

Categories of Services for 214 Applications
(Streamlined/Non-streamlined)

- 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:

*Application to transfer
control of Cherry Communications Incorporated
of/b/a Resurgens Communications Group to
BAXS INC*

FCC/MELLON

AUG 11 1998

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COPY

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August 10, 1998

VIA OVERNIGHT DELIVERY

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

Re: **EXPEDITED CONSIDERATION REQUESTED**


Application for Authority Pursuant to Section 214 of the Communications Act
of 1934, as Amended, To Transfer Control of an Authorized International Carrier

Dear Sir or Madam:

On behalf of WAXXS INC. and Cherry Communications Incorporated d/b/a Resurgens Communications Group (collectively "Applicants"), enclosed for filing are an original and six (6) copies of the above-referenced application. Applicants respectfully request expedited treatment of this application to permit them to consummate the transfer of control described in this application as soon as possible but no later than September 25, 1998.

As required by the Commission's Rules, a check in the amount of \$745.00 is enclosed to cover the filing fee. Please date-stamp the enclosed extra copy of this application and return it in the self-addressed, postage paid envelope provided. Should you have any questions concerning this application, please do not hesitate to contact us.

Sincerely,


Andrew D. Lipman, Esq.
Grace R. Chiu, Esq.

Counsel for Cherry Communications Incorporated
d/b/a Resurgens Communications Group

Enclosures

cc: Troy Tanner (FCC)
Richard Heidecke, Esq. (Cherry/RCG)
Steven A. Odom (WAXXS)

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As fully described herein, approval of the transfer of control will permit WAXS and RCG to realize significant economic and marketing efficiencies which will enhance RCG's ability to provide high quality, low cost telecommunications services and to compete more effectively in the international telecommunications marketplace. Accordingly, grant of this Application will benefit the public interest.

Applicants respectfully request expedited treatment of this Application in order to permit them to consummate the proposed transfer of control transaction as soon as possible but no later than September 25, 1998.

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

I. THE PARTIES

Headquartered in Atlanta, Georgia, WAXS is a Delaware company, the common stock of which is publicly traded in the NASDAQ National Market under the stock symbol "WAXS." WAXS operates in one business segment as a provider of systems, products, and services to the global telecommunications marketplace. WAXS develops, manufactures, and markets wireline and wireless switching, transport, and access products primarily for the United States, Caribbean basin, and Latin American telecommunications products. WAXS also provides its customers

^{1/} (...continued)

reorganization has not been consummated, Applicants fully anticipate that the reorganization will have been consummated prior to closing the WAXS-RCG transaction. As such, the statements in this Application relating to WAXS are based on the presumption that the planned corporate reorganization discussed herein will be consummated prior to closing the WAXS-RCG transaction. In the event, however, that the corporate reorganization is not consummated prior to closing or in the event of any other change in the planned corporate structure that will have a material effect on the transfer of control of RCG, Applicants will duly amend this Application to notify the Commission of such change.

design, engineering, manufacturing, testing, installation, repair, and other value-added services. Neither WAXS nor its affiliates, however, provide or are authorized to provide international telecommunications services pursuant to authority of the Federal Communications Commission ("FCC").

WAXS has the technical, managerial, and financial qualifications to acquire control of RCG. WAXS is an experienced telecommunications provider, offering customers complete telecommunications network solutions, including proprietary equipment, planning and engineering services and, through the acquisition of RCG, international network access. WAXS has realized significant improvements in its sales and operating results since 1994 as a result of strategic acquisitions and internal growth initiatives. As indicated in WAXS' consolidated financial statements for the years 1995 through 1997 and for the three month period ended March 31, 1998, attached hereto as Exhibit A,^{2/} WAXS' working capital and stockholders' equity have increased from \$2.3 Million and \$1.2 Million, respectively, at December 31, 1994, to \$120.7 Million and \$89.1 Million, respectively, at March 31, 1998. WAXS' annual revenues have grown from approximately \$30.1 Million for 1995 to more than \$92.9 Million for 1997. As of December 31,

^{2/} As explained in footnote 1, *supra*, in order to timely obtain the necessary regulatory approvals for the transfer of control of RCG to WAXS, this Application assumes the completion of a holding company reorganization involving WAXS and its corporate parent, World Access, Inc. Pursuant to the reorganization and related securities transactions, WAXS will become the holding company parent of World Access, Inc. Consequently, although the financial statements provided at Exhibit A are those of World Access, Inc., assuming consummation of the reorganization and related securities transactions, these statements are submitted as properly representing the financial condition of WAXS.

As further noted in footnote 1, however, in the event that the corporate reorganization is not consummated prior to closing or in the event of any other change in the planned corporate structure that will have a material effect on the transfer of control of RCG, Applicants will duly amend this Application to notify the Commission of such change.

1997, WAXXS had assets in excess of \$241.1 Million. With its substantial financial resources and by virtue of its experience as a provider of wireline and wireless switching, transport, and access products for the global telecommunications market, WAXXS is well qualified to acquire control of RCG.

B. Cherry Communications Incorporated d/b/a Resurgens Communications Group ("RCG")

Cherry Communications Incorporated d/b/a Resurgens Communications Group ("RCG") is an Illinois corporation which is headquartered in Lombard, Illinois. RCG, currently operating under the protection of Chapter 11 of the United States Bankruptcy Code, is a facilities-based provider of international network access. The Commission has previously granted authority to RCG to provide international telecommunications, including authority to resell switched services between the United States and various international points; international facilities-based authority; authority to resell private lines to provide international private line services; and authority to resell private lines interconnected at one or both ends of the public switched network ("PSN") to provide international switched services between the United States and Canada, the United States and the United Kingdom, and the United States and Australia.^{3/} In addition, RCG is authorized, by virtue of certification, registration or tariff requirements, or on an unregulated basis, to provide resold intrastate telecommunications services in over 35 states.^{4/}

^{3/} See Section IV.(d) of this application for further information regarding RCG's Section 214 authorizations.

^{4/} Cherry Communications, U.K., Ltd. ("Cherry U.K."), an affiliate of RCG, provides telecommunications data and voice service to a closed end user group in the U.K. WAXXS will also acquire control of Cherry U.K.

RCG is considered a non-dominant carrier under the FCC rules. It is respectfully submitted that, after completion of the transaction described herein, RCG will continue to be qualified to operate as an authorized non-dominant international carrier.

Further information concerning RCG's legal, technical, and financial qualifications to provide service was submitted with RCG's applications for Section 214 authorization and is also available in its Chapter 11 proposed Plan of Reorganization. That information is, therefore, already a matter of public record, and Applicants request that it be incorporated by reference herein.

II. THE TRANSACTION

WAXS and RCG have determined that they will realize significant economic and marketing efficiencies by establishing RCG as a wholly-owned subsidiary of WAXS. Accordingly, WAXS and RCG, among others, have executed definitive agreements for WAXS to acquire RCG.^{5/} The transaction is subject to, among other things, receipt of the requisite corporate and regulatory approvals, confirmation of RCG's Plan of Reorganization, and approval of WAXS' stockholders.

The proposed acquisition will result in the establishment of a corporate parent of RCG, but will not involve a change in the manner in which RCG provides service to international customers. Those services currently being provided by RCG will continue to be offered by RCG pursuant to tariffs currently on file with this Commission. RCG, moreover, will continue to be led by a team of well-qualified telecommunications managers comprised, in part, of existing RCG

^{5/} Pursuant to the terms of the agreements, the creditors of RCG and the shareholders of Cherry U.K. will receive restricted shares of WAXS common stock in the aggregate, and have the right to receive additional consideration of restricted shares of WAXS common stock upon the satisfaction of certain conditions.

personnel. The acquisition of RCG by WAXS, therefore, will be virtually transparent to the customers of RCG in terms of the international services that these customers receive.

III. PUBLIC INTEREST CONSIDERATIONS

Consummation of the proposed transaction will serve the public interest in promoting competition among providers of international network access and telecommunications services by combining the financial resources and complementary managerial skills and experience of WAXS and RCG in providing telecommunications products and services to the public. Applicants anticipate that the contemplated business combination will result in a company better equipped to accelerate its growth as a competitive provider of telecommunications products and services. The transfer of control will allow Applicants to manage their telecommunications operations more efficiently, thereby enhancing Applicants' operational flexibility and efficiency as well as their financial viability. These enhancements will inure to the benefit of the customers of WAXS and those of RCG, who will also benefit from the expanded array of products offered by WAXS and international network access offered by RCG. The proposed acquisition will, therefore, ensure the continued provision of high quality and innovative telecommunications services to existing customers of RCG and should promote competition in the international telecommunications products and services markets. In sum, the proposed acquisition will benefit the public interest by enhancing the ability of WAXS and RCG to offer competitively priced products and services in the global telecommunications marketplace.

IV. INFORMATION REQUIRED BY SECTION 63.18

Pursuant to Section 63.18(e)(5) of the Commission's Rules, 47 C.F.R. § 63.18(e)(5),

Applicants submit the following information:

(a) Name and address of Applicants:

WAXS INC.
945 East Paces Ferry Road, Suite 2240
Atlanta, Georgia 30326
404/231-2025 (Tel)
404/262-2598 (Fax)

Cherry Communications Incorporated
d/b/a Resurgens Communications Group ("RCG")
1919 South Highland Avenue, Suite 129-D
Lombard, Illinois 60148
630/268-6620 (Tel)
630/268-6898 (Fax)

(b) WAXS is a corporation organized under the laws of the State of Delaware. RCG is a corporation organized under the laws of the State of Illinois.

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

For WAXS:

Steven E. Fox, Esq.
Robert C. Hussle, Esq.
Rogers & Hardin LLP
2700 International Tower
229 Peachtree Street, N.E.
Atlanta, Georgia 30303
404/522-4700 (Tel)
404/525-2224 (Fax)

For RCG:

Andrew D. Lipman, Esq.
Grace R. Chiu, Esq.
Swidler Berlin Shereff Friedman, LLP
3000 K Street, N.W., Suite 300
Washington, D.C. 20007
202/424-7500 (Tel)
202/424-7645 (Fax)

and to:

Richard Heidecke, Esq.
Cherry Communications Incorporated
d/b/a Resurgens Communications Group
1919 South Highland Avenue, Suite 129-D
Lombard, Illinois 60148
630/268-6620 (Tel)
630/268-6898 (Fax)

(d) Neither WAXS nor its operating subsidiaries currently provide nor are authorized to provide international telecommunications services pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214.

RCG is authorized to provide resold and facilities-based international telecommunications services pursuant to the Section 214 authority granted to RCG. *See Cherry Communications, Inc.*, FCC File No. ITC-94-407, Public Notice Rep. No. I-7035 (rel. Sept. 14, 1994) (international resold switched services between the U.S. and international points, including Canada and Mexico); FCC File No. ITC-95-286, 10 FCC Rcd 6085 (1995) (international data, voice, and video service via INTELSAT, separate and transborder satellite systems); FCC File No. ITC-96-006, Public Notice Rep. No. I-8151 (rel. Mar. 7, 1996) (private line and switched services resale to U.K. and Canada and private line for private line service to international points); FCC File No. ITC-96-182, Public Notice Rep. No. DA 97-2554 (rel. Dec. 17, 1997) (private line resale to Australia); and FCC File No. ITC-96-378, Public Notice Rep. No. I-8198 (rel. Aug. 29, 1996) (global facilities-based and resold switched services between the U.S. and international points).

- (e)(5) This application seeks authority for the transfer of control of RCG, a nondominant common carrier holding international Section 214 authorizations, to WAXXS, a manufacturer and marketer of wireline and wireless switching, transport, and access products.
- (f) Not applicable.
- (g) Not applicable.
- (h) By the attached certification, WAXXS certifies that it has no affiliation with any foreign carrier, as defined by Section 63.18(h)(1) of the Commission's Rules. In support of this certification, attached hereto as Exhibit B is a list of WAXXS' 10% or greater direct and indirect stockholders, including the address, citizenship, and principal business of each such stockholder. In addition, attached hereto as Exhibit C is a list of all other directorships held by WAXXS' directors, exclusive of charitable or trade association positions. WAXXS further certifies that it is not affiliated with the U.S. carrier(s) whose facilities-based service(s) WAXXS may resell (either directly or indirectly through the resale of another reseller's service).
- (i) By the attached certification and as required by Section 63.18(i) of the Commission's Rules, WAXXS, the transferee, certifies that, except as permitted by the Commission's Rules, as amended from time to time, WAXXS has not agreed to accept any special concessions, as defined by the Commission's Rules, directly or indirectly from any foreign carrier or administration with respect to traffic or revenue flows between the U.S. and any foreign country which WAXXS may be authorized to serve, and it will not enter into such agreements in the future.
- (j) By the attached certifications and as required by Section 63.18(j) of the Commission's rules, WAXXS, the transferee, and RCG, the transferor, respectively certify that it is not subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

CONCLUSION

For the reasons stated herein, WAXS INC. and Cherry Communications Incorporated d/b/a Resurgens Communications Group respectfully submit that the public interest, convenience, and necessity would be furthered by grant of this application for consent to the transfer of control of RCG to WAXS. Applicants respectfully request that the Commission authorize the transfer of control described herein to permit the Applicants to consummate the transaction no later than September 25, 1998.

Respectfully submitted,

By: 

Chief Executive Officer
WAXS, INC.
945 East Paces Ferry Road, Suite 2240
Atlanta, Georgia 30326
404/231-2025

CHERRY COMMUNICATIONS INCORPORATED
d/b/a RESURGENS COMMUNICATIONS GROUP

By: 

Andrew D. Lipman, Esq.
Grace R. Chiu, Esq.
SWIDLER BERLIN SHEREFF FRIEDMAN, LLP
3000 K Street, N.W., Suite 300
Washington, D.C. 20007
202/424-7500

By: 

Richard Heidecke, Esq.
1919 South Highland Avenue, Suite 129-D
Lombard, Illinois 60148
630/268-6620

Counsel to Cherry Communications Incorporated

Dated: August 10, 1998

246972

EXHIBIT A

List of 10% or Greater Direct and Indirect
Stockholders of WAXS INC.

Name & Address _____ Citizenship _____ Principal Business _____

Direct Stockholder:

Fidelity Management & Research Company U.S. Investment advisor
82 Devonshire Street
Boston, MA 02109

Fidelity Management & Research Company is a wholly-owned subsidiary of FMR Corp.

Indirect Stockholder:

✓ FMR Corp. U.S. Investment advisor
82 Devonshire Street
Boston, MA 02109

None of the shareholders of FMR Corp. own a 10% or greater interest in WAXS INC.

EXHIBIT B

Interlocking Directorates of WAXS INC.

<u>Director</u>	<u>Other Directorates</u>
Stephen J. Clearman	Expert Software, Inc. MemberWorks Incorporated SeAMED Corporation Desk Talk Systems, Inc. Storeroom Solutions, Inc.
Stephen E. Raville	Eltrax Systems, Inc. Charter Communications International, Inc. USBA, Inc. First Southeastern Corporation Cleveland Electric, Inc. MK Industries, Inc. S & J Investments, Inc.
Hensley E. West	None
Steven A. Odom	None
John D. Phillips	Cherry Communications Incorporated d/b/a Resurgens Communications Group Cherry Communications, U.K., Ltd.

CERTIFICATION OF TRANSFEREE

I, Steven A. Odom, Chief Executive Officer

of WAXS INC. ("WAXS"), hereby certify that: WAXS has no affiliation with any foreign carrier, as defined by Section 63.18(a)(1) of the Commission's Rules; that WAXS is not affiliated with the U.S. carrier(s) whose facilities-based service(s) WAXS proposes to resell (either directly or indirectly through the resale of another reseller's service); and that, except as permitted by the Commission's Rules, as amended from time to time, WAXS has not agreed to accept any special concessions, as defined by the Commission's Rules, directly or indirectly from any foreign carrier or administration with respect to traffic or revenue flows between the U.S. and any foreign country which WAXS may be authorized to serve and it will not enter into such agreements in the future.

Further, I hereby certify that WAXS is not subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

Further, I hereby certify that the statements in the foregoing Joint Application are true, complete, and correct to the best of my knowledge, information, and belief.

WAXS INC.

By: [Signature]
(Signature)
Steven A. Odom
(Type Name)
Chief Executive Officer
(Title)


August 7, 1998

CERTIFICATION OF TRANSFEROR

I, W. Tod Chmar, Executive Vice President
of Cherry Communications Incorporated d/b/a Resurgens Communications Group ("RCG"),
hereby certify that RCG is not subject to a denial of Federal benefits pursuant to Section 5301 of
the Anti-Drug Abuse Act of 1988.

Further, I hereby certify that the statements in the foregoing Joint Application are true,
complete, and correct to the best of my knowledge, information, and belief.

**CHERRY COMMUNICATIONS INCORPORATED
d/b/a RESURGENS COMMUNICATIONS GROUP**

By: 
(Signature)
W. Tod Chmar
(Type Name)
Executive Vice President
(Title)

August 7, 1998