

September 4, 2001

Ms. Blanca S. Bayó Division of Records and Reporting Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, Florida 32390-0850

Re: Acquisition

Dear Ms. Bayó

011194-TX

Enclosed for filing please find the original and five (5) copies of the request for approval of acquisition submitted pursuant to Florida Statues § 364.33.

If you have any questions regarding the foregoing please do not hesitate to contact me directly at 503.982.5573.

Very truly yours,

William E. Braun Vice-President & General Counsel

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DOCUMENT NUMBER - DATE



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Ms. Blanca S. Bayó Division of Records and Reporting Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, Florida 32390-0850

Re: Acquisition

Dear Ms. Bayó:

Pursuant to Florida Statues Section 364.33, 1-800-RECONEX, Inc., (Reconex), requests the approval of the Florida Public Service Commission of its acquisition of Choctaw Communications, Inc., d/b/a Smoke Signal Communications, (Choctaw).

I. <u>Description of Transaction.</u>

Reconex is the holder of Alternative Local Exchange Telecommunications Certificate of Public Convenience and Necessity No. 482. Choctaw is the holder of Alternative Local Exchange Telecommunications Certificate of Public Convenience and Necessity No. 5625.

On August 31, 2001, Reconex and VarTec Telecom, (VarTec) entered into a Stock Purchase Agreement whereby Reconex would acquire all of the issued and outstanding common stock of Choctaw. VarTec is the parent corporation of Choctaw. The Agreement is effective upon receipt of all required regulatory approvals. This Agreement brings together two of the original providers of prepaid local dial tone services. It is the intent of Reconex that each company will continue to operate as it has to date, subject to the terms of each companies existing tariff, with Choctaw simply being a wholly owned subsidiary of Reconex.

This acquisition will produce significant economic, marketing, and administrative efficiencies as well as increase the financial base and strength of both Reconex and Choctaw. These efficiencies will allow each company to compete on a higher level with respect to the provision of local dial tone services and in turn, increase competition in the state of Florida. The ability to share expertise will result in improved service to the consumers of Florida, as well as the introduction of new services and the ability to more rapidly deploy new technologies.

This transaction will be transparent to the Reconex and Choctaw customers and in addition will benefit those customers as described above.

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## II. Contact Person.

The name and number of the contact person most familiar with the transaction is as follows:

Mr. William E. Braun Vice-President & General Counsel 1-800-RECONEX, Inc. 2500 Industrial Avenue Hubbard, Oregon 97032 503.982.5573 (phone) 503.982.6077 (fax) Bill.Braun@Reconex.com

## III. <u>Tariff Changes.</u>

The companies do not anticipate any significant tariff changes in the near future. The companies will continue to operate under their existing tariffs with any changes being brought to the attention of the Commission pursuant to its normal procedure.

IV. Official Notices.

Post approval, please address all official notices regarding Choctaw to the following:

Ms. Marla J. Hanley Regulatory Director Choctaw Communications, Inc. 8700 S. Gessner Houston, Texas 77074 713.779.0692 ext. 3910 (phone) 713.774.6953 (fax) Hanleym@smokesignal-clec.com

Both Reconex and Choctaw look forward to continuing to serve the consumers of Florida in the efficient and professional manner to which those consumers have grown accustomed. In addition both companies are looking forward to the new opportunities and possibilities which will be the product of this acquisition.

If you have any questions regarding the foregoing please do not hesitate to contact me directly at 503.982.5573.

Very truly yours,

William E. Braun Vice-President & General Counsel