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June 24, 1999

Ms. Blanca S. Bayo  
Director, Division of Records & Reporting  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850

VIA FEDERAL EXPRESS

990823-TI

Re: Merger of Telecom One, Inc. into Eclipse Telecommunications, Inc.

Dear Ms. Bayo:

Eclipse Telecommunications, Inc. ("Eclipse") and Telecom One, Inc. ("Telecom One") (referred to jointly as the "Parties"), by their attorneys, hereby notify the Florida Public Service Commission of their intention to merge Telecom One with Eclipse. The Parties both hold Certificates of Authority and operate as resellers of intrastate interexchange services.

Eclipse, a Delaware corporation, maintains its headquarters at 1122 Capital of Texas Highway South, Austin, Texas 78746-6426. Eclipse is a wholly owned subsidiary of IXC Communications Services, Inc. ("IXC-CSI") Eclipse currently operates as a reseller of intrastate interexchange services in forty-eight states, including Florida. Eclipse received its authority to provide telecommunications services in Florida under the name Network Long Distance, Inc. ("Network") on June 30, 1993, in Docket No. 930249-TI. Subsequently, as the Commission was previously notified, Network's name was changed to Eclipse. Eclipse also provides interstate and international telecommunications services pursuant to authority of the Federal Communications Commission ("FCC").

Telecom One, a Delaware corporation, maintains its headquarters at 1100 Jorie Boulevard, Suite 215, Oak Brook, Illinois 60521. Telecom One is also a wholly owned subsidiary of IXC-CSI. Telecom One is a reseller of intrastate interexchange services in twenty-seven states, including Florida. Telecom One received its authority to provide telecommunications services in Florida on March 8, 1994, in Docket No. 931152-TI. Telecom

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One also provides interstate and international telecommunications services pursuant to authority of the FCC.

On May 25, 1999, Eclipse and Telecom One executed an Agreement and Plan of Merger ("Agreement") pursuant to which Telecom One will be merged with Eclipse after requisite regulatory approvals have been obtained.<sup>1</sup> At the closing of the proposed transaction, Telecom One will be merged with and into Eclipse. At that time, Telecom One will surrender its certification in Florida, and the company will continue as Eclipse Telecommunications, Inc. Telecom One will continue to operate under its our certification until the merger is consummated.

Eclipse's and Telecom One's current customers will not be affected adversely by the proposed merger. The merged company will incorporate into Eclipse's current tariff Telecom One's tariffed prices, terms, and conditions of service for current Telecom One customers. Further, the Parties will send appropriate notifications to the affected customers. Accordingly, the proposed transaction will in no way disrupt service or cause inconvenience, expense or confusion to Telecom One's customers. Similarly, the proposed transaction will have no effect on the operation of Eclipse, which will continue to provide telecommunications services to its Florida intrastate customers pursuant to its existing authorization. The current management of Eclipse will not change as a result of the transaction. Also, Telecom One's management team and employees will remain in place as employees of the combined company. In sum, the merger will not adversely affect the provision of telecommunications services in Florida.

The merger described above is clearly in the public interest. The proposed transaction will bring together Eclipse and Telecom One, two rapidly growing providers of interexchange telecommunications services. The combination of the two companies' resources and expertise will strengthen competition in the interexchange marketplace in Florida and elsewhere, by permitting the combined companies to compete more effectively with larger carriers currently providing service in Florida. The transaction will also combine the complementary management skills, background, and experience of Eclipse and Telecom One, allowing the companies to capitalize and build on the diverse expertise of each company providing telecommunications service to the public.

In addition, the merger will enable the combined companies to realize significant economic and marketing efficiencies and enhancements, permitting significant savings in operating costs and capital expenditures. In sum, the proposed transaction will benefit the public interest by

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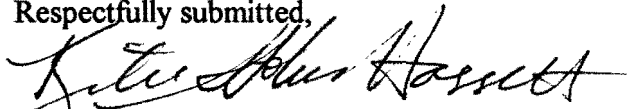
<sup>1</sup> A copy of the Agreement is attached hereto as Exhibit "A".

June 23, 1999  
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It is the Parties' understanding that prior Commission approval is not required for the merger described above. In the event, however, that the Commission determines that approval is required, please consider this letter as a request for expedited approval. Absent written notice to the contrary within thirty days of the date of this letter, the Parties will assume that no further action is required and will consummate the merger as planned.

Enclosed are seven (7) copies of this letter. Also enclosed is a receipt copy of this letter. Please file-stamp and return the receipt copy in the self-addressed, stamped envelope provided. Please contact the undersigned with any questions or comments regarding this transaction.

Respectfully submitted,



James E. Magee  
Kristie Stokes Hassett  
Reboul, MacMurray, Hewitt,  
Maynard & Kristol  
1111 19th Street, NW  
Suite 406  
Washington, D.C. 20036

Attorneys for Eclipse Telecommunications, Inc.  
and Telecom One, Inc.

EXHIBIT A

## AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (this "Agreement") is made and entered into this 25<sup>th</sup> day of May, 1999, by and between Eclipse Telecommunications, Inc., a Delaware corporation whose principal place of business is 1122 Capital of Texas Highway South, Austin, Texas 78746 ("Eclipse") and Telecom One, Inc., a Delaware corporation whose principal place of business is 1122 Capital of Texas Highway South, Austin, Texas 78746 ("Telecom One").

1. On the terms and subject to the conditions of this Agreement and in accordance with the requirements of Section 251 of the Delaware General Corporation Law, Telecom One shall be merged with and into Eclipse (the "Merger"), and the separate existence of Telecom One shall cease and Eclipse shall be the surviving corporation.

2. The effect of the Merger shall be as prescribed by law.

3. Telecom One is authorized to issue 10,000 shares of Common Stock, par value \$.001 per share (the "Telecom One Common Stock") of which 1,000 shares are issued and outstanding, and 1,000 shares of Nonvoting Common Stock, par value \$.001 per share, (the "Telecom One Nonvoting Stock"), of which no shares are issued and outstanding. Eclipse is authorized to issue 20,000,000 shares of Common Stock, par value \$0.000001 per share (the "Eclipse Common Stock"), of which 18,000,000 shares are issued and outstanding and 100,000 shares of Class 1 Preferred Stock, par value \$0.000001 per share (the "Eclipse Preferred Stock"), of which 54,082 shares are issued and outstanding. Upon the consummation of the Merger, each of the issued and outstanding shares of Telecom One Common Stock, by virtue of the Merger, in accordance with this Agreement and without any action on the part of the holder thereof, shall be canceled without any consideration. The outstanding shares of the Eclipse Common Stock shall remain outstanding and shall not be affected by the Merger.

4. The Certificate of Incorporation and Bylaws of Eclipse as in effect immediately prior to the Merger shall continue to be the Certificate of Incorporation and Bylaws of Eclipse after the consummation of the Merger.

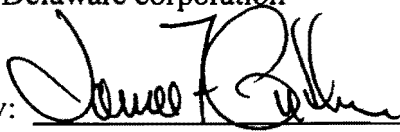
5. This Agreement is expressly conditioned on the ability to obtain all necessary consents and regulatory approvals, including, without limitation, any consents required under the Amended and Restated Loan and Security Agreement between Eclipse and NationsBank, N.A. In that regard, Eclipse and Telecom One agree to utilize reasonable efforts to take, as promptly as possible, or cause to be taken, all action and do, or cause to be done, all things necessary, proper or advisable to consummate the merger, and will use reasonable efforts to obtain any regulatory approvals required by the Federal Communications Commission and/or state public service commissions.

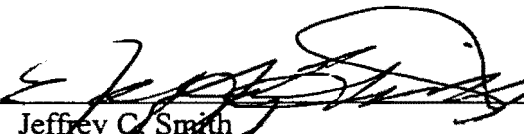
6. Telecom One shall, from time to time, as and when requested by Eclipse, execute and deliver all such documents and instruments and take all such action necessary or desirable to evidence or carry out the Merger.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first above written.

“Eclipse”

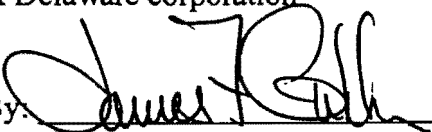
ECLIPSE TELECOMMUNICATIONS, INC.  
A Delaware corporation

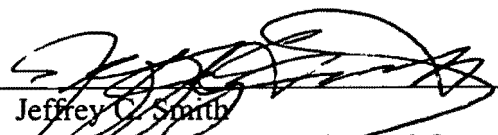
By:   
James F. Guthrie  
Executive Vice President

By:   
Jeffrey C. Smith  
Senior Vice President, General Counsel  
and Secretary

“Telecom One”

TELECOM ONE, INC.  
A Delaware corporation

By:   
James F. Guthrie  
Executive Vice President and  
Chief Financial Officer

By:   
Jeffrey C. Smith  
Senior Vice President, General Counsel  
and Secretary