

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-3101
of Teleglobe America, Inc.,)
Reston, Virginia, seeking) GRANTED
authority to implement internal)
corporate changes.) Entered: March 16, 2004

BY THE COMMISSION:

On January 29, 2004, an application was filed by Teleglobe America, Inc., of Reston, Virginia, seeking authority to implement internal corporate changes. Notice of the application was published in The Daily Record, Omaha, Nebraska, on February 4, 2004. No protests were filed; therefore, this application is processed pursuant to the Commission's Rule of Modified Procedure.

O P I N I O N A N D F I N D I N G S

Teleglobe America Inc. (TAI), a Delaware corporation, is a wholly owned subsidiary of TLGB Netherlands Holdings B.V. (Teleglobe 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.

TAI was authorized by the Commission to provide telecommunication services in the state of Nebraska on September 23, 2003, pursuant to Application No. C-3004. C-3004 granted the transfer of the authority held by Teleglobe USA LLC, pursuant to Application No. C-2881, to TAI.

For various corporate, organizational, and financial reasons, the corporate parents of TAI propose to complete a series of transactions whereby the holding company structure of the Teleglobe companies would be modified to add two new intermediate holding companies between TAI and its ultimate owners. The two companies include New Teleglobe International Holdings Ltd (New Teleglobe International) and ITXC Corp. (ITXC) and would be inserted in the holding company structure through the following transactions.

(1) Old Teleglobe International would 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, wholly-owned subsidiary of Old Teleglobe International,

New Teleglobe International, a registered publicly listed entity. As a result, New Teleglobe International would become a new intermediate indirect holding company between Old Teleglobe International and Teleglobe Luxembourg and therefore a new indirect intermediate holding company of TAI. In preparation for the proposed transactions, Old Teleglobe International would change its name to Teleglobe Bermuda Holdings Ltd.

(2) New Teleglobe International would 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 would merge with and into ITXC. In exchange for each share of ITXC common stock, the current stockholders of ITXC would have the right to receive in the aggregate approximately 28% of New Teleglobe International, such shares to be publicly traded and widely held.

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

These new financial arrangements would take place at the holding company level, would not affect the day-to-day operations of TAI, and would be entirely transparent to customers in terms of the services that they receive. Additionally, the transactions would provide the Teleglobe companies greater structural flexibility to complete financing and other business transactions. The new corporate structure would also allow Teleglobe companies access to additional sources of funding which would allow TAI to compete more effectively in the Nebraska marketplace while ensuring that TAI would continue to be in a position to meet the needs and demands of its customers.

Based on the evidence, we find the application to be fair and reasonable and in the public interest. The application should be granted.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-3101 be, and it is hereby, granted.

IT IS FURTHER ORDERED that the applicant shall file, in accordance with the applicable statutes on or before April 30th

of each year, an annual report with this Commission consisting of: (a) a copy of any report filed with the Federal Communications Commission, (b) a copy of any annual report to stockholders and (c) a copy of the latest Form 10-K filed with the Securities and Exchange Commission. If these are not available, applicant shall submit a balance sheet and income statement for the previous year of operation, as well as the investment made in telephone plant and equipment located within the state, accumulated depreciation thereon, operating revenues and expenses, and taxes.

IT IS FURTHER ORDERED that, to the extent applicable, the applicant shall comply with all laws pertaining to, and all rules and regulations promulgated under, the Telecommunications Relay System Act (Neb. Rev. Stat. §§ 86-301 to 86-315) and the Nebraska Telecommunications Universal Service Fund Act (Neb. Rev. Stat. §§ 86-316 to 86-329).

IT IS FURTHER ORDERED that applicant file its current tariff prior to offering service pursuant to the certificate granted in this order.

IT IS FINALLY ORDERED that this order be, and it is hereby made, the Commission's official certificate of authority to furnish the service authorized herein as a common carrier.

MADE AND ENTERED at Lincoln, Nebraska this 16th day of March 2004.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director