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

In the Matter of the Joint Application of	)	
in the Matter of the John Application of	)	
Telecom North America Inc., Assignor	)	
and	)	File No. ITC-ASG-2016
G3 Telecom USA Inc., Assignee	)	
	)	
For Authority pursuant to Section	)	
Section 214 of the Communications Act of 1934,	)	
as amended, to Complete an Assignment of Assets	)	
of Authorized Domestic and International Section	)	
214 Carriers	)	

## **JOINT APPLICATION**

## I. <u>INTRODUCTION</u>

Pursuant to Section 214 of the Communications Act of 1934, as amended (the "Act") and Sections 63.04 and 63.24 of the Commission's rules, 47 C.F.R. §63.04 and §63.24, Telecom North America Inc. ("Telna" or "Assignor") together with G3 Telecom USA Inc. ("G3" or "Assignee") (collectively the "Applicants") hereby seek authority to assign certain assets, specifically a subset of Telna's customer base, to G3. This application is being filed simultaneously with the International Bureau and the Wireline Competition Bureau. Applicants submit that the grant of this Application will serve the public interest.

In support of this Application, Applicants provide the following information:

## II. <u>DESCRIPTION OF THE APPLICANTS</u>

#### A. Assignor

The Assignor is Telecom North America Inc., a domestic company incorporated under the laws of the state of Nevada. It is authorized pursuant to ITC-214-20031031-00499 to provide International Global or Limited Global Facilities-Based and Resale Service (DA No. 03-3878)<sup>1</sup>. In addition to its international services, it provides domestic resold interexchange services throughout the United States. It is currently owned by the following:

- o Knowroaming, LDT (50%), a Canadian company
- o Mr. Herve Andrieu (25%), a French citizen,
- o Mr. Johannes (Jean) Gottschalk (25%), a German citizen.

Under a pending transfer of control application, File No. ITC-T/C-20150501-00117, Telna proposes to transfer Mr. Andrieu's ownership share to Knowroaming, resulting in a 75% ownership share held by Knowroaming and a 25% share held by Mr. Gottschalk.

Telna is 100% owner of Telecom North America Mobile, Inc., a Nevada corporation that provides mobile services.

<sup>&</sup>lt;sup>1</sup> Since receiving its international 214 authority in 2003, Telna has undergone several ownership changes, including a transfer of control, File No. ITC-T/C-20090908-00409, granted on February 4, 2011 (DA No. 11-259), a proforma transfer of control, File No. ITC-T/C-20140219-00047, consummated March 5, 2014 (DA No. 14-307) and a transfer of control, File No. ITC-T/C-20140507-00148, granted on November 19, 2014 (DA No. 14-1725). It has a current transfer of control application pending, File No. ITC-T/C-20150501-00117, filed on May 1, 2015.

#### B. Assignee

G3 Telecom USA Inc. is a domestic company incorporated under the laws of the state of Delaware. It is authorized pursuant to ITC-214-20110311-00063 to provide International Global or Limited Global Resale Service. In addition to its international services, it provides domestic resold interexchange and interconnected VoIP services.

Pursuant to a transfer of control approved on May 4, 2015, File No. ITC-T/C-20140513-00150 (DA No. 15-585), G3 is now a direct wholly-owned subsidiary of Telehop Communications Inc., a publicly-held Canadian Corporation, incorporated under the laws of the Province of Ontario. Telehop provides resold long distance services and interconnected VoIP services within Canada and to international locations. Telehop is licensed by the Canadian Radio-television and Telecommunications Commission ("CRTC") as a Class "A" telecommunications carrier.

G3's parent, Telehop, has several wholly-owned subsidiaries, including International Telehop Network Systems Inc., Telehop Long Distance Service Ltd., Telehop Premium Business Services Inc., CardTel Corp., which are all Canadian companies, and a number of companies that were obtained as part of Telehop's purchase of G3 in 2014.<sup>2</sup> Neither Telehop nor any of its subsidiaries other than G3 operate as a carrier within the U.S. or hold any international 214 licenses.

#### III. DESCRIPTION OF THE TRANSACTION

Pursuant to a Purchase Agreement ("Agreement") between the Joint Applicants, Telna proposes to sell a subset of its U.S. long distance customer base to G3, which will become the service provider for the U.S. resold long distance telecommunications services that the customers

<sup>&</sup>lt;sup>2</sup> These include 7140282 Canada Inc., ALO Mobile Inc., ALO Telecom Inc. (all Canadian entities), and Ellora Philippines Inc. (incorporated in the Philippines). None of these companies operates in the U.S. and none hold international 214 licenses.

currently receive from Telna. The customers to be transferred are retail end users, predominantly residential, who currently purchase resold domestic (intrastate and interstate) and international long distance telecommunications services from Telna in the following 23 states:

State	Approximate No. of Customers
California	4,346
Colorado	291
Florida	1,066
Georgia	291
Illinois	402
Indiana	154
Iowa	83
Kentucky	73
Maryland	449
Massachusetts	289
Michigan	254
Montana	43
Nevada	262
New Jersey	355
New York	822
North Dakota	14
Ohio	356
Tennessee	120
Texas	654
Utah	90
Virginia	408
Washington	712
Wyoming	19

These customers represent Telna's entire long distance customer base in the respective states. Upon closing of the transaction, Telna will discontinue its intrastate, interstate and international resold long distance service offerings in those states.

The proposed transfer of control will have no adverse impact on Telna's customers who will continue to receive the same U.S. long distance services, under the same rates, terms and conditions of service following the transfer to G3. The Joint Applicants have notified all affected

customers of the proposed transfer (see Exhibit 1 for a copy of the customer notice), and have filed a Notification of the customer base transfer with the FCC pursuant to Section 64.1120(e) of the FCC rules. The Joint Applicants propose to close the transaction on or after February 1, 2016, pending required U.S. regulatory approvals, including that of the Federal Communications Commission.

#### IV. PUBLIC INTEREST STATEMENT

The proposed Transaction described above will serve the public interest. As noted above, the Transaction will have no negative impact on the customers served by Telna, who will continue to receive the same U.S. long distance services at the same rates, terms and conditions. G3 will notify the customers of any future changes in rates, terms and/or conditions of service consistent with applicable regulatory requirements. Based upon its experience in successfully providing resold long distance services to retail customers in the U.S. over the past four years, G3 is well qualified to serve the customers presently served by Telna and will be able to offer those customers additional service options.

## V. <u>INFORMATION REQUIRED BY SECTION 63.24(e)</u>

Pursuant to Section 63.24(e)(2) of the Commission's Rules, the Applicants submit the following information requested in Section 63.18 (a)-(d) for both the Assigner and Assignee and (h)-(p) for the Assignee in support of this Application:

## (a) Name, address and telephone number of each Applicant:

Assignor: Telecom North America Inc.

2654 W. Horizon Ridge Parkway Suite B5-143 Henderson, NV 89052

Tel: 702-777-2512

## Assignee: G3 Telecom USA, Inc:

1039 McNicoll Avenue Toronto, Ontario Canada M1W 3W6 Tel: 416-499-5463

## (b) Jurisdiction of Applicants:

Assignor: Telecom North America Inc. is a Nevada Corporation

Assignee: G3 Telecom USA Inc. is a Delaware Corporation

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

Sharon Thomas
Consultant
Technologies Management, Inc.
2600 Maitland Center Parkway
Suite 300
Maitland, FL 32751

Tel: 407-740-3031 Fax: 407-740-0613 sthomas@tminc.com

#### (d) Section 214 Authorizations

Telecom North America Inc. holds international 214 authority under File No. ITC-214-20031031-00499. Telna also hold blanket domestic Section 214 authority pursuant to 47 C.F.R § 63.01.

G3 Telecom USA Inc. holds international Section 214 authority under File No. ITC-214-20110311-00063. Telna also hold blanket domestic Section 214 authority pursuant to 47 C.F.R § 63.01.

## Information for Assignee

(h) G3 is a wholly-owned subsidiary of Telehop Communications Inc., which is a publicly-held Canadian corporation. The following individuals own or indirectly own at least ten percent of the equity of Telehop:

Mr. Rajan Arora 6 Tranvalley Crt. Toronto, Ontario Canada M3B 1C6 Citizenship: Canada

Principle Business: Investor Ownership Interest: 24.79%

Mr. James Estill 23 Grange Street Guelph, Ontario Canada N1E 2T6 Citizenship: Canada

Principle Business: Investor Ownership Interest: 17%

Telehop Communications Inc. is a foreign carrier (Canadian), but has no interlocking directorates with any other foreign carrier, other than its affiliated entities identified in Section II.B above.

- (i) G3 is owned by Telehop, which is a foreign carrier, incorporated and operating in Canada, as described above.
- (j) G3 already provides international telecommunications services to Canada, where its parent company, Telehop, is a foreign carrier.
  - (k)(1) Canada is a Member of the World Trade Organization.
  - (I) Not applicable.
- (m) G3 satisfies the requirements of §63.10(a)(3) for a presumption of non-dominance and therefore qualifies for regulation as a non-dominant carrier for the provision of international telecommunications service to Canada. G3's foreign parent, Telehop, lacks sufficient market

power in Canada to adversely affect competition in the U.S. market. Telehop does not own any transport facilities and does not provide local access services in Canada. Accordingly, Telehop has a 0% share of the international and local access markets in Canada. Accordingly, G3 meets the standard for presumptive classification as a non-dominant carrier under §63.10(a)(3).

- (n) Assignee 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 market power on the foreign end of the route and will not enter into such agreements in the future.
- (o) Applicants certify that they are not subject to denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1998. *See* 21 U.S.C. § 853a; *see also* 47 C.F.R. §§ 1.2001-1.2003.
- (p) Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to §63.12(a)-(b). Although G3's parent company, Telehop, is a foreign carrier in a destination market (Canada), G3 qualifies for a presumption of non-dominance under §63.10(a)(3), for the reasons describe in Section V(m) above, and therefore satisfies the exemption provided under §63.12(c)(1)(ii). Furthermore, G3 satisfies the exemption set forth in §63.12(c)(1)(iii), because its affiliated foreign parent, Telehop, does not own facilities, other than mobile wireless facilities and switches, in Canada, the destination market. The provisions of §63.12(c)(2) do not apply to G3, because it does not have an affiliation with a dominant U.S. carrier. Moreover, in conjunction with its 214 Transfer of Control Application, File No. ITC-T/C-20140513-00150, G3 and its parent company, Telehop, were subject to a thorough review by the Executive Branch Agencies ("Team Telecom"). The Applicants therefore respectfully request that the Application be afforded streamlined processing.

#### VI. INFORMATION REQUIRED BY SECTION 63.04

In lieu of an attachment, pursuant to §63.04(b) Applicants submit the following information in support of their request for domestic Section 214 authority in order to address the requirements set forth in 47 C.F.R. § 63.04(a)(6)-(12):

- (a)(6) A description of the proposed Transaction is set forth in Section III above.
- (a)(7) The Assignor, Telecom North America Inc., offers resold domestic intrastate and interstate interexchange services throughout the U.S. The Assignee, G3 Telecom USA Inc. currently offers resold domestic interstate interexchange services throughout the U.S. and offers intrastate interexchange services in California, Georgia, Illinois, Michigan, Nevada, New Jersey, New York, Ohio, Texas and Virginia. Following the transfer, G3 will also offer intrastate interexchange services in Colorado, Indiana, Iowa, Kentucky, Montana, North Dakota and Wyoming.
- (a)(8) Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to 47 C.F.R. §63.03. In particular, this Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) because, immediately following the transaction, Assignee will have a market share in the interstate, interexchange market of less than 10 percent and will not provide competitive telephone exchange services or exchange access services. Further, neither of the Applicants is dominant with respect to any service.
- (a)(9) This Application (covering both the domestic and international transfer of control) is the only application being filed related to this transaction.
- (a)(10) No party is requesting special consideration because it is facing imminent business failure.
  - (a)(11) There are no waiver requests being sought in conjunction with the Transaction.

(a)(12) A statement showing how grant of the application will serve the public interest,

convenience and necessity is provided in **Section IV** above.

**CONCLUSION** VII.

For the reasons stated above, Applicants respectfully submit that the public interest,

convenience, and necessity would be furthered by a grant of this Application. Applicants

respectfully request that the Commission approve the proposed Transaction as soon as possible.

Respectfully submitted,

/s/ Sharon Thomas

**Sharon Thomas** 

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2600 Maitland Center Parkway

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Maitland, FL 32751

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sthomas@tminc.com

Consultant to Assignor and Assignee

Dated: January 4, 2016

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# VERIFICATION

CANADA PROVINCE OF ONTARIO	) )S.S. )
I, Max Nokhrin, Treasurer of Te	elecom North America Inc., make oath and say that:
1. I have read the foregoi	ing Application; and
2. the facts stated therein	max Nokhrin Treasurer Telecom North America Inc.
SWORN/AFFIRMED BEFORE ME,	
On this th Day of December 2015	
A NOTARY PUBLIC IN AND FOR The Province of Ontario	
My Commission expires: UNL	imiter

#### **VERIFICATION**

CANADA	)
PROVINCE OF ONTARIO	)S.S.
	)

- I, Rajiv Jagota, President of G3 Telecom USA Inc., make oath and say that:
- 1. I have read the foregoing Application; and
- 2. the facts stated therein are true and correct to the best of my knowledge, information and belief.

Rajiv Jagota President

G3 Telecom USA Inc.

SWORN/AFFIRMED BEFORE ME,

On this 2th Day of December 2015

A NOTARY PUBLIC IN AND FOR

The Province of Ontario

My Commission expires:

Ken Goldstein

KENNETH D. GOLDSTEIN PROFESSIONAL CORPORATION

COMMISSION OF CONTINUES ARRISTERS. SOLICITORS & NOTARIES PUBLIC

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