

ORIGINAL NEW APPLICATION



0000066146

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

JEFF HATCH-MILLER – Chairman
WILLIAM A. MUNDELL
MIKE GLEASON
KRISTIN K. MAYES
GARY PIERCE

Arizona Corporation Commission

DOCKETED

FEB 01 2007

AZ CORP COMMISSION
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IN THE MATTER OF THE JOINT APPLICATION)	DOCKET NO. T- T-20473A-07-0076
OF ACCERIS MANAGEMENT AND)	DOCKET NO. T- T-20376A-07-0076
ACQUISITION LLC, NEW ACCESS)	DOCKET NO. T- T-04006A-07-0076
COMMUNICATIONS LLC AND FIRST)	
COMMUNICATIONS, LLC FOR APPROVAL OF)	
THE TRANSFER OF ASSETS, INCLUDING)	APPLICATION
CUSTOMERS, OF ACCERIS MANAGEMENT)	
AND ACQUISITION LLC AND NEW ACCESS)	
COMMUNICATIONS LLC TO FIRST)	
COMMUNICATIONS, LLC.)	
)	
)	

First Communications, LLC (“First”), Acceris Management and Acquisition LLC (“Acceris”) and New Access Communications LLC (“New Access”) (collectively, “Applicants”), by their counsel and pursuant to A.R.S. § 40-285.A, request that the Arizona Corporation Commission (“Commission”) grant them the authority necessary to consummate transactions involving the transfer of assets of Acceris and New Access to First. After consummation of the transactions, First will provide telecommunications services to all of the former customers of Acceris and New Access.

On August 24, 2006, the First and Acceris filed an Application with the Commission for approval of the transfer of Acceris’ large business customer enterprise business (“Business”) to First, which was assigned Docket No. T-20473A-06-0536. First also sought a Certificate of Convenience and Necessity for authorization to provide long distance resale service to the Business customers it intended to acquire from Acceris (see Docket No. T-20473A-06-0537). Applicants are filing the instant application because the Applicants have agreed that First will also

ROSHKA DEWULF & PATTEN, PLC
ONE ARIZONA CENTER
400 EAST VAN BUREN STREET - SUITE 800
PHOENIX, ARIZONA 85004
TELEPHONE NO 602-256-6100
FACSIMILE 602-256-6800

1 acquire certain of the remaining assets of Acceris, including the remaining long distance resale
2 customers. Thus, the Applicants request Commission approval for the transfer of assets, including
3 customers, from Acceris to First. In Arizona, First has filed for authorization to provide long
4 distance resale services¹ and is ready, willing and able to acquire the assets and continue serving
5 the remaining Acceris customers in a seamless manner. Upon consummation of the transfer of
6 customers from Acceris to First, Acceris will request Commission approval pursuant to A.A.C.
7 R14-2-1107 to voluntarily surrender its authorization to provide telecommunications services in
8 Arizona.

9 In addition to the acquisition of the remaining Acceris customers, the Applicants have
10 agreed that First will acquire certain of the assets and all of the customers of New Access, an
11 authorized telecommunications carrier in Arizona. Thus, the Applicants request Commission
12 approval for the transfer of assets, including customers, from New Access to First. The customers
13 that First intends to acquire from New Access are long distance resale customers. Again, First has
14 a pending application for authorization to provide long distance resale services in Arizona and is
15 ready, willing and able to acquire the assets and continue serving the New Access customers in a
16 seamless manner. Upon consummation of the transfer of customers from New Access to First,
17 New Access will request Commission approval pursuant to A.A.C. R14-2-1107 to voluntarily
18 surrender its authorization to provide telecommunications services in Arizona.

19 After consummation of the transactions, First will provide service to the Acceris and New
20 Access customers. These customers will not experience any loss or impairment of service. They
21 will continue to receive their existing services at the same rates, terms and conditions as at present.
22 Future changes in the rates, terms and conditions of service will be made consistent with
23 Commission requirements. There are no customer deposits or advance payments for any customer
24 in Arizona. The only material change will be in the customers' service provider. Notice of the
25 change will be provided to customers in accordance with Commission and federal rules.

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¹ See Docket No. T-20473A-06-0537.

1 The closing of the transactions are contingent upon the receipt of the necessary regulatory
2 approvals, among other things. Therefore, the Applicants request that the Commission grant all
3 relief sought herein as expeditiously as possible so that the Applicants can close the transactions as
4 soon as practicable, but no later than *March 15, 2007*, to enable the Applicants to meet critical
5 business objectives. In support of this Application, the Applicants provide the following
6 information:

7 **I. APPLICANTS**

8 **A. First Communications, LLC**

9 First Communications, LLC is a privately held Ohio limited liability company
10 headquartered at 3340 West Market Street, Akron, Ohio, 44333, (330) 835-2323. First was
11 formed on July 1, 1998 under the laws of the State of Ohio. Currently, McKinley
12 Communications, LLC holds a 51% ownership interest in First, First Energy Corp. holds a 32%
13 interest in First and Boich Investment Group, Ltd. Holds a 17% interest in First. No other entity
14 holds a 10% or greater ownership interest in First.

15 First is a common carrier that provides local, private line and long distance services to both
16 business and residential customers in several states. Currently, First provides telecommunications
17 services to approximately 100,000 customers located primarily in Ohio, Michigan, Indiana,
18 Illinois, Pennsylvania and Florida. First's services include, in addition to traditional local and long
19 distance services, toll-free services, conference calling packages, calling cards, prepaid calling
20 cards, Internet access and dedicated and private line services. First's telecommunications services
21 are provided primarily on a resale basis using the facilities and switches that are owned and
22 operated by other telecommunications carriers.

23 First currently is authorized to provide intrastate long distance telecommunications services
24 in all contiguous states except for the following states in which authority is pending: Arizona,
25 Louisiana, North Dakota, Oklahoma, South Carolina, Vermont and Wyoming. First is authorized
26 to provide intrastate long distance and competitive local exchange telecommunications services in
27 Illinois, Indiana, Michigan, New Jersey, New York, Ohio, Pennsylvania, and Wisconsin. In

1 Arizona, First has filed for authorization to provide long distance resale services.² With years of
2 experience in the states mentioned above, First has the financial, managerial and technical
3 qualifications needed to provide quality telecommunications services to the customers to be
4 acquired from Acceris and New Access. Indeed, the Commission has already examined the
5 qualifications of First to be an authorized telecommunications provider in Arizona. First is also
6 authorized by the Federal Communications Commission to provide domestic interstate and
7 international telecommunications services.

8 **B. Acceris Management and Acquisition LLC**

9 Acceris Management and Acquisition LLC, a Minnesota limited liability company also
10 conducting business as Acceris Communications or WorldxChange, is headquartered at 9530
11 Padgett Street, Suite 101, San Diego, CA 92126, (858) 547-5700. Acceris is a direct, wholly
12 owned subsidiary of North Central Equity LLC ("North Central"), a privately held Minnesota
13 holding company established in 2004, whose executives have many years of experience in the
14 telecommunications industry. Mr. Elam Baer, CEO of North Central, holds approximately 53% of
15 the ownership interests in Acceris indirectly through his holdings in North Central. No other
16 entity holds a 10% or greater ownership interest in Acceris. Acceris is a broad based
17 communications company, serving residential, small and medium-sized business and large
18 enterprise customers throughout the United States. The company provides a range of products
19 from domestic and international long distance voice services to fully managed and integrated data
20 services and enhanced services.

21 Currently, Acceris is authorized to provide long distance telecommunications services in
22 the contiguous 48 states, Hawaii and the District of Columbia, including Arizona,³ except in
23 Alaska. Acceris also is authorized to provide long distance and competitive local exchange
24 telecommunications services in California, Pennsylvania, New York, New Jersey, Florida and
25 Massachusetts. Acceris is also authorized by the Federal Communications Commission to provide

26 _____
27 ² See Docket No. T-20473A-06-0537.

³ See Docket No. T-04320A-05-0478, which is pending, and under which Acceris has provisional authority.

1 domestic and international telecommunications services. After consummation of the transactions,
2 Acceris will file to surrender its telecommunications authorization in Arizona.

3 **C. New Access Communications LLC**

4 New Access Communications LLC, a Minnesota limited liability company, is
5 headquartered at 801 Nicollet Mall, Suite 350, Minneapolis, MN 55402, (858) 547-5700. New
6 Access is a wholly owned subsidiary of North Central. Mr. Elam Baer, CEO of North Central,
7 holds approximately 53% of the ownership interests in New Access indirectly through his holdings
8 in North Central. No other entity holds a 10% or greater ownership interest in New Access. New
9 Access provides competitive local and long distance telecommunications services to primarily
10 residential customers throughout the United States.

11 Currently, New Access is authorized to provide long distance resale telecommunications
12 services in the contiguous 48 states, Hawaii and the District of Columbia, not including
13 Connecticut, Delaware, Maryland, New Hampshire, South Carolina, Tennessee and West Virginia.
14 New Access is authorized to provide local services on a resale or facilities-based basis in the
15 following states: Alabama, Arkansas, California, Colorado, Florida, Georgia, Idaho, Illinois,
16 Indiana, Iowa, Kansas, Kentucky, Louisiana, Massachusetts, Michigan, Minnesota, Montana,
17 Nebraska, Nevada, North Dakota, Ohio, Oregon, South Dakota, Texas, Virginia, Washington,
18 Wisconsin and Wyoming. In Arizona,⁴ New Access provides long distance resale services. New
19 Access is also authorized by the Federal Communications Commission to provide domestic and
20 international telecommunications services. After consummation of the transactions, New Access
21 will file to surrender its telecommunications authorization in Arizona.

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27 ⁴ Docket No. T-04006A-01-0286, Decision No. 65632, issued February 18, 2003.

ROSHKA DEWULF & PATTEN, PLC
ONE ARIZONA CENTER
400 EAST VAN BUREN STREET - SUITE 800
PHOENIX, ARIZONA 85004
TELEPHONE NO. 602-256-6100
FACSIMILE 602-256-6800

1 **II. DESIGNATED CONTACTS**

2 The designated contact for this application is:

3 Michael Patten
4 Roshka DeWulf & Patten, PLC
5 One Arizona Center
6 400 East Van Buren Street, Suite 800
7 Phoenix, Arizona 85004
8 Telephone: (602) 256-6100
9 Facsimile: (602) 256-6800

10 Katherine Barker Marshall
11 Kelley, Drye and Warren, LLP
12 3050 K Street, N.W., Suite 400
13 Washington, D.C. 20007
14 Telephone: (202) 342-8519
15 Facsimile: (202) 342-8415

16 Copies of all correspondence, notices, inquiries and orders in relation to this Application
17 also should be sent to the following:

18 Mary Cegelski
19 First Communications, LLC
20 15166 Neo Parkway
21 Garfield Heights, OH 44128
22 Telephone: (216) 468-1614
23 Facsimile: (216) 468-1680
24 E-Mail: mcegelski@firstcomm.com

25 Drew S. Backstrand, General Counsel
26 Acceris Management and Acquisition LLC
27 New Access Communications LLC
28 60 South Sixth Street, Suite 2535
29 Minneapolis, Minnesota 55402
30 Tel. (612) 465-0260
31 Fax: (612) 455-1022

32 **III. DESCRIPTION OF ASSET TRANSFERS**

33 The Applicants have reached an agreement providing for (i) the acquisition by First of
34 certain of the remaining assets of Acceris (except for certain cash equivalent assets retained by
35 Acceris), including the remaining long distance resale customers and any remaining personal
36 property; and (ii) the acquisition by First of certain of the assets of New Access (except for certain
37 cash equivalent assets retained by Acceris), including all local and long distance customers and

ROSHKA DEWULF & PATTEN, PLC
ONE ARIZONA CENTER
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TELEPHONE NO 602-256-6100
FACSIMILE 602-256-6800

1 any personal property such as equipment, switches, and a certain level of working capital
2 (excluding accounts receivable), but not including any federal or state telecommunications
3 authorizations. In Arizona, the customers being acquired are long distance resale customers only.
4 After consummation of the transactions, Acceris and New Access will file separately to surrender
5 their telecommunications authorizations, and First will provide telecommunication services to the
6 Acceris and New Access customers directly pursuant to its own telecommunications authorization.

7 The proposed transfer of customers to First will have no adverse impact on customers. The
8 affected customers will continue to receive their existing services at the same rates, terms and
9 conditions that they have prior to the transfer and any future changes in the rates, terms and
10 conditions of service will be made consistent with Commission requirements. To ensure a
11 seamless transition and avoid customer confusion or inconvenience, First will provide advance
12 written notice to the affected customers at least thirty (30) days prior to the transfer, explaining the
13 change in service provider in accordance with applicable Federal Communications Commission
14 and Commission requirements for changing a customer's presubscribed carrier. Copies of the
15 notification letters that will be sent to the affected customers are appended hereto as *Exhibit A*. In
16 conjunction with this notice process, First requests a waiver of the Commission's Unauthorized
17 Carrier Changes Rules, A.A.C. R14-2-1901 et seq.

18 **IV. QUALIFICATIONS OF FIRST COMMUNICATIONS, LLC**

19 First is well-qualified managerially, technically and financially to provide
20 telecommunications services in Arizona. First's qualifications are on file with the Commission in
21 connection with First's application for authority to operate as a long distance reseller Docket No.
22 T-20473A-06-0537. First's management team includes individuals with substantive experience in
23 successfully developing and operating telecommunications business. Consequentially, the
24 company has the adequate internal technical resources to support its Arizona operations. First has
25 access to the financing and capital necessary to conduct its telecommunications operations and to
26 fulfill any obligations it may undertake with respect to the operation and maintenance of its
27

1 services. First has successfully provided a range of local and long distance telecommunications
2 services over the past several years.

3 **V. TARIFF**

4 First's interexchange tariff will be revised to include the same services, rates, terms and
5 conditions as in the existing Acceris and New Access tariffs for the interexchange customers being
6 acquired by First. Thus, the customers being transferred from Acceris and New Access to First
7 will not experience any change in their telecommunications services. The only change will be the
8 new service provider: First Communications, LLC. Upon consummation of the customers
9 transfers, Acceris and New Access request authority to withdraw their existing tariffs in
10 connection with the surrender of their telecommunications authorizations in Arizona.

11 **VI. PUBLIC INTEREST**

12 The transfer of assets to First will serve the public interest. Acceris and New Access have
13 determined that their continuation as telecommunications service providers is no longer consistent
14 with their long term interests. First is a strong company that will continue to provide high quality
15 services to the Acceris and New Access customers. First's purchase of the Acceris and New
16 Access assets will strengthen First, enable it to expand and better ensure that it remains a viable
17 long-term competitor in the telecommunications marketplace.

18 At the same time, the proposed transfer of assets does not present any anti-competitive
19 issues. The Applicants emphasize that, following the transfer, the former Acceris and New Access
20 customers will continue to receive services from an experienced and qualified carrier, which
21 services will be consistent with the quality of services currently provided by Acceris and New
22 Access. First has extensive experience in providing both local exchange and long distance
23 telecommunications services. The Applicants anticipate that customers will experience a seamless
24 transition of service provider. Further, these customers will be sufficiently notified of the
25 transaction and their rights.

26 In addition, the exit of Acceris and New Access from the telecommunications marketplace
27 does not present any competitive concerns. In the geographic markets in which the operations of

ROSKA DEWULF & PATTEN, PLC
ONE ARIZONA CENTER
400 EAST VAN BUREN STREET - SUITE 800
PHOENIX, ARIZONA 85004
TELEPHONE NO 602-256-6100
FACSIMILE 602-256-6800

1 First and Acceris or New Access overlap, the market share of First post-close in the local service
2 market will be less than 5 percent. In the geographic markets in which the operations of First and
3 Acceris or New Access do not overlap, First will simply step into the shoes of Acceris or New
4 Access with respect to market share. The Applicants note that there are a number of other carriers
5 operating in each market, including the incumbent carrier, which in each market controls a
6 substantial market share.

7 In sum, grant of this Application will serve the public interest by strengthening the
8 competitive position of First without negative impact to either Acceris or New Access customers
9 or competition in the markets in which Acceris or New Access operates.

10 WHEREFORE, the Applicants respectfully request that the Commission (i) approve the
11 transfer of certain assets, including customers, of Acceris Management and Acquisition LLC and
12 New Access Communications LLC to First Communications, LLC; (ii) grant a waiver of A.A.C.
13 R14-2-1901 et seq. with respect to the transfer; and (iii) grant whatever further relief that the
14 Commission deems is appropriate to consummation the transactions describer herein.

15 RESPECTFULLY SUBMITTED this 1st day of February 2007.

16 FIRST COMMUNICATIONS, LLC

17
18
19 By 

20 Michael W. Patten
21 ROSKA DEWULF & PATTEN, PLC
22 One Arizona Center
23 400 East Van Buren Street, Suite 800
24 Phoenix, Arizona 85004

25 Of counsel

26 Katherine Barker Marshall
27 Kelley, Drye and Warren, LLP
3050 K Street, N.W., Suite 400
Washington, D.C. 20007

ACCERIS MANAGEMENT AND ACQUISITION LLC

Drew S. Backstrand, General Counsel
Acceris Management and Acquisition LLC
60 South Sixth Street, Suite 2535
Minneapolis, Minnesota 55402

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4
5 Original and 17 copies of the foregoing
filed this 1~~st~~ day of February 2007 with:

6
7 Docket Control
Arizona Corporation Commission
1200 West Washington Street
8 Phoenix, Arizona 85007

9 Copy of the foregoing hand-delivered/mailed
this 1~~st~~ day of February 2007 to:

10
11 Lyn Farmer, Esq.
Chief Administrative Law Judge
Hearing Division
12 Arizona Corporation Commission
1200 West Washington
13 Phoenix, Arizona 85007

14 Christopher C. Kempley
Chief Counsel, Legal Division
15 Arizona Corporation Commission
1200 West Washington
16 Phoenix, Arizona 85007

17 Ernest G. Johnson, Esq.
Director, Utilities Division
18 Arizona Corporation Commission
1200 West Washington
19 Phoenix, Arizona 85007

20
21
22 By 

ROSHKA DEWULF & PATTEN, PLC
ONE ARIZONA CENTER
400 EAST VAN BUREN STREET - SUITE 800
PHOENIX, ARIZONA 85004
TELEPHONE NO 602-256-6100
FACSIMILE 602-256-6800

KELLEY DRYE & WARREN LLP

A LIMITED LIABILITY PARTNERSHIP

3050 K STREET, N.W.

SUITE 400

WASHINGTON, D.C. 20007

(202) 342-8400

NEW YORK, NY
TYSONS CORNER, VA
CHICAGO, IL
STAMFORD, CT
PARSIPPANY, NJ
BRUSSELS, BELGIUM

AFFILIATE OFFICES
MUMBAI, INDIA

FACSIMILE
(202) 342-8451
www.kelleydrye.com

January 25, 2007

DATE STAMP & RETURN

BY HAND DELIVERY

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

FILED/ACCEPTED

JAN 25 2007

Federal Communications Commission
Office of the Secretary

Re: Notification of Transfer of Subscribers from Acceris Management and Acquisition LLC,
New Access Communications LLC and Choicetel LLC to First Communications, LLC -
CC Docket No. 00-257

Dear Secretary Dortch:

Pursuant to Section 64.1120 of the Commission's rules, 47 C.F.R. § 64.1120, First Communications, LLC ("First Communications"), by its attorneys, respectfully notifies the Commission that, in furtherance of a transaction whereby First Communications will acquire certain assets of Acceris Management and Acquisition LLC ("Acceris"), New Access Communications LLC ("New Access") and Choicetel LLC ("Choicetel"), First Communications intends to acquire all of the customers of Acceris, New Access and Choicetel. First Communications is complying with the Commission's rules and procedures governing compliance with section 258 of the Communications Act of 1934, as amended, including the provision of advanced written notice to all affected customers.

BY HAND DELIVERY

Marlene H. Dortch, Secretary

January 25, 2007

Page Two

In conformity with Commission rules, First Communications provides the following information:

Parties to the Transaction: The parties involved in the transaction are First Communications, LLC, the transferee, and Acceris Management and Acquisition LLC, New Access Communications LLC and Choicetel LLC, the transferors.

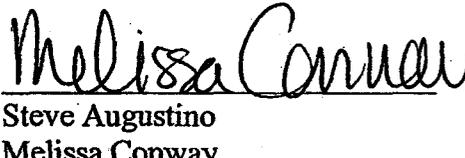
Types of Telecommunications Services Provided to the Affected Subscribers: First Communications will provide long distance resale services or local exchange services to the affected subscribers. Subscribers will not experience any change in their services, rates, terms or conditions of service.

Date of Transfer of the Subscribers to Acquiring Carrier: The transfer of subscribers to First Communications is anticipated to occur beginning on March 1, 2007, or as soon thereafter as the necessary regulatory approvals have been obtained.

Attached to this letter are (a) First Communications' certification of compliance with the requirements of the Commission governing transfers of subscribers, and (b) a copy of the customer notices, as required under the rules. The customer notices were mailed to customers beginning on January 19, 2007, and continuing through January 26, 2007.

Please contact the undersigned if you have any questions concerning this notification.

Respectfully submitted,



Steve Augustino

Melissa Conway

KELLEY DRYE & WARREN LLP

3050 K Street, NW, Suite 400

Washington, D.C. 20007

(202) 342-8552

Counsel for First Communications, LLC

Attachments

ATTACHMENT A
CERTIFICATION OF COMPLIANCE

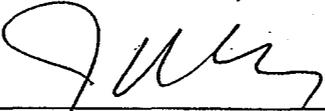
CERTIFICATION OF FIRST COMMUNICATIONS, LLC

The undersigned hereby certifies as follows:

1. I have read the foregoing document and hereby verify that the statements therein are true, complete and correct to the best of my knowledge.

2. In accordance with Section 64.1120(e) of the Commission's rules, 47 C.F.R. §64.1120, First Communications, LLC will comply with the required FCC procedures for the acquisition of the affected customers of Acceris Management and Acquisition LLC, New Access Communications LLC and Choicetel LLC, including the provision of advanced written notice to all affected subscribers.

FIRST COMMUNICATIONS, LLC

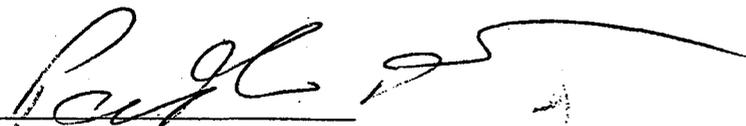
By:  _____

Name: Joe Morris

Title: Chief Operating Officer

Date: Jan 24, 2007

Sworn and subscribed to before me this
25th day of January 2007.



Notary Public

My Commission expires: PAT VITONE, Attorney at Law
Notary Public - State of Ohio
My Commission Has No Expiration Date
Sec. 147.03

ATTACHMENT B

CUSTOMER NOTICES



IMPORTANT INFORMATION REGARDING YOUR TELECOMMUNICATIONS SERVICE.

January 17, 2007

Dear :

We are happy to share some exciting news about your telecommunications services. We are proud to announce that, beginning on or about March 1, 2007, your telecommunications services, formerly provided by New Access Communications will be provided by First Communications.

Who is First Communications?

First Communications is a full service, facilities-based telecommunications provider located in Northeast Ohio. First Communications serves more than 130,000 business and residential customers across the U.S. with the majority located in Ohio, Michigan and Indiana. First Communications is a solid financial company with 23 straight quarters of profitable growth with a strong equity base, including a Fortune 100 company. For more information about First Communications, please visit the First Communications website www.firstcomm.com.

What does this mean?

First Communications is purchasing the proprietary rights to many of New Access Communications products, including long distance and circuits. The initial period of transition will involve your account migration to First Communications billing system. Therefore, once the migration is complete, First Communications will support your telecommunications needs.

What happens to my services?

Your services will not be affected during this transition. In fact, from the first day of the transitional period you will experience a superior quality of service led by First Communications veteran staff of Client Care management. During this transition, there will be **NO** change to your rates, service options, or the way that you dial and **NO** interruption in service. Please, also be assured that the operations of New Access Communications Network Operations Center (NOC) will remain fully functional during this period. Therefore, you will continue to be able to request changes to your service, submit trouble tickets and receive timely troubleshooting resolutions.

Any future changes in rates, terms and conditions of service will be done as prescribed by the Federal Communications Commission (FCC) and your applicable state regulatory commission.

Will I be charged for this change?

Absolutely **NOT!** There will be no charge or fee as a result of this change to First Communications. Please contact First Communications if a charge does appear on your bill. The only difference that you will notice will be the name of your carrier and the look of your new monthly bill.

When will this Change Occur?

No further action is required on your part. First Communications anticipates that the transfer will occur on or about March 1, 2007, provided that the necessary regulatory approvals have been obtained. Beginning on or after that date, First Communications will be providing your service and New Access Communications will no longer be your service provider. First Communications is

confident that you will find that remaining with us is the smart choice to meet your telecommunications needs; however, First Communications realizes that you have a choice of service providers, and you may choose another carrier at any point, subject to any applicable termination provisions in your contract.

All subscribers receiving this notice, even those who had arranged preferred carrier freezes through their local service providers on the service(s) involved in the transfer, will be transferred to First Communications, unless they select a different carrier before the transfer date. Existing preferred carrier freezes on the service(s) involved in the transfer will be lifted. You must contact your new local service provider (First Communications or other local service provider that you choose) to arrange a new freeze to protect you from unauthorized carrier changes after the transfer.

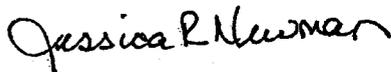
If you have any questions or concerns in regards to service needs, complaints or billing issues, you can also call First Communications at 1.800.274.1015 or prior to the transfer on or around March 1, 2007, call New Access Communications at 1.877.330.7937, and a representative will assist you.

Welcome to First Communications and thank you for your time.

Sincerely,



Ray Hexamer
Chief Executive Officer
First Communications



Jessica R. Newman
Chief Executive Officer
New Access Communications



IMPORTANT INFORMATION REGARDING YOUR TELECOMMUNICATIONS SERVICE.

January 17, 2007

Dear :

We are happy to share some exciting news about your telecommunications services. We are proud to announce that, beginning on or about March 1, 2007, your telecommunications services, formerly provided by Choicetel will be provided by First Communications.

Who is First Communications?

First Communications is a full service, facilities-based telecommunications provider located in Northeast Ohio. First Communications serves more than 130,000 business and residential customers across the U.S. with the majority located in Ohio, Michigan and Indiana. First Communications is a solid financial company with 23 straight quarters of profitable growth with a strong equity base, including a Fortune 100 company. For more information about First Communications, please visit the First Communications website www.firstcomm.com.

What does this mean?

First Communications is purchasing the proprietary rights to many of Choicetel's products, including long distance and circuits. The initial period of transition will involve your account migration to First Communications billing system. Therefore, once the migration is complete, First Communications will support your telecommunications needs.

What happens to my services?

Your services will not be affected during this transition. In fact, from the first day of the transitional period you will experience a superior quality of service led by First Communications veteran staff of Client Care management. During this transition, there will be **NO** change to your rates, service options, or the way that you dial and **NO** interruption in service. Please, also be assured that the operations of Choicetel Network Operations Center (NOC) will remain fully functional during this period. Therefore, you will continue to be able to request changes to your service, submit trouble tickets and receive timely troubleshooting resolutions.

Any future changes in rates, terms and conditions of service will be done as prescribed by the Federal Communications Commission (FCC) and your applicable state regulatory commission.

Will I be charged for this change?

Absolutely NOT! There will be no charge or fee as a result of this change to First Communications. Please contact First Communications if a charge does appear on your bill. The only difference that you will notice will be the name of your carrier and the look of your new monthly bill.

When will this Change Occur?

No further action is required on your part. First Communications anticipates that the transfer will occur on or about March 1, 2007, provided that the necessary regulatory approvals have been obtained. Beginning on or after that date, First Communications will be providing your service and Choicetel will no longer be your service provider. First Communications is confident that you will

find that remaining with us is the smart choice to meet your telecommunications needs; however, First Communications realizes that you have a choice of service providers, and you may choose another carrier at any point, subject to any applicable termination provisions in your contract.

All subscribers receiving this notice, even those who had arranged preferred carrier freezes through their local service providers on the service(s) involved in the transfer, will be transferred to First Communications, unless they select a different carrier before the transfer date. Existing preferred carrier freezes on the service(s) involved in the transfer will be lifted. You must contact your new local service provider (First Communications or other local service provider that you choose) to arrange a new freeze to protect you from unauthorized carrier changes after the transfer.

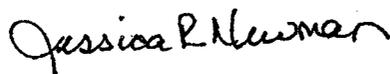
If you have any questions or concerns in regards to service needs, complaints or billing issues, you can also call First Communications at 1.800.274.1015 or prior to the transfer on or around March 1, 2007, call ChoiceTel at 1.877.330.7937, and a representative will assist you.

Welcome to First Communications and thank you for your time.

Sincerely,



Ray Hexamer
Chief Executive Officer
First Communications



Jessica R. Newman
Chief Executive Officer
ChoiceTel



IMPORTANT INFORMATION REGARDING YOUR TELECOMMUNICATIONS SERVICE.

January 17, 2007

Dear :

We are happy to share some exciting news about your telecommunications services. We are proud to announce that, beginning on or about March 1, 2007, your telecommunications services, formerly provided by Acceris Communications will be provided by First Communications.

Who is First Communications?

First Communications is a full service, facilities-based telecommunications provider located in Northeast Ohio. First Communications serves more than 130,000 business and residential customers across the U.S. with the majority located in Ohio, Michigan and Indiana. First Communications is a solid financial company with 23 straight quarters of profitable growth with a strong equity base, including a Fortune 100 company. For more information about First Communications, please visit the First Communications website www.firstcomm.com.

What does this mean?

First Communications is purchasing the proprietary rights to many of Acceris Communications products, including long distance and circuits. The initial period of transition will involve your account migration to First Communications billing system. Therefore, once the migration is complete, First Communications will support your telecommunications needs.

What happens to my services?

Your services will not be affected during this transition. In fact, from the first day of the transitional period you will experience a superior quality of service led by First Communications veteran staff of Client Care management. During this transition, there will be **NO** change to your rates, service options, or the way that you dial and **NO** interruption in service. Please, also be assured that the operations of Acceris Communications Network Operations Center (NOC) will remain fully functional during this period. Therefore, you will continue to be able to request changes to your service, submit trouble tickets and receive timely troubleshooting resolutions.

Any future changes in rates, terms and conditions of service will be done as prescribed by the Federal Communications Commission (FCC) and your applicable state regulatory commission.

Will I be charged for this change?

Absolutely NOT! There will be no charge or fee as a result of this change to First Communications. Please contact First Communications if a charge does appear on your bill. The only difference that you will notice will be the name of your carrier and the look of your new monthly bill.

When will this Change Occur?

No further action is required on your part. First Communications anticipates that the transfer will occur on or about March 1, 2007, provided that the necessary regulatory approvals have been obtained. Beginning on or after that date, First Communications will be providing your service and Acceris Communications will no longer be your service provider. First Communications is

confident that you will find that remaining with us is the smart choice to meet your telecommunications needs; however, First Communications realizes that you have a choice of service providers, and you may choose another carrier at any point, subject to any applicable termination provisions in your contract.

All subscribers receiving this notice, even those who had arranged preferred carrier freezes through their local service providers on the service(s) involved in the transfer, will be transferred to First Communications, unless they select a different carrier before the transfer date. Existing preferred carrier freezes on the service(s) involved in the transfer will be lifted. You must contact your new local service provider (First Communications or other local service provider that you choose) to arrange a new freeze to protect you from unauthorized carrier changes after the transfer.

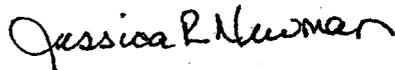
If you have any questions or concerns in regards to service needs, complaints or billing issues, you can also call First Communications at 1.800.274.1015 or prior to the transfer on or around March 1, 2007, call Acceris Communications at 1.800.569.8700, and a representative will assist you.

Welcome to First Communications and thank you for your time.

Sincerely,



Ray Hexamer
Chief Executive Officer
First Communications

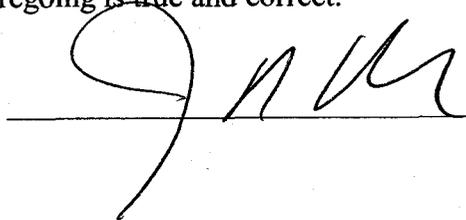


Jessica R. Newman
Chief Executive Officer
Acceris Management and Acquisition LLC
d/b/a Acceris Communications

VERIFICATION

I, Joseph R. Morris, am Chief Operating Officer of First Communications, LLC and am authorized to represent it and its affiliates, and to make this verification on their behalf. The statements in the foregoing document relating to First Communications, LLC and its affiliates, except as otherwise specifically attributed, are true and correct to the best of my knowledge and belief.

I declare under penalty of perjury that the foregoing is true and correct.



Subscribed and sworn to before me this 18th day of
December 2006.


Notary Public

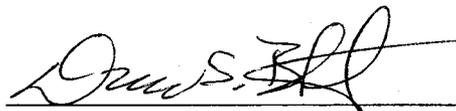
My Commission expires:

PAT VITONE, Attorney at Law
Notary Public - State of Ohio
My Commission Has No Expiration Date
Sec. 147.03

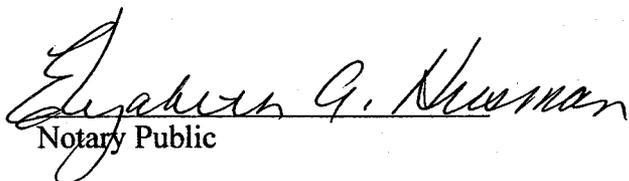
VERIFICATION

I, Drew S. Backstrand, am General Counsel of Acceris Management and Acquisition LLC and am authorized to represent it and its affiliates, and to make this verification on their behalf. The statements in the foregoing document relating to Acceris Management and Acquisition LLC and its affiliates, except as otherwise specifically attributed, are true and correct to the best of my knowledge and belief.

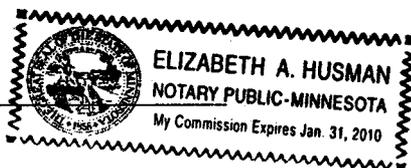
I declare under penalty of perjury that the foregoing is true and correct.



Subscribed and sworn to before me this 22nd day of
November 2006.


Notary Public

My Commission expires: _____



VERIFICATION

I, Drew Backstrand, am the General Counsel of New Access Communications LLC and am authorized to represent it and its affiliates, and to make this verification on their behalf. The statements in the foregoing document relating to New Access Communications LLC and its affiliates, except as otherwise specifically attributed, are true and correct to the best of my knowledge and belief.

I declare under penalty of perjury that the foregoing is true and correct.

Drew S. Backstrand

Subscribed and sworn to before me this 22nd day of
November 2006.

Elizabeth A. Husman
Notary Public

My Commission expires: _____

