

January 30, 2004

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One Discovery Square **VIA OVERNIGHT DELIVERY**

12010 Sunset Hills Road

Reston, Virginia, 20190 USA

Thomas Dorman, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602-8294

(T) 703 766-3100

(F) 703 766 3102

www.teleglobe.com

Re: Teleglobe America Inc. – Notice of Internal Corporate Changes and Related
Transactions

Dear Mr. Dorman:

Teleglobe America Inc. (“TAI”) hereby advises the Kentucky Public Service Commission (“Commission”) of a series of financing and structural transactions which will result in certain non-substantial corporate changes through which certain new intermediate holding companies will be placed between TAI and TAI’s current ultimate holding company, which is currently named Teleglobe International Holdings Ltd (“Old Teleglobe International”). The Teleglobe entities also will complete certain financial transactions necessary to accommodate these changes in corporate structure.¹

Based on a review of Kentucky law, TAI believes that no approval is required from the Commission to complete the transactions described here. Accordingly, TAI submits this informational letter as a courtesy to the Commission to ensure the continuing accuracy of the Commission’s records. TAI respectfully requests that this letter be retained by the Commission in the appropriate file and that any questions regarding the transactions described below be directed to TAI as soon as possible.

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

I. DESCRIPTION OF TELEGLOBE AMERICA INC.

Teleglobe America Inc. (“TAI”) is a Delaware corporation with offices located at One Discovery Square, 4th Floor, 12010 Sunset Hills Road, Reston, Virginia, 20190. TAI is a wholly-owned subsidiary of TLGB Netherlands Holdings B.V. (“Teleglobe

¹ Recently, TAI was involved in a separate *pro forma* transaction whereby TAI’s predecessor operating company, Teleglobe USA LLC (“TUSA”), which is authorized to provide telecommunications services in Kentucky, was merged with and into TAI. By letter filed October 8, 2003, TAI recently notified the Commission of that transaction.

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Netherlands”), a Dutch company, which is, in turn, wholly owned by TLGB Luxembourg Holdings S.a r.l. (“Teleglobe Luxembourg”), a company formed under the laws of Luxembourg. Teleglobe Luxembourg is currently a wholly-owned subsidiary of Teleglobe International Holdings Ltd (“Old Teleglobe International”), a Bermuda company. Further information regarding TAI, including TAI’s Certificate of Incorporation and Certificate of Amendment of Certificate of Incorporation and certificate of qualification to transact business in Kentucky, has been previously submitted to the Commission, is therefore a matter of public record, and is incorporated herein by reference.

II. CONTACT

Questions or any correspondence, orders, or other materials pertaining to this filing should be directed to:

Rogena Harris
Teleglobe America Inc.
One Discovery Square, 4th Floor
12010 Sunset Hills Road
Reston, VA 20190-5856
Tel: (703) 766-3061
Fax: (703) 766-3104
Email: rogena.harris@teleglobe.com

III. DESCRIPTION OF TRANSACTIONS

For various corporate, organizational, and financial reasons, TAI’s corporate parents propose to complete a series of transactions whereby the holding company structure of the Teleglobe companies will be modified to add two new intermediate holding companies between TAI and its ultimate owners. Specifically, these transactions include the following:

- Step 1:** Old Teleglobe International will contribute all of the stock of its wholly-owned subsidiary, Teleglobe Luxembourg (which now indirectly owns all of the stock of TAI), to a newly formed direct wholly-owned subsidiary (New Teleglobe International) of Old Teleglobe International, which effective upon the merger with ITXC Corp. (“ITXC”) will be a registered and publicly listed entity. That subsidiary will then immediately change its name to, and be publicly traded under, the name Teleglobe International Holdings Ltd (“New Teleglobe International”). In preparation for the proposed transactions, Old Teleglobe International will change its name to “Teleglobe Bermuda Holdings Ltd”. As a result, New Teleglobe International will become a new intermediate indirect holding company between Old Teleglobe International and Teleglobe Luxembourg and therefore a new indirect intermediate holding company of TAI.

Step 2: New Teleglobe International will acquire all of the outstanding shares of ITXC, an existing holding company formed under the laws of the State of Delaware pursuant to a stock for stock merger whereby a merger subsidiary of New Teleglobe International will merge with and into ITXC. In exchange for each share of ITXC common stock, the current stockholders of ITXC will have the right to receive in the aggregate approximately twenty-eight percent (28%) of New Teleglobe International, such shares to be publicly traded and widely held.

Step 3: Teleglobe Netherlands, the current direct parent of TAI, will contribute its ownership of TAI to ITXC. As a result, ITXC will become the direct corporate holding company of TAI and an indirect wholly-owned subsidiary of New Teleglobe International.

TAI emphasizes that as a result of these transactions, TAI will continue to be majority owned and controlled by Old Teleglobe International, even though the chain of such ownership has been modified to include New Teleglobe International and ITXC. An illustrative chart of the proposed transactions is provided in Exhibit A.

In addition to the proposed corporate changes, TAI anticipates that the Teleglobe companies will complete certain financial transactions in connection with the proposed corporate structure changes. These new financial arrangements will not affect the ultimate control of TAI, both because Old Teleglobe International will retain a direct majority interest in New Teleglobe International, and because the newly created minority interest in New Teleglobe International will be publicly and widely held. Furthermore, because all of the proposed changes will be completed at the holding company level, and substantively no change in control will result, the proposed transaction will not affect the day-to-day operations of TAI and will be entirely transparent to customers in terms of the services that they receive.

IV. PUBLIC INTEREST CONSIDERATIONS

The transactions described herein will serve the public interest. The new organizational structure of the Teleglobe companies is expected to allow the companies greater structural flexibility to complete financing and other business transactions. TAI expects the new corporate structure, including the establishment of ITXC as a holding company above TAI, to provide significant organizational and corporate benefits. The new corporate structure is also expected to allow the Teleglobe companies to obtain access to additional sources of funding which will allow TAI to compete more effectively in the Kentucky marketplace while ensuring that TAI will continue to be in a position to meet the needs and demands of its customers.

The proposed transactions will be transparent to customers of TAI in terms of the services they receive. Except for certain internal refinancing arrangements, all of the

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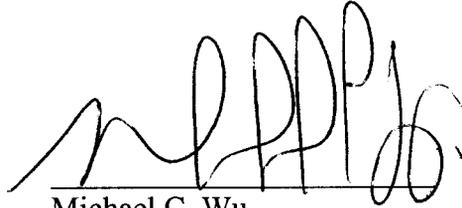
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proposed transactions will be completed at the holding company level. As a result, the transactions will not affect the services TAI provides, the management team that directly oversees the provision of such service, or the technical ability of TAI. Furthermore, by allowing the Teleglobe companies better access to capital, the proposed transactions are expected to enhance TAI's financial position.

V. CONCLUSION

For the foregoing reasons, TAI respectfully submits that the public interest, convenience, and necessity would be furthered by the completion of the proposed transactions.

A handwritten signature in black ink, appearing to read 'Michael C. Wu', written over a horizontal line.

Michael C. Wu

Vice President and Acting General Counsel

Teleglobe America Inc.

One Discovery Square, 4th Floor

12010 Sunset Hills Road

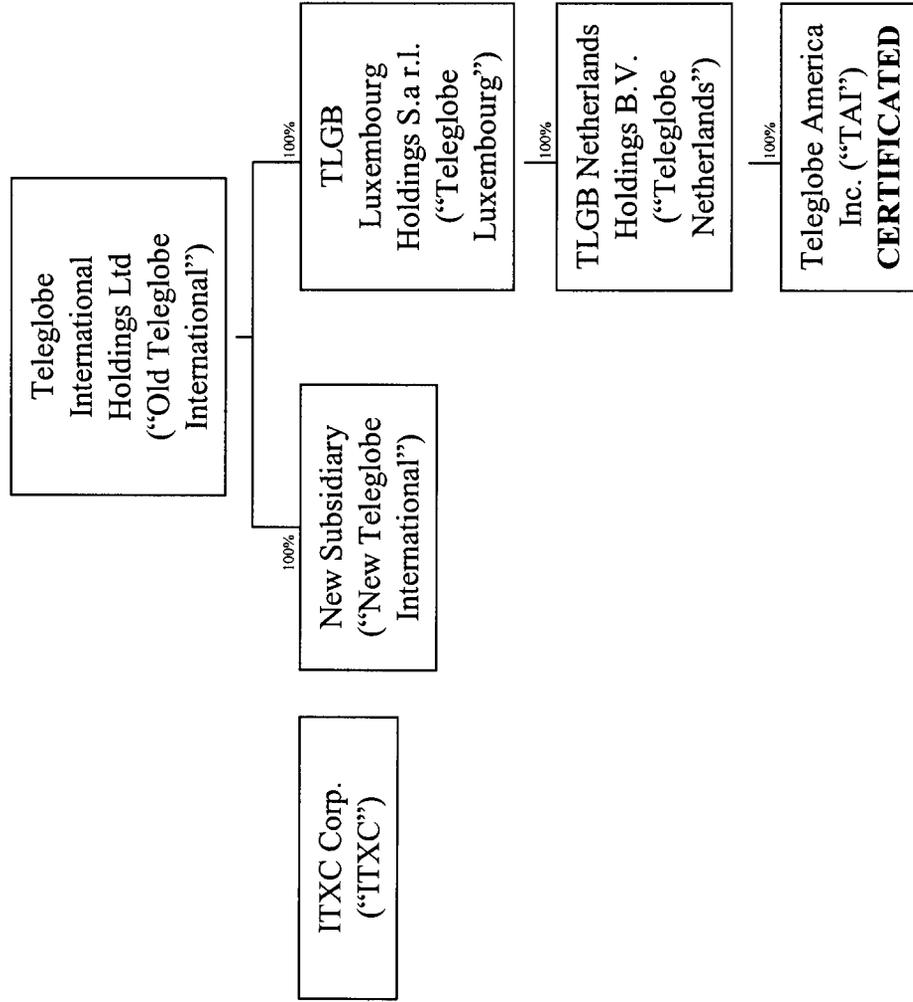
Reston, VA 20190-5856

EXHIBIT A

Illustrative Chart

Illustrative Chart

Pre-Transactions



Post-Transactions

