

DT 99-162

INNOVATIVE ENHANCED COMMUNICATIONS SERVICES, INC.

Transfer of Assets

Order Approving Transfer of Assets

O R D E R N O. 23,528

July 6, 2000

On October 11, 1999, Innovative Enhanced Communication Services, Inc. (Innovative ECS) and Innovative Telecom Corporation (Innovative Telecom) jointly filed a letter with the New Hampshire Public Utilities Commission requesting authority for the transfer of the assets of Innovative Telecom to Innovative ECS. Both Innovative ECS and Innovative Telecom are registered toll providers in New Hampshire.

Innovative Telecom is a registered competitive toll provider in New Hampshire pursuant to Authorization No. IXC01897, dated March 25, 1993. Innovative Telecom provides IntraLATA toll services accessed through prepaid calling cards. In addition, Innovative Telecom also provides a prepaid calling card platform that is utilized by other unaffiliated carriers. Innovative ECS, a New Hampshire corporation, is authorized to provide IntraLATA telecommunication services in New Hampshire pursuant to Authorization No. IXC38699, dated October 18, 1999.

Innovative Telecom has agreed to transfer the assets associated with its business, including existing IntraLATA toll customers, to a newly formed entity Innovative ECS. Innovative ECS will honor all prepaid calling cards pursuant to the terms and conditions under which the cards were distributed by Innovative Telecom. The parties state the transfer will serve the public interest and will not adversely affect the rates, terms, service or operation with respect to Innovative Telecom customers.

Innovative Telecom's toll service is accessed by its customers via prepaid calling cards (PPCC) and not by "1+" pre subscribed toll services. Therefore, the parties aver that the transfer will not affect the end-user selected toll provider and should not be subjected to RSA 374:28-a. However, to the extent the Commission requires customer notification concerning the asset sale the parties request exemption as it lacks the means to contact individuals holding the calling cards. The company further states, "it would be administratively difficult if not impossible, to contact them (holders of the PPCC) of the asset sale."

The Commission finds that, pursuant to its authority under RSA 374:30, Innovative ECS acquisition of these particular assets of Innovative Telecom is in the common good

and public interest. With regard to Innovative Telecom the system to be transferred consists of a prepaid calling card platform and prepaid calling cards customers. In Order No. 23,234 (June 14, 1999)DT 99-077, Re RSL COM U.S.A., Inc. (RSL), the Commission determined that transfer of customer base from one provider to another is conditioned or limited by RSA 374:28-a, which prohibits changes of a customer's service provider without the customer's knowledge or consent. However, in this case, Innovative Telecom service does not provide "1+" pre subscribed toll services, and consequently all the holders of the PPCCs will not experience any change in toll providers. Individuals holding the prepaid calling cards will continue to receive services pursuant to the terms and conditions under which the cards were originally distributed. Therefore, the Commission will not require Innovative ECS to notify each customer of the transfer of Innovative Telecom assets as part of our approval of the transfer.

Based upon the foregoing, it is hereby

ORDERED, that the transfer of Innovative Telecom Corporation assets to Innovative Enhanced Communications Services, Inc. is hereby APPROVED.

By order of the Public Utilities Commission of New
Hampshire this sixth day of July, 2000.

Douglas L. Patch
Chairman

Susan S. Geiger
Commissioner

Nancy Brockway
Commissioner

Attested by:

Thomas B. Getz
Executive Director and Secretary