

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

- LIMITED/GLOBAL RESALE SERVICE
- LIMITED/GLOBAL FACILITIES-BASED SERVICE
- LIMITED/GLOBAL FACILITIES-BASED/RESALE SERVICE
- INDIVIDUAL FACILITIES-BASED SERVICE
- INTERCONNECTED PRIVATE LINE RESALE SERVICE
- INMARSAT AND MOBILE SATELLITE SERVICE
- INTERNATIONAL SPECIAL PROJECT
- SWITCHED RESALE SERVICE
- TRANSFER OF CONTROL (no)
- ASSIGNMENT OF LICENSE
- PRO FORMA TRANSFER/ASSIGNMENT
- SPECIAL TEMPORARY AUTHORITY
- SUBMARINE CABLE LANDING LICENSE

FBI

Description of Application: _____

Vinson & Elkins

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JUN 16 2000

June 16, 2000

Hand Delivered

Federal Communications Commission
International Bureau - Telecommunications
P.O. Box 358115
Pittsburgh, Pennsylvania 15251-5115

Re: Joint Section 214 Assignment Application

Dear Sir/Madam:

Transmitted herewith, on behalf of STAR Telecommunications, Inc. ("STAR"), are an original and five copies of a joint application seeking authority to assign the Section 214 authorizations held by two STAR subsidiaries — PT-1 Communications, Inc. and PT-1 Long Distance, Inc. — to Counsel Communications, LLC. This application is entitled to streamlined processing under Section 63.12 of the Commission's Rules.

Attached to the face of this application is a completed FCC Form 159, a check payable to the Federal Communications Commission to cover the requisite filing fee, and an additional copy of the filing marked "Stamp and Return," which I would appreciate your stamping as received and returning to me via my messenger.

In the event there are questions concerning this matter, please contact me.

Very truly yours,



R. Edward Price

Enclosure

cc (w/enc.): Justin Connor, Esq.
Frances Eisenstein

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
)
)
STAR TELECOMMUNICATIONS, INC.,)
PT-1 COMMUNICATIONS, INC.,)
PT-1 LONG DISTANCE, INC., AND)
COUNSEL COMMUNICATIONS, LLC) File No. ITC-)
)
Application for authority pursuant to)
Section 214 Communications Act of 1934,)
as amended, for STAR Telecommunications, Inc.)
to assign the Section 214 authorizations of PT-1)
Communications, Inc. and PT-1 Long)
Distance, Inc. to Counsel Communications, LLC)

JOINT APPLICATION

STAR Telecommunications, Inc. (“STAR”), PT-1 Communications, Inc. (“PT-1”), PT-1 Long Distance, Inc. (“PT-1 LD”), and Counsel Communications, LLC (“Counsel”) (collectively “Applicants”), hereby request authority pursuant to Section 214 of the Communications Act of 1934, as amended,¹ and Section 63.18 of the Commission’s Rules,² to assign the Section 214 authorizations of PT-1 and PT-1 LD — both subsidiaries of STAR — to Counsel as part of Counsel’s acquisition of the assets of PT-1 and PT-1 LD from STAR.³

¹ 47 U.S.C. § 214.

² 47 C.F.R. § 63.18.

³ On April 12, 2000, STAR filed a joint application with World Access, Inc. (“World Access”) to transfer control of STAR’s Section 214 authorizations — as well as the Section 214 authorizations of its carrier subsidiaries, including PT-1 and PT-1 LD — to World Access as part of the acquisition of STAR by World Access. See File No. ITC-T/C-20000412-00225. Because STAR is now seeking to assign the Section 214 authorizations of PT-1 and PT-1 LD to Counsel, the instant application supersedes the STAR/World Access application as far it pertains to PT-1 and PT-1 LD. STAR will supplement or amend the STAR/World Access application if the Commission’s staff so requests.

The prompt approval of this application is in the public interest because the current and future customers of PT-1 and PT-1 LD will benefit from the investments that Counsel is going to make in establishing a state-of-the-art network over which the traffic of PT-1 and PT-1 LD will be carried. The acquisition of the assets of PT-1 and PT-1 LD will also help to enable Counsel to become one of the market leaders in calling card and casual calling services, and to achieve economies of scale and scope in providing a wide range of retail telecommunications services to end-user customers in the United States.

This application is entitled to streamlined processing under Section 63.12 of the Commission's Rules⁴ because the Applicants qualify for non-dominant treatment under Section 63.10(a)(3) of the Rules.⁵

I. Description of the Parties

A. Counsel

Counsel, a Delaware limited liability company, is a subsidiary of Counsel Corporation (which is traded on the NASDAQ exchange under the symbol "CXSN"). Counsel Corporation is an investment and management company specializing in Internet, communications, and other technology-based enterprises. It plans, through Counsel, to provide domestic and international retail communications over an Internet protocol-based network in the United States.

B. STAR, PT-1, and PT-1 LD

STAR, a Delaware corporation headquartered in Santa Barbara, California (traded on the NASDAQ exchange under the symbol "STRX") is a non-dominant facilities-based and resale carrier that provides domestic and international wholesale and retail telecommunications services in North America, Europe, and Asia. PT-1, a New York corporation with offices in Flushing, New York, is a wholly owned subsidiary of STAR.⁶ PT-1 LD, a Delaware corporation also with

⁴ 47 C.F.R. § 63.12.

⁵ 47 C.F.R. § 63.10(a)(3).

⁶ STAR acquired PT-1 in 1998. See File No. ITC-98-489-TC.

offices in Flushing, New York, is a wholly owned subsidiary of PT-1. Both PT-1 and PT-1 LD are non-dominant carriers that provide international and domestic telecommunications services, primarily prepaid calling card and casual calling services.

II. Description of the Transaction

On February 11, 2000, STAR entered into a merger agreement with World Access under which that company plans to acquire 100% of the shares of STAR.⁷ As a pre-condition to the STAR/World Access merger, however, STAR has agreed to sell the capital stock or the assets of PT-1 (which includes its subsidiary PT-1 LD). Pursuant to this condition, STAR and PT-1 entered into a Purchase Agreement with Counsel on June 6, 2000, following the determination by all of the parties involved that the operations of PT-1 and PT-1 LD are compatible with the planned operations of Counsel and that Counsel's acquisition of PT-1 and PT-1 LD would benefit all of those companies. Under the Purchase Agreement, Counsel will pay cash to acquire the assets of PT-1, including the Section 214 authorizations of both PT-1 and PT-1 LD.

III. Public Interest Considerations

Prompt approval of this application will serve the public interest by: (1) enabling STAR to comply with the terms of its merger agreement with World Access, and thereby achieve the public interest benefits discussed in the applications for that merger; and (2) enabling PT-1 and PT-1 LD to receive the benefits of significant investment of Counsel, resulting in major enhancements to the services PT-1 and PT-1 LD provide to their customers. Through its acquisition of PT-1, Counsel will acquire a significant retail customer base for its U.S. operations and planned network, thus enabling the company to advance its goal of developing an IP-based network for U.S. and global telecommunications services.

Additionally, the funds that STAR receives from the sale of PT-1 and PT-1 LD will allow STAR to focus on, and make significant investments in, its wholesale operations. With those

⁷ An application seeking approval of the transfer of STAR's and its subsidiaries' Section 214 authorizations to World Access is currently pending with the Commission. See *supra* note 3.

investments, and with the economies of scale and other efficiencies that will result from STAR's merger with World Access, STAR's ability to provide competitive, state-of-the-art services to its wholesale customers will be greatly enhanced.

For all of the above reasons, the Applicants submit that approval of this application is clearly in the public interest.

IV. Section 63.18 Information

The following information is submitted pursuant to Section 63.18(e)(3) of the

Commission's Rules:

(a) Names, addresses, and telephone numbers of the Applicants:

Counsel Communications, LLC
280 Park Avenue
West Building, 28th Floor
New York, New York 10017
(212) 286-5000

STAR Telecommunications, Inc.
223 East De La Guerra Street
Santa Barbara, California 93010
(805) 899-1962

PT-1 Communications, Inc.
30-50 Whitestone Expressway
Flushing, New York 11354
(718) 939-9000

PT-1 Long Distance, Inc.
30-50 Whitestone Expressway
Flushing, New York 11354
(718) 939-9000

(b) Counsel and STAR are corporations organized under the laws of Delaware. STAR's subsidiaries PT-1 and PT-1 LD are corporations organized under the laws of New York and Delaware, respectively.

(c) Correspondence concerning this Application should be sent to:

For Counsel:

Lance J.M. Steinhart, Esq.
6455 East Johns Crossing
Suite 285
Duluth, GA 30097
Tel: (770) 232-9200
Fax: (770) 232-9208

With a copy to:

Gary Wasserson
President & CEO
Counsel Communications, LLC
280 Park Avenue
West Building, 28th Floor
New York, New York 10017

For STAR, PT-1, and PT-1 LD:

Gregory C. Staple, Esq.
R. Edward Price, Esq.
Vinson & Elkins L.L.P.
1455 Pennsylvania Avenue, N.W.
Washington, D.C. 20004-1008
Tel: (202) 639-6500
Fax: (202) 639-6604

with a copy to:

Kathleen D. Mayer
STAR Telecommunications, Inc.
223 East De La Guerra Street
Santa Barbara, California 93010

(d) The companies whose assets are being acquired, PT-1 and PT-1 LD, both hold Section 214 authority. PT-1, formerly known as Phonetime Inc., holds Section 214 authority to provide facilities-based and resale international services. See FCC Public Notice, File No. ITC-97-281, 13 FCC Rcd 5716 (1997) (facilities-based authority); FCC Public Notice, File No. ITC-96-454, 11 FCC Rcd 12287 (1996) (resale authority). PT-1 LD, a subsidiary of PT-1, also holds facilities-based and resale Section 214 authority. See File No. ITC-214019990506-00348. Counsel does not currently hold Section 214 authority.

(e)(3) This application seeks authority for STAR to assign the Section 214 authorizations of PT-1 and PT-1 LD to Counsel, which following the assignment will be a non-dominant common carrier. STAR, PT-1, and PT-1 LD are not currently affiliated with Counsel.

(f)-(g) Not applicable

(h) Counsel is 100% owned by Counsel Corporation, The Exchange Tower, Suite 1300, P.O. Box 435, 130 King Street West, Toronto, Ontario M5X 1E3, Canada, a Canadian corporation whose principal business is investment and management. Counsel Corporation's only ten percent or greater shareholder is:

Name: Allan Silber – 19.9% Owner

Business Address: The Exchange Tower

Suite 1300, P.O. Box 435

130 King Street West

Toronto, Ontario M5X 1E3

Canada

Citizenship: Canadian

Principal Business: Business Executive

(i)-(k) Counsel hereby certifies that it is not currently affiliated with any foreign carriers.

(l)-(m) Following its acquisition of the assets of PT-1 and PT-1 LD, Counsel will qualify for non-dominant treatment because it will not be affiliated with any foreign carriers. Although PT-1 and PT-1 LD currently have foreign affiliates that are subsidiaries of PT-1 and through PT-1's current parent STAR, Counsel will not have those affiliations following the acquisition by Counsel because: (1) STAR will no longer own PT-1 and thus there will be no affiliation between STAR's foreign affiliates and Counsel; and (2) the foreign carrier authorizations held by PT-1's foreign carrier subsidiaries will not be assigned to Counsel as part of its acquisition of the assets of PT-1 and PT-1 LD. In any event, PT-1's current foreign affiliates are non-dominant.

(n) Counsel 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.

(o) In accordance with the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 862, and Sections 1.2001-1.2003 of the Commission's Rules, 47 C.F.R. §§ 1.2001-1.2003, Counsel hereby certifies that neither it nor any other party to this application is subject to a denial of U.S. federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

- (p) This application is entitled to streamlined processing under Section 63.12(c)(1)(i) of the Commission's Rules because Counsel, STAR, PT-1, and PT-1 LD qualify for a presumption of non-dominance under Section 63.10(a)(3) of the Commission's Rules. As discussed above, Counsel does not have any foreign carrier affiliates; nor will it have any such affiliates following its acquisition of the assets of PT-1 and PT-1 LD. In any event, PT-1's current foreign affiliates are non-dominant.

V. Conclusion

For the reasons stated herein, the Applicants respectfully submit that the public interest, convenience, and necessity would be furthered by grant of this application.

Respectfully submitted,

COUNSEL COMMUNICATIONS, LLC

By: 

Gary Wasserson

President & CEO

Counsel Communications, LLC

280 Park Avenue

West Building, 28th Floor

New York, New York 10017

STAR TELECOMMUNICATIONS, INC.

PT-1 COMMUNICATIONS, INC.

PT-1 LONG DISTANCE, INC.

By: 

Gregory C. Staple

R. Edward Price

Vinson & Elkins L.L.P.

1455 Pennsylvania Avenue, N.W.

Washington, D.C. 20004-1008

(202) 639-6500

By: 

Loretta M. Steinhart

~~6455~~ East Johns Crossing

Suite 285

Duluth, Georgia 30097

(770) 232-9200

Its Attorney

June 14, 2000

**READ INSTRUCTIONS CAREFULLY
BEFORE PROCEEDING**

FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE

APPROVED BY OMB 3060-0589

(1) LOCKBOX # 358115

PAGE NO. 1 OF 1

SPECIAL USE
FCC USE ONLY

SECTION A - PAYER INFORMATION

(2) PAYER NAME (if paying by credit card, enter name exactly as it appears on your card) Vinson & Elkins L.L.P. (3) TOTAL AMOUNT PAID (dollars and cents) 780.00
 (4) STREET ADDRESS LINE NO. 1 1455 Pennsylvania Avenue, N.W.
 (5) STREET ADDRESS LINE NO. 2

(6) CITY Washington (7) STATE D.C. (8) ZIP CODE 20004-1008
 (9) DAYTIME TELEPHONE NUMBER (include area code) (202) 639-6621 (10) COUNTRY CODE (if not in U.S.A.)

**IF PAYER NAME AND THE APPLICANT NAME ARE DIFFERENT, COMPLETE SECTION B
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C)**

SECTION B - APPLICANT INFORMATION

(11) APPLICANT NAME (if paying by credit card, enter name exactly as it appears on your card) STAR Telecommunications, Inc.
 (12) STREET ADDRESS LINE NO. 1 C/O Vinson & Elkins L.L.P.
 (13) STREET ADDRESS LINE NO. 2 1455 Pennsylvania Avenue, N.W.
 (14) CITY Washington (15) STATE D.C. (16) ZIP CODE 20004-1008
 (17) DAYTIME TELEPHONE NUMBER (include area code) (202) 639-6500 (18) COUNTRY CODE (if not in U.S.A.)

COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEETS (FORM 159-C)

SECTION C - PAYMENT INFORMATION

(19A) FCC CALL SIGN/OTHER ID	(20A) PAYMENT TYPE CODE (PTC)	(21A) QUANTITY	(22A) FEE DUE FOR (PTC) IN BLOCK 20A	FCC USE ONLY		
(23A) FCC CODE 1	C	U	T	1	\$ 780.00	(24A) FCC CODE 2
(19B) FCC CALL SIGN/OTHER ID	(20B) PAYMENT TYPE CODE (PTC)	(21B) QUANTITY	(22B) FEE DUE FOR (PTC) IN BLOCK 20B	FCC USE ONLY		
(23B) FCC CODE 1			\$		(24B) FCC CODE 2	
(19C) FCC CALL SIGN/OTHER ID	(20C) PAYMENT TYPE CODE (PTC)	(21C) QUANTITY	(22C) FEE DUE FOR (PTC) IN BLOCK 20C	FCC USE ONLY		
(23C) FCC CODE 1			\$		(24C) FCC CODE 2	
(19D) FCC CALL SIGN/OTHER ID	(20D) PAYMENT TYPE CODE (PTC)	(21D) QUANTITY	(22D) FEE DUE FOR (PTC) IN BLOCK 20D	FCC USE ONLY		
(23D) FCC CODE 1			\$		(24D) FCC CODE 2	

SECTION D - TAXPAYER INFORMATION (REQUIRED)

(25) PAYER TIN 0741183015 (26) COMPLETE THIS BLOCK ONLY IF APPLICANT NAME IN B-11 IS DIFFERENT FROM PAYER NAME IN A-2) APPLICANT TIN 0770362681

(27) CERTIFICATION STATEMENT

I, _____, certify under penalty of perjury that the foregoing and supporting information are true and correct to the best of my knowledge, information and belief. SIGNATURE _____

SECTION F - CREDIT CARD PAYMENT INFORMATION

(28) MASTERCARD MASTERCARD/VISA ACCOUNT NUMBER: _____ EXPIRATION DATE: _____
 VISA I hereby authorize the FCC to charge my VISA or MASTERCARD AUTHORIZED SIGNATURE _____ DATE _____
 for the service(s)/authorization(s) herein described.

SEE PUBLIC BURDEN ESTIMATE ON REVERSE

FCC FORM 159 JULY 1997 (REVISED)

ORIGINAL DOCUMENT HAS A REFLECTIVE WATERMARK ON THE BACK. HOLD AT AN ANGLE TO VIEW WHEN CHECKING THE ENDORSEMENT

VINSON & ELKINS

L.L.P.
ATTORNEYS AT LAW
1455 PENNSYLVANIA AVENUE, N.W.
WASHINGTON, D.C. 20004-1007

Price: R. Edward

15-120 Check No.
540
125468

VOID AFTER 90 DAYS
CHASE BANK OF TEXAS, N.A.
SAN ANGELO, TEXAS

Date	Amount
June 16, 2000	\$***780.00

PAY *Seven hundred eighty and 00/100 Dollars*****

TO THE ORDER OF: Federal Communications Commission

0

Sandra A. Morrison



⑈ 125468 ⑈ ⑆ 113008801 ⑈ 06300052928 ⑈

SON & ELKINS, L.L.P.
FORNEYS AT LAW
1455 PENNSYLVANIA AVENUE, N.W. WASHINGTON, D.C. 20004-1007

Check Date
6/16/00
Check Number
125468

GL ACCOUNT Client	Offc Matter	Dept	Invoice Date	Invoice No.	INVOICE DESCRIPTION	AMOUNT
STA396			6/16/00	3393	FCC Filing fee	\$780.00
						\$780.00