

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

ITC/ITC - 19980917 - 00672

- 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: \_\_\_\_\_

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FCC/MELLON SEP 17 1998

SWIDLER BERLIN SHEREFF FRIEDMAN, LLP

WASHINGTON OFFICE  
3000 K STREET, NW, SUITE 300  
WASHINGTON, DC 20007-5116  
TELEPHONE (202) 424-7500  
FACSIMILE (202) 424-7647

September 16, 1998

NEW YORK OFFICE  
919 THIRD AVENUE  
NEW YORK, NY 10022-9998  
TELEPHONE (212) 758-9500  
FACSIMILE (212) 758-9526

**VIA FEDERAL EXPRESS**

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

Streamlined ITC-T/C-19980917-00672  
NACT TELECOMMUNICATIONS, INC.

ITC  
19980917-00672

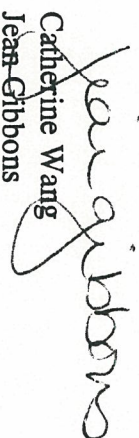
Re: Application for Authority Pursuant to Section 214 of the Communications Act  
of 1934, as Amended, to Transfer Control *nunc pro tunc* of International  
Authorization

Dear Sir or Madam:

On behalf of NACT Telecommunications, Inc. ("Applicant"), enclosed for filing are an original and six (6) copies of the above-referenced application. Applicant respectfully requests expedited treatment of this application.

As required by the Commission's Rules, a check in the amount of \$780.00 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.

Respectfully submitted,

  
Catherine Wang  
~~Jean Gibbons~~

Counsel for NACT Telecommunications, Inc.

Enclosures

cc: Troy Tanner (FCC)  
Joanna Lowry (FCC)  
Walter S. Saguibbo  
Mark A. Gergel

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COPY



I. THE PARTIES

A. NACT TELECOMMUNICATIONS, INC.

NACT is a publicly held Delaware corporation engaged in diversified telecommunications activities, including the manufacture of telecommunications switching equipment. NACT also provides certain international telecommunications services pursuant to Commission authority granted under Section 214 of the Communications Act on June 2, 1997. Prior to the Transaction described below, GST owned the majority of NACT's outstanding stock (approximately 63%) and WAI owned a minority (less than 5%) of NACT stock.

B. WORLD ACCESS, INC.

WAI is a publicly held Delaware corporation whose principal business is the manufacture of telecommunications switching products. WAI is not itself a common carrier and does not hold Commission authority. WAI's ownership is described on page 5 herein. As described herein, WAI is legally, financially and managerially qualified to acquire ownership control of NACT.

II. DESCRIPTION OF THE TRANSACTION

This application seeks authority *nunc pro tunc* for a transfer of control effected by a sale of NACT stock from GST and its subsidiary, GST USA, Inc., to WAI on February 27, 1998. WAI paid \$17.50 per share for the NACT stock, with \$59.6 million to be paid in cash and \$12.2 million in WAI common stock. WAI also has an option to buy the remaining shares of NACT

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<sup>1/</sup>(...continued)  
will make every effort to make timely filings in the future, and regrets any inconvenience caused to Commission staff.

stock held by GST. As a result of this Transaction, GST and GST USA no longer hold any interest in NACT, and WAI now holds a controlling 68% interest in NACT. Following this Transaction, NACT will operate as a subsidiary company of WAI. The stock transfer will not affect NACT's operations, and NACT will continue to provide high-quality, affordable telecommunications services to the public consistent with the authorizations it has received from the Commission. The Transaction did not effect any change in the name of, or services provided by, any certificated entity. As such, this Transaction has not and will not in any way disrupt service, nor will it cause inconvenience or confusion to customers. Indeed, the Transaction will be completely transparent to customers in terms of the services they will receive.

### III. PUBLIC INTEREST CONSIDERATIONS

The Transaction will serve the public interest in promoting competition among telecommunications carriers. The Transaction will provide NACT with the opportunity to strengthen its competitive position with greater financial resources that allow for greater flexibility to improve and expand its business. Furthermore, the Transaction will benefit consumers by increasing the breadth and scope of telecommunications services made available through the planned expansion of NACT's operations and international network. Greater access to capital enhances NACT's ability to bring competitive services to consumers in the U.S. international telecommunications market. Because NACT is a small, nondominant, international carrier, the transaction will not lessen competition, and will raise no antitrust concerns.

**IV. INFORMATION REQUIRED UNDER SECTION 63.18**

As required by Section 63.18 of the Commission's Rules, NACT submits the following information:

- (a) Name, address and telephone number of the applicant:
- NACT Telecommunications, Inc.  
191 West 5200 North  
Provo, UT 84604  
Telephone: 801-802-3000  
Facsimile: 801-802-2005

Name, address and telephone number of the transferee:

World Access, Inc.  
945 East Paces Ferry Road  
Suite 2240  
Atlanta, GA 30326  
Telephone: 404-231-2025  
Facsimile: 404-262-2598

- (b) NACT is a publicly held corporation organized under the laws of the State of Delaware.

World Access is a publicly held corporation organized under the laws of the State of Delaware.

- (c) Correspondence concerning this application should be sent to:

Catherine Wang  
Jean Gibbons  
Swidler Berlin Shereff Friedman, LLP  
3000 K St., N.W.  
Suite 300  
Washington, DC 20007-5116  
Telephone: 202-424-7500  
Facsimile: 202-424-7645

with copies to:

Walter S. Saguibó  
Assistant Controller  
NACT Telecommunications, Inc.  
191 West 5200 North  
Provo, UT 84604  
Telephone: 801-802-3000  
Facsimile: 801-802-2005

and

Mark A. Gergel  
Executive Vice President & Chief Financial Officer  
World Access, Inc.  
945 East Paces Ferry Road  
Suite 2240  
Atlanta, GA 30326  
Telephone: 404-231-2025  
Facsimile: 404-262-2598

- (d) Applicant holds authority to operate as a nondominant international facilities-based and resale carrier with global authority pursuant to Section 214 of the Communications Act of 1934, as amended, and the Commission's Rules. Specifically, Applicant holds the following certification:

- *NACT Telecommunications, Inc.*, FCC File No. ITC-97-167 (effective June 2, 1997), Public Notice Report No. I-8241 (rel. May 8, 1997) (authority to operate as a nondominant international facilities-based and resale carrier with global authority) *as amended*, filing dated Apr. 15, 1997 (providing additional information regarding NACT's lack of foreign carrier affiliation).

WAI holds no authorizations from the Commission.

- (e)(5) This application seeks Commission consent to the transfer of control of NACT's authorization listed above in paragraph (d). The authorization sought in this application will approve a transfer of control whereby NACT will become controlled by World Access, Inc. NACT will continue to provide the services it currently is authorized to provide in compliance with the Commission's rules and the terms of its authorization.

- (f) Not applicable.

(g) Not applicable.

(h) Applicant certifies that, under Section 63.18(h)(1)(i) of the Commission's Rules, 47 C.F.R. § 63.18(h)(1)(i), neither NACT nor its new majority owner, WAI, is affiliated with any foreign carriers or U.S. carriers whose facilities-based services NACT proposes to resell.

After the Transaction, the following entity holds a ten percent (10%) or greater ownership interest in NACT:

<u>Name/Address</u>	<u>Citizenship</u>	<u>%</u>	<u>Principal Business</u>
World Access, Inc. 945 East Paces Ferry Road Suite 2240 Atlanta, GA 30326	U.S.	68%	Telecommunications
Telephone: 404-231-2025			
Facsimile: 404-262-2598			

No single entity or person holds a ten percent (10%) or greater ownership or management interest in World Access, Inc.

Information regarding the interlocking directorates of NACT (post-Transaction) is attached hereto as Attachment A of this application.

(i) As required by Section 63.18 (i) of the Commission's Rules, 47 C.F.R. § 63.18(i), NACT and World Access certify that they have not agreed to accept nor will they accept in the future 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 for which NACT may be authorized to serve, except such concessions as may be permitted under the *Foreign Participation Order*.<sup>21</sup>

(j) NACT and World Access are not subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988. NACT's and World Access' certifications pursuant to Section 1.2002 of the Commission's Rules (implementing the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 3301) are attached.

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<sup>21</sup> *Foreign Participation in the U.S. Telecommunications market*, IB Docket No. 96-111, Report and Order, FCC 97-298 (rel. Nov. 26, 1997) ("*Foreign Participation Order*").



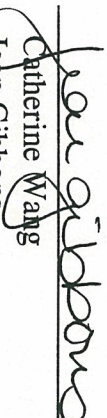
V. CONCLUSION

For the reasons stated above, NACT Telecommunications respectfully submits that the public interest, convenience, and necessity would be furthered by a grant of this application for consent to the transfer of control of Applicant's Section 214 authorization.

Respectfully submitted,

**NACT Telecommunications, Inc.**

By: \_\_\_\_\_

  
Catherine Wang  
Jean Gibbons

Swidler Berlin Sherreff Friedman, LLP  
3000 K St., N.W., Suite 300  
Washington, DC 20007-5116  
202-424-7500

Its Counsel

Dated: September 16, 1998


CERTIFICATION OF APPLICANT

On behalf of NACT Telecommunications, Inc. and in accordance with Section 1.2001-1.2003 of the Commission's Rules, 47 C.F.R. §§ 1.2001-1.2003, I hereby certify that no party to this application is subject to a denial of Federal benefits that includes FCC benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988. See 21 U.S.C. § 853a. I also hereby certify that the statements in the foregoing application for Section 214 authority are true, complete, and correct to the best of my knowledge and are made in good faith.

NACT Telecommunications, Inc. has not agreed to accept any concessions directly or indirectly from any foreign carrier or administration with respect to traffic or revenue flow between the United States and various international points under the authority granted under Section 214 of the Communications Act of 1934, as amended, and the Commission's Rules, and has not agreed to enter into such agreements in the future, except such concessions as may be permitted under the *Foreign Participation Order*.

NACT Telecommunications, Inc.

By: \_\_\_\_\_



Walter S. Saguib  
Assistant Controller  
September 8, 1998



ATTACHMENT A

Response to § 63.18(h)(2)

*NACT Telecommunications, Inc. -- Interlocking Director/Officer Positions  
(Post-Transaction)*

NACT Directors

Mark A. Gergel

Steven A. Odom

Hensley E. West

Other Positions Held

Executive Vice President and Chief Financial Officer,  
World Access, Inc.

Chairman of the Board and CEO, World Access, Inc.

Director, World Access, Inc.