### BILLING CHANGE FOR CUSTOMERS OF LDM SYSTEMS

November \_\_, 1999

Dear Customer:

LDM Systems, your preferred long distance service provider, will soon make a small change on the long distance portion of your monthly phone bill. LDM Systems, a subsidiary of RSL COM U.S.A., will begin billing its customers in selected states under the name **RSL COM U.S.A.** starting in November 1999.

No changes are being made to your rates or services. You will continue to receive the same long distance calling plan that you have chosen with the same competitive rates. Just the name of your long distance service provider will be changing. However, if you should have any questions regarding this change, or if you wish to speak with us about your service, you can call us toll-free at **1-800-266-2006**. A customer service representative will be happy to assist you.

RSL COM U.S.A. is a growing provider of domestic and international telecommunications services. As part of its growth, RSL COM U.S.A. purchased LDM Systems almost two years ago.

We appreciate your business and look forward to serving your telecommunications needs in the future.