

The instant application seeks Commission approval to assign and transfer control of Zone USA, Inc.'s ("Zone USA's") international 214 authorization to Zone Telecom, Inc. ("Zone Telecom") in connection with a proposed transfer of control transaction involving Associated Network Partners, Inc. ("ANPI"). A separate transfer of control application has been concurrently filed to seek Commission approval for the transfer of control involving ANPI. Both of these applications should be reviewed as part of the same overall transaction.

**ANSWER TO QUESTION 10:**

In response to 47 C.F.R. § 63.18(c):

Please direct all correspondence concerning this application for Zone USA and Zone Telecom to the following:

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Chief Financial Officer  
3 Executive Campus, Suite 520  
Cherry Hill, NJ 08002  
Phone: (856) 414-6904

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1250 24<sup>th</sup> St., NW, Suite 300  
Washington, D.C. 20037  
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Please direct all correspondence concerning this application for ANPI to the following:

Joseph O'Hara  
Chief Financial Officer  
3130 Pleasant Run  
Springfield, IL 62711  
Phone: (217) 698-2860

Associated Network Partners, c/o Joseph D Murphy  
Meyer Capel, PC  
306 W. Church St.  
Champaign, IL 61826-6750  
Phone: (217) 352-0030

In response to 47 C.F.R. § 63.18(d):

Zone USA previously received authority under Section 214 of the Act to provide international switched services on a facilities-based (Section 63.18(e)(1)) and resale basis (Section 63.18(e)(2)) under File No. ITC-214-20000717-00403. Zone USA also holds a separate global resale authorization under File No. ITC-214-19970311-00142, which was obtained by the company in a prior transaction whereby Zone USA acquired the assets of another 214 authorized carrier. Zone Telecom is currently a wholly owned subsidiary of Zone USA, and operates under the international 214 authorization of its parent company, File No. ITC-214-20000717-00403.

ANPI previously received authority under Section 214 of the Act to provide international switched services on a resale basis under File No. ITC-96-123.

**ANSWER TO QUESTION 11:**

Current Ownership for Zone Telecom, Inc.

The following persons or entities currently hold, directly or indirectly, at least ten (10) percent of the equity in Zone Telecom as determined by successive multiplications in the manner specified in the note to Section 63.18(h) of the Commission's rules:

<b>Name/Address</b>	<b>% of Shares</b>	<b>State of Incorporation</b>	<b>Principal Occupation/ Business</b>
Zone USA, Inc. 3 Executive Campus, Suite 520 Cherry Hill, NJ 08002	100% direct ownership of Zone Telecom, Inc.	Delaware	Holding Company

The following individuals or entities hold a ten percent (10%) or greater *direct* ownership interest in Zone USA:

<b>Name/Address</b>	<b>% of Shares</b>	<b>Country of Incorporation</b>	<b>Principal Occupation/ Business</b>
ZONE Global Limited c/o 3705 Gloucester Tower The Landmark 11 Pedder Street Central, Hong Kong	100% direct ownership of Zone USA, Inc.	British Virgin Islands	Holding Company

The following individuals or entities hold a ten percent (10%) or greater *direct* ownership interest in ZONE Global Limited:

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Name/Address	% of Shares	Country of Incorporation	Principal Occupation/ Business
Cyberman Limited c/o 3705 Gloucester Tower The Landmark 11 Pedder Street Central, Hong Kong	100% direct ownership of ZONE Global Limited	British Virgin Islands	Holding Company

The following individuals or entities hold a ten percent (10%) or greater *direct* ownership interest in Cyberman Limited:

Name/Address	% of Shares	Country of Incorporation	Principal Occupation/ Business
e-Kong Pillars Holdings Limited c/o 3705 Gloucester Tower The Landmark 11 Pedder Street Central, Hong Kong	100% direct ownership of Cyberman Limited	British Virgin Islands	Holding Company

The following individuals or entities hold a ten percent (10%) or greater *direct* ownership interest in e-Kong Pillars Holdings Limited:

Name/Address	% of Shares	Country of Incorporation	Principal Occupation/ Business
e-Kong Group Limited c/o 3705 Gloucester Tower The Landmark 11 Pedder Street Central, Hong Kong	100% direct ownership of e- Kong Pillars Holdings Limited	Bermuda	Holding Company

The following individuals or entities hold a ten percent (10%) or greater *direct* ownership interest in e-Kong Group Limited:

Name/Address	% of Shares	Country of Incorporation	Principal Occupation/ Business
Goldstone Trading Limited c/o Unit C, 26/F CNT Tower 338 Hennessy Road Wanchai, Hong Kong	19.1% direct ownership of e- Kong Group Limited	British Virgin Islands	Investment Holding
Great Wall Holdings Limited c/o Room 402 Hung Kei Mansion 5-8 Queen Victoria Street Central, Hong Kong	13% direct ownership of e- Kong Group Limited	Niue	Investment Holding

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Future (Holdings) Limited c/o Unit C, 26/F. CNT Tower 338 Hennessy Road Wanchai, Hong Kong	14.3% direct ownership of e- Kong Group Limited	St. Lucia	Investment Holding
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The following individuals or entities hold a ten percent (10%) or greater *direct* ownership interest in Future (Holdings) Limited:

Name/Address	% of Shares	Country of Incorporation	Principal Occupation/ Business
Ganado Investments Corporation Limited c/o 46 Micoud Street Castries, St. Lucia	100% direct ownership of Future (Holdings) Limited	St. Lucia	Investment Holding

In addition, the following individuals currently hold a ten percent (10%) or greater attributable ownership interest in Zone Telecom through an attributable ownership interest (direct and/or indirect) in e-Kong Group Limited:

Name/Address	% of Shares	Country of Citizenship	Principal Occupation/ Business
Richard John Siemens 3705 Gloucester Tower The Landmark 11 Pedder Street Central, Hong Kong	22.8% <sup>1</sup>	Canada	Company Director
William Bruce Hicks House No. 2 Henderson Road Jardine's Lookout Hong Kong	13.8% <sup>2</sup>	Canada	Company Director
Jennifer Wes Saran Blk 47, 18/F, Baguio Villa 550 Victoria Road Pokfulam Hong Kong	14.4% <sup>3</sup>	St. Kitts & Nevis	Shareholder

<sup>1</sup> 22.8% ownership interest attributed as follows: 19.1% indirect ownership interest through controlling interest in Goldstone Trading Limited; 3.7% indirect ownership interest through controlling interest in Siemens Enterprises Limited, a Hong Kong investment holding company with an address of Unit C, 26/F., CNT Tower, 338 Hennessy Road, Wanchai, Hong Kong. Siemens Enterprises Limited holds a 3.7% direct ownership interest in e-Kong Group Limited.

<sup>2</sup> 13.8% ownership interest attributed as follows: 13% indirect ownership interest through controlling interest in Great Wall Holdings Limited; 0.8% indirect ownership interest through shares held personally in e-Kong Group Limited.

No other entities or individuals hold a ten percent (10%) or greater attributable ownership interest in Zone Telecom. A current ownership chart for Zone Telecom has been provided in **Diagram 1**, further below.

Current Ownership for Associated Network Partners, Inc.

No persons or entities currently hold, directly or indirectly, at least ten (10) percent of the equity in ANPI as determined by successive multiplications in the manner specified in the note to Section 63.18(h) of the Commission's rules.

**ANSWER TO QUESTION 13:**

By the instant application, Zone Telecom requests Commission approval to have Zone USA assign its international 214 authorization (File No. ITC-214-20000717-00403) to Zone Telecom in connection with a proposed transfer of control transaction between Zone USA and ANPI pursuant to a Contribution Agreement ("Agreement") executed on September 28, 2010. Under the Agreement, Commission approval must occur prior to consummation of the transaction.

As explained in greater detail below, each of the two currently authorized providers, ANPI and Zone Telecom, will be changing corporate form. Following the changes, each will be contributing its ownership to a newly created holding company, ANZ Communications LLC ("ANZ LLC")<sup>4</sup> which will then be the direct corporate parent of both ANPI and Zone Telecom. ANZ LLC will be jointly owned by Zone USA and a (yet to formed) holding company owned by the current shareholders of ANPI. Zone Telecom and ANPI will both continue to exist and operate under ANZ LLC as separate entities with their own respective 214 authorizations.

ANPI, now an Illinois corporation, will convert through a pro forma merger transaction into ANPI, LLC, a Delaware limited liability company. ANPI, LLC is a newly organized limited liability company, created for the sole purpose of merging with ANPI, in effect, to convert ANPI from an Illinois corporation to a Delaware limited liability company.

The membership interests in ANPI, LLC will be held initially by a holding company, ANPI Holding, Inc. ("ANPI Holding"), an Illinois corporation which, as a result of the merger transaction, will have the exact same shareholders as ANPI did before the transaction. ANPI,

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<sup>3</sup> 14.4% ownership interest attributed as follows: 14.3% indirect ownership interest through controlling interest in Ganado Investments Corporation Limited; *de minimis* (*i.e.*, less than .1%) indirect ownership interest through shares held personally in e-Kong Group Limited.

<sup>4</sup> ANZ, LLC is a tentative name for the jointly owned holding company, which has yet to be formed. The entity will not be created until the necessary regulatory approvals for the transaction have been obtained. The actual name and corporate form of ANZ, LLC may change at that time.

LLC will also have the same management as ANPI. Thus, ANPI, LLC will replace ANPI as the operating company with a holding company interposed between the operating company and the shareholders. This transaction will have no operational effect on ANPI's customers, which are each sophisticated telecommunications carriers and which will each continue to obtain service from and be billed by the same entity with the same contact information as before. ANPI, LLC will continue to provide services to its wholesale customers under ANPI's existing authorizations.

Zone Telecom, a Delaware corporation, will be converted into Zone Telecom, LLC, a Delaware limited liability company ("Zone LLC"). This pro forma conversion will be accomplished under Delaware law, and will not result in any other change to the entity. As a result, 100% of the membership interests in Zone LLC will continue to be held initially by Zone USA. Zone LLC will also have the same management as Zone Telecom. This transaction will have no operational effect on Zone Telecom's customers, which will each continue to obtain service from, and be billed by, the same entity with the same contact information as before.

Once the pro forma conversions to ANPI, LLC and Zone LLC are completed, their respective holding companies (Zone USA and ANPI Holding) intend to contribute the ownership interest in each operating company to a single holding company, which will be called ANZ LLC, a Delaware limited liability company. In exchange for ownership of the operating companies, each holding company (Zone USA and ANPI Holding) will receive in return 50% of the ownership interest in ANZ LLC, and ANZ LLC will then be the parent holding company of each of ANPI, LLC and Zone LLC, the operating companies. Each of ANPI, LLC and Zone LLC will continue to operate under its current management, subject to the oversight of an ANZ LLC management team made up of the combined management of both entities.

The instant application seeks Commission approval to assign Zone USA's international 214 authorization (File No. ITC-214-20000717-00403) to Zone LLC f/k/a Zone Telecom, Inc. which, under the proposed transaction, will also undergo a transfer of control to ANZ LLC (which will ultimately result in a 50% change in ownership of Zone LLC). Zone USA will retain its separate international 214 authorization under File No. ITC-214-19970311-00142. A separate transfer of control application has been concurrently filed to seek Commission approval for the transfer of control of ANPI, LLC f/k/a Associated Network Partners, Inc. to ANZ LLC (which will ultimately result in a 50% change in ownership of ANPI, LLC).

An illustration of the proposed final ownership structure is provided in **Diagram 2**, further below.

#### **ANSWER TO QUESTION 14:**

Zone Telecom is currently affiliated, through its ultimate parent company e-Kong Group Limited ("e-Kong"), with foreign carriers in Hong Kong and Singapore. Upon consummation of the proposed transaction, Zone Telecom will continue to be affiliated with the same foreign

carriers, and ANPI will also become affiliated with the same foreign carriers in Hong Kong and Singapore.

**ANSWER TO QUESTION 15:**

As indicated above, Zone Telecom is currently affiliated with foreign carriers in Hong Kong and Singapore. This affiliation will not change after consummation of the proposed transaction. Upon consummation of the proposed transaction, ANPI will also become affiliated with the same foreign carriers in Hong Kong and Singapore. The two affiliated foreign carriers operate in destination countries to which Zone Telecom (under the authorization of its immediate parent company, Zone USA) and ANPI are authorized to provide service. The foreign carriers, which are under the control of e-Kong, and the destination countries in which they operate are:

ZONE Limited (Hong Kong)  
ZONE Telecom Pte Ltd. (Singapore)

**ANSWER TO QUESTION 16:**

Zone Telecom and ANPI request classification as “non-dominant” between the U.S. and Hong Kong and between the U.S. and Singapore. Zone Telecom and ANPI are not affiliated with a monopoly provider of communications services in any of the markets identified in response to Questions 14 and 15 (or any other market). Neither ZONE Limited nor ZONE Telecom Pte Ltd. control 50 percent market share in the international transport and the local access markets on the foreign end of the applicable U.S.-international route.<sup>5</sup> ZONE Telecom Pte Ltd. holds a “Service-Based” license to provide service in Singapore (as opposed to a “Facilities-Based” license) while ZONE Limited holds a Public Non-Exclusive Telecommunications Service License to provide service in Hong Kong. In addition, Zone Telecom and ANPI believe it to be further illustrative that Pacific Century CyberWorks HKT (Hong Kong) and Singapore Telecom (Singapore), carriers unaffiliated with Zone Telecom or ANPI, are currently presumed by the Commission to possess market power in their respective foreign markets.<sup>6</sup> Finally, Zone Telecom and ANPI provide international service to Hong Kong and Singapore solely through the resale of unaffiliated U.S. facilities-based carriers' international switched services, which the Commission’s rules classify as presumptively non-dominant.<sup>7</sup>

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<sup>5</sup> See 47 C.F.R. § 63.10(a)(3).

<sup>6</sup> See *The International Bureau Revises and Reissues the Commission’s List of Foreign Telecommunications Carriers that Are Presumed to Possess Market Power in Foreign Telecommunications Markets*, Public Notice, DA 07-233, January 26, 2007.

<sup>7</sup> See 47 C.F.R. § 63.10(a)(4).

**ANSWER TO QUESTION 20:**

Zone Telecom requests streamlined processing of the application. The application qualifies for streamlined processing as Zone Telecom qualifies for a presumption of non-dominance under Section 63.10(a)(3) of the Commission's rules as detailed in the ANSWER TO QUESTION 16, *supra*.<sup>8</sup> In addition, the application qualifies for streamlined processing as both Hong Kong and Singapore are WTO Member countries and Zone Telecom qualifies for a presumption of non-dominance under Section 63.10(a)(4) of the Commission's rules as detailed in the ANSWER TO QUESTION 16, *supra*.<sup>9</sup>

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<sup>8</sup> See 47 C.F.R. §§ 63.12(c)(1)(ii).

<sup>9</sup> See 47 C.F.R. § 63.12(c)(1)(iv).



### **DOMESTIC APPLICATION SUPPLEMENT**

Pursuant to 47 C.F.R. § 63.04 (b), the following information corresponding to 47 C.F.R. §§ 63.04(a)(6) – (a)(12) is supplied in connection with the Joint International and Domestic Application for the Consent to Assignment and Transfer of Control of 214 Authorized Carrier and is intended to fulfill the requirements for the transfer of control of a domestic carrier.

#### **Section 63.04(a)(6) - Description of the transaction:**

*See ANSWER TO QUESTION 13, supra.*

#### **Section 63.04(a)(7) - A description of the geographic areas in which the transferor and transferee (and their affiliates) offer domestic telecommunications services, and what services are provided in each area:**

Zone Telecom provides wholesale and retail interexchange service throughout the U.S., and provides resold competitive local exchange service in a limited number of states. ANPI provides wholesale interexchange service throughout the U.S.

#### **Section 63.04(a)(8) - A statement as to how the application fits into one or more of the presumptive streamlined categories in section 63.03 or why it is otherwise appropriate for streamlined treatment:**

The proposed transaction would result in the transferee (ANZ LLC) having less than a 10 percent market share in the interstate, interexchange market. The parties to the transaction will all continue to operate exclusively in geographic areas served by a dominant local exchange carrier that is not a party to this transaction. Zone Telecom and ANPI are not dominant with respect to any service. Accordingly, this application is appropriate for streamlined treatment pursuant to 47 C.F.R. § 63.03 (b)(2).

#### **Section 63.04(a)(9) - Identification of all other Commission applications related to the same transaction:**

A concurrent joint international and domestic application for transfer of control has been submitted with respect to the transaction as it relates to the transfer of control of ANPI to ANZ LLC. Since the applications are submitted concurrently, docket and/or file numbers for the respective applications will be provided to the Commission after they have been assigned.

#### **Section 63.04(a)(10) - A statement of whether the applicants are requesting special consideration because either party to the transaction is facing imminent business failure:**

Not applicable.

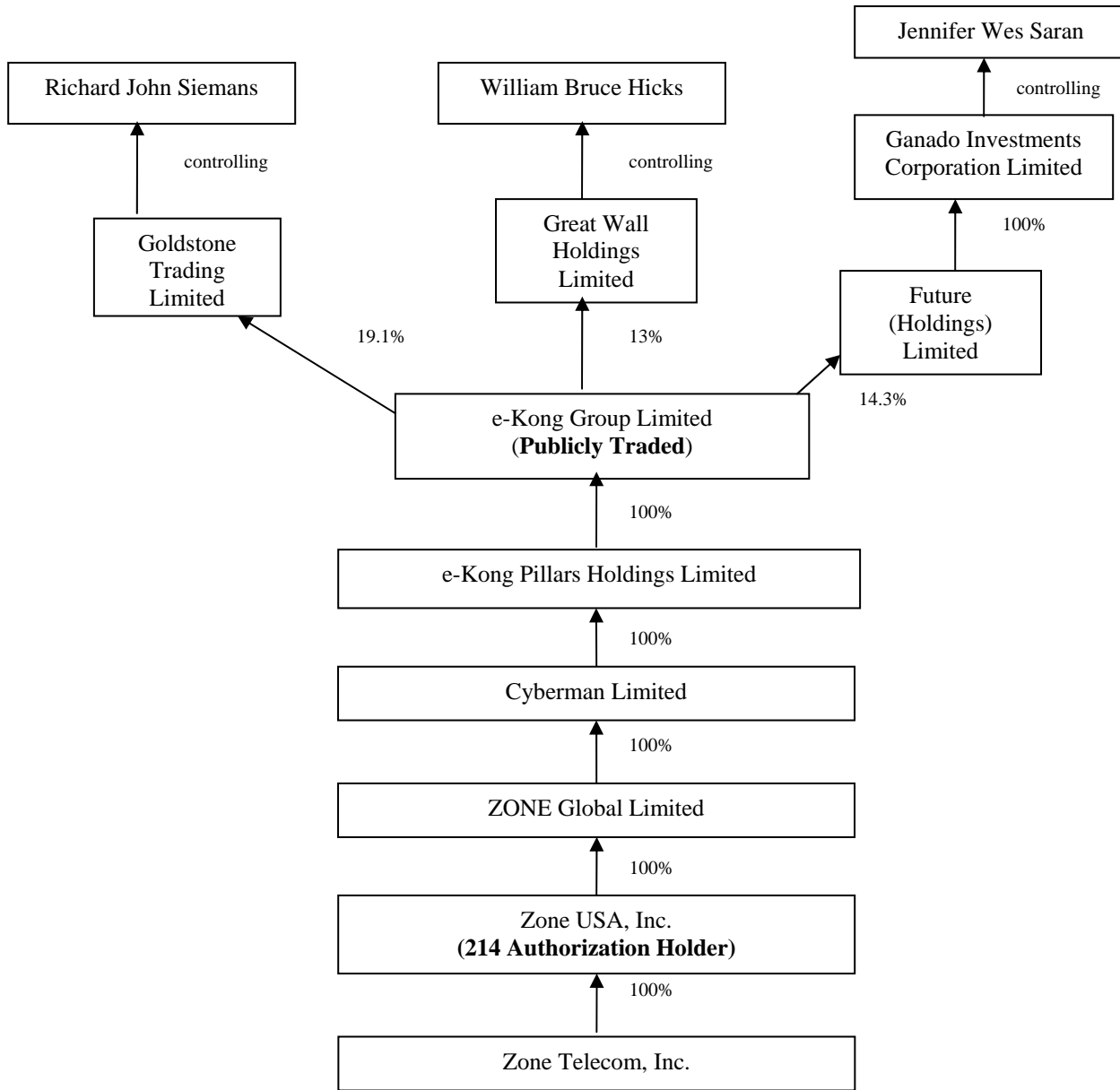
**Section 63.04(a)(11) - Identification of any separately filed waiver requests being sought in conjunction with the transaction:**

Not applicable.

**Section 63.04(a)(12) - A statement showing how grant of the application will serve the public interest, convenience and necessity, including any additional information that may be necessary to show the effect of the proposed transaction on competition in domestic markets:**

Consummation of the proposed transaction will serve the public interest in promoting competition in the international and domestic telecommunications market by providing Zone Telecom and ANPI the opportunity to strengthen competitive positions by combining the resources, services, products and expertise of both companies. The combined operations will more readily increase in size and profitability due to enhanced economies of scale. Accordingly, the proposed acquisition will benefit consumers through improved services and lower rates, thereby promoting competition in the international and domestic telecommunications market. Given the Commission's desire to foster competition in the international and domestic telecommunications services market, grant of the proposed transaction is in the public interest.

**DIAGRAM 1**  
**Zone Telecom, Inc. Current Ownership Structure**



**DIAGRAM 2**  
**Zone Telecom, Inc. Proposed Transaction Final Ownership Structure**

