

Categories of Services for 214 Applications
(Streamline/Non-streamline)

- ASSIGNMENT OF LICENSE
- GLOBAL FACILITIES-BASED SERVICE
- GLOBAL FACILITIES-BASED/GLOBAL RESALE SERVICE
- GLOBAL RESALE SERVICE
- INDIVIDUAL FACILITIES-BASED SERVICE
- INTERCONNECTED PRIVATE LINE RESALE SERVICE
- LIMITED GLOBAL FACILITIES-BASED SERVICE/LIMITED GLOBAL RESALE SERVICE
- LIMITED GLOBAL FACILITIES-BASED SERVICE
- LIMITED GLOBAL RESALE SERVICE
- INMARSAT AND MOBILE SATELLITE SERVICE
- SWITCHED RESALE SERVICE
- TRANSFER OF CONTROL
- SUBMARINE CABLE LANDING LICENSE
- INTERNATIONAL SPECIAL PROJECT

Description of Application: _____

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

JAN 25 1999

FCC/MELLON

In the Matter of)
National Telephone Exchange, Inc.)
and TeleBeam, Incorporated,) File No. _____)
)
Application for Assignment of)
Authorization Under)
Section 214 of the Communications)
Act of 1934, as Amended)
)
To: Chief, International Bureau

APPLICATION

National Telephone Exchange, Inc. ("NTE") and TeleBeam, Incorporated ("TeleBeam") (jointly, the "Applicants"), hereby request authority of the Federal Communications Commission ("FCC" or "Commission"), pursuant to Section 214 of the Communications Act of 1934, 47 U.S.C. § 214, and Section 63.18(e)(5) of the Commission's Rules, 47 C.F.R. § 63.18(e)(5), for the assignment of NTE's Section 214 authorization from NTE to TeleBeam. This assignment will occur as part of a transaction whereby TeleBeam is purchasing the assets of NTE. The transaction is described fully below.

Grant of this Application will serve the public interest, convenience and necessity. This assignment will allow the Applicants to manage their telecommunications operation more efficiently, permitting greater investment in facilities, customer services and technological innovation.

I. THE PARTIES

A. National Telephone Exchange, Inc.

NTE is a corporation organized and existing under the laws of the Commonwealth of Pennsylvania with its principal office in Harrisburg, Pennsylvania. NTE engages in the provision of telecommunications products and services. NTE is a nondominant carrier and holds an authorization under Section 214 to provide international switched voice service by the resale of the international switched voice service set forth in AT&T's Tariffs FCC Nos. 1 and 2, RCI's Tariff FCC No. 1, US Sprint's Tariffs FCC Nos. 1 and 2 and Metromedia's Tariff FCC No. 2 between the U.S. and international points listed in those tariffs as granted in File No. ITC-92-267.

B. TeleBeam, Incorporated

TeleBeam is a corporation organized and existing under the laws of the state of Delaware with its principal office in State College, Pennsylvania. TeleBeam currently holds no Section 214 authorizations.

II. DESCRIPTION OF THE TRANSACTION

Pursuant to an Asset Purchase Agreement ("Agreement") dated January 6, 1999, and executed by both TeleBeam and NTE, NTE agreed to convey and TeleBeam agreed to acquire all of NTE's assets with the exception of certain excluded assets including certain NTE corporate records, accounts receivable and tax records and obligations, as specifically set forth in the Agreement.

During the pendency of this application, NTE's customers will continue to be served by NTE under its tariffed rates. Upon Commission approval of the Application, TeleBeam will

commence the provision of service to NTE's customers, but will continue to charge these customers NTE's present rates. Upon Commission approval of this application, NTE will abandon its provision of public utility service.

Approval of this transaction is in the public interest. There will be no adverse impact on existing service to subscribers. TeleBeam has a successful record of providing telecommunications services in Pennsylvania through its wholly owned subsidiaries North American Communications, Inc. and Smart Choice Long Distance, Inc. and is in the process of consolidating its operation of its operating subsidiaries into the parent company, including pursuing all necessary state regulatory approvals for each consolidation. The acquisition of NTE and the assignment of its Section 214 Authorization is a component of this general plan of consolidation.

The transaction will be transparent and seamless to all affected customers. There will be no impairment or interruption of service to subscribers as a result of this acquisition.

III. REQUEST FOR ASSIGNMENT OF AUTHORIZATIONS

Pursuant to Section 63.18(e)(5) of the Commission's Rules, the Applicants set forth the following information:

- (a) The name, address and telephone number of Applicants are:

Roger J.J. Ness
National Telephone Exchange, Inc.
2417 North Front Street
Harrisburg, PA 17110
(717) 232-8201

Ara M. Kervandjian
TeleBeam, Incorporated
467 East Beaver Avenue
St. College, PA 16801
(814) 238-0000 Phone
(814) 234-4821 Fax

- (b) NTE is a corporation organized and existing under the laws of the Commonwealth of Pennsylvania.

TeleBeam is a corporation organized and existing under the laws of the State of Delaware.

- (c) Correspondence concerning this Application should be addressed to:

For NTE:

Roger J.J. Ness
National Telephone Exchange, Inc.
2417 North Front Street
Harrisburg, PA 17110
(717) 232-8201

with a copy to:

John D. Flinchbaugh, Esquire
Countess, Gilbert & Andrews
29 North Duke Street
York, PA 17401-1282
(717) 848-4900

For TeleBeam:

Ara M. Kervandjian
TeleBeam, Incorporated
467 East Beaver Avenue
St. College, PA 16801
(814) 238-0000 Phone
(814) 234-4821 Fax

with a copy to:

Alan Kohler, Esquire
Jeanine Schleiden, Esquire
Wolf, Block, Schorr and Solis-Cohen LLP
212 Locust Street, Suite 300
Harrisburg, PA 17101
(717) 237-7160 Phone
(717) 237-7161 Fax

- (d) NTE is a nondominant carrier and holds an authorization under Section 214 to provide international switched voice service by the resale of the international switched voice service set forth in AT&T's Tariffs FCC Nos. 1 and 2, RCI's Tariff FCC No. 1, US Sprint's Tariffs FCC Nos. 1 and 2 and Metromedia's Tariff FCC No. 2 between the U.S. and international points listed in those tariffs as granted in File No. ITC-92-267. Under the terms of the Agreement, this authorization will be assigned to TeleBeam, which currently holds no Section 214 authorization.
- (e)(5) Applicants request authority pursuant to the terms and conditions of § 63.18(e)(5) of the Commission's Rules for the assignment of NTE's international Section 214 authorization to TeleBeam as part of the transaction described above in which TeleBeam will acquire ownership and control of NTE's assets.
- (f) No response required.
- (g) No response required.
- (h) (1) TeleBeam hereby certifies that it does not have an affiliation with a foreign carrier within the meaning of § 63.18(h)(1) of the Commission's Rules.
 - (2) Information regarding the principal shareholders of TeleBeam is provided in Exhibit A, attached.
- (i) TeleBeam hereby certifies that it has not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses sufficient market power on the foreign end of the route to affect competition adversely in the U.S. market and will not enter into such agreements in the future.
- (j) The Applicants hereby certify that no party to this application, as defined in 47 C.F.R. § 1.2002(b), is subject to denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.C.S. § 853(a).
- (k) The instant application is eligible for streamlined processing pursuant to Section 63.12, 47 C.F.R. § 63.12 because TeleBeam does not have an affiliation with a foreign carrier within the meaning of Section 63.18(h)(1)(i).

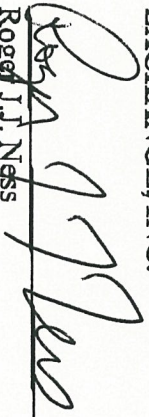
CONCLUSION

Accordingly, the Applicants respectfully request that the Commission permit the assignment of authorization described herein.

Respectfully submitted,


**NATIONAL TELEPHONE
EXCHANGE, INC.**

BY:


Roger J.J. Ness
National Telephone Exchange, Inc.
2417 North Front Street
Harrisburg, PA 17110

TELEBEAM, INCORPORATED

BY:


Ara M. Kerzandjian
TeleBeam Incorporated
467 East Beaver Avenue
St. College, PA 16801

Dated: 1/21/99

EXHIBIT A

The ten percent or greater shareholders of TeleBeam, Incorporated is as follows:

Ara M. Kervandjian P.O. Box 442 State College, PA 16804	29.6%
Hrach Kervandjian 222 Haymaker Circle State College, PA 16801	12.6%
Henry D. Sahakian 180 Haymaker Circle State College, PA 16801	14.9%

Additional information about TeleBeam's business and stockholders is available upon request.

LAW OFFICES
WOLF, BLOCK, SCHORR AND SOLIS-COHEN LLP

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February 2, 1999

VIA FACSIMILE and OVERNIGHT DELIVERY

Ms. Fran Eisenstein
Federal Communications Commission
International Bureau Telecommunications Division
2000 M Street, Room 843
Washington, D.C. 20036

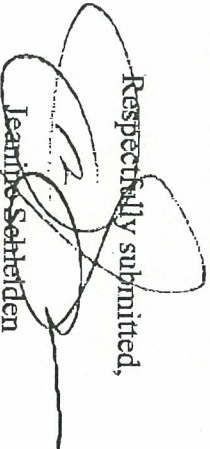
RE: Application for Assignment of Section 214 Authorization,
File No. ITC-92-267

Dear Ms. Eisenstein:

This letter is in response to our phone conversation regarding the Application for Assignment of Section 214 Authorization, File No. ITC-92-267 from National Telephone Exchange, Inc. ("NTE") to TeleBeam, Incorporated ("TeleBeam"). Please be advised that all of the shareholders of TeleBeam (Ara M. Kervandjian, Hrach Kervandjian and Henry D. Sahakian) are United States citizens.

If you have any additional questions or require further information, please contact me. Thank you for your time and assistance in this matter.

Respectfully submitted,



Jeanine Schleiden

For WOLF, BLOCK, SCHORR and SOLIS-COHEN LLP

JS/jlg

cc: Troy Tanner, International Bureau