

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

ITC/ITC-19980922-00673

- 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: _____

EBI

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September 22, 1998

BY COURIER

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


Streamlined ITC-T/C-19980922-00673
PREFERRED CARRIER SERVICES, INC.

Attention: Diane Cornell, Division Chief

Re: *Application of Phones For All, Inc. and Preferred Carrier Services, Inc., for Authority Pursuant to Section 214 of the Communications Act of 1934, As Amended, to transfer control nunc pro tunc of an authorized international carrier.*

Dear Sir or Madam:

Enclosed for filing with the Commission are an original and six (6) copies of the application of Phones For All, Inc. and Preferred Carrier Services, Inc., requesting authority, pursuant to Section 214 of the Communications Act of 1934, as amended, to transfer control *nunc pro tunc* of an authorized international carrier.

As required by the Commission's Rules, a check in the amount of \$780.00 is enclosed. Please date-stamp the extra copy of this application and return it in the enclosed self-addressed, stamped envelope. Any questions regarding the enclosed application should be addressed to the undersigned.

Respectfully submitted,



Dana Frix
Kathleen L. Greenan

Counsel for Phones For All, Inc. and Preferred
Carrier Services, Inc.

Enclosures

cc: Troy Tanner, Chief, Policy and Facilities Branch, International Bureau
Jeffrey J. Walker, Esq.

Applicants respectfully request streamlined, expedited treatment of this application pursuant to Section 63.12 of the Commission's Rules, 47 C.F.R. § 63.12 (1996). As fully described herein, approval of the transfer will permit PFA to realize significant economic and marketing efficiencies that will enhance its ability to continue providing 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.

The Applicants submit the following information in support of this application:

I. THE PARTIES

A. Phones For All, Inc.

Phones For All, Inc. is a privately held Delaware corporation whose principal offices are located at 14681 Midway Road, Suite 105, Dallas, Texas 75244. PFA is not a Section 214 licensed carrier. PFA is a non-dominant, domestic carrier under the FCC rules and provides interstate and intrastate telecommunications services in the United States. By the transaction described herein, PFA acquired a Section 214 licensed telecommunications carrier that following the transaction continues to maintain the necessary legal, technical, and financial qualifications to provide international service. PFA and Preferred Carrier file this application to obtain approval of the transaction *nunc pro tunc* and to update the information, including the individuals owning ten percent (10%) or greater ownership in the Preferred Carrier, on file with the FCC.

B. Preferred Carrier Services, Inc.

Prior to the transactions described herein, Preferred Carrier's sole shareholder was Jamie Thibodeaux. Preferred Carrier's previous address was 500 Grapevine Highway, Suite 300, Hurst,

Texas 76054. Since the transaction, Preferred Carrier is now a wholly owned subsidiary of PFA. Preferred Carrier currently holds Section 214 authority to provide resold international switched services. Preferred Carrier Service, Inc., ITC-96-186 (released May 16, 1996). Information concerning Preferred Carrier's legal, technical, and financial qualifications to provide service was submitted with its application for initial Section 214 authorization and is, therefore, already a matter of record at the Commission. This information is being updated by this application.

II. THE TRANSACTION

PFA and Preferred Carrier have determined that they will realize significant economic and marketing efficiencies by establishing Preferred Carrier as a wholly owned subsidiary of PFA. Accordingly, Preferred Carrier and PFA have consummated a Stock Purchase Agreement ("Agreement") in which PFA purchased 100% of the stock of Preferred Carrier and Preferred Carrier became a wholly owned subsidiary of PFA. Approval is requested *nunc pro tunc* for this transaction.

A grant of the relief requested herein will enable Preferred Carrier to provide international services more effectively and efficiently. The management and operations team now overseeing the day-to-day operations of Preferred Carrier has extensive experience in the telecommunications industry. Thus, Preferred Carrier will continue to provide high quality, affordable services. The proposed transaction has simply resulted in a change in control of Preferred Carrier. As such, the transaction has not and will not cause inconvenience or confusion to Preferred Carrier customers. Indeed, the transaction has been and will continue to be virtually transparent to Preferred Carrier customers in terms of the services that they receive. Preferred Carrier's customers rely on Preferred

Carrier for high quality, affordable international service, and an interruption in its ability to provide such services will have a severe adverse impact on those customers.

III. PUBLIC INTEREST CONSIDERATIONS

Approval of the proposed transaction will serve the public interest in promoting competition among operating international carriers by providing Preferred Carrier and PFA the opportunity to strengthen their competitive positions with greater financial resources. Because the transfer of control of Preferred Carrier to PFA involves two small, non-dominant telecommunications carriers operating in a competitive international telecommunications marketplace, the transfer of control will not lessen competition or raise antitrust issues.^{2/} The transaction will invigorate competition in the international services market by enabling Preferred Carrier and PFA to pursue their marketing and business plans more effectively. Moreover, Preferred Carrier and PFA expect to continue to rely on their existing management and operations staffs to provide service. The acquisition, therefore, will benefit the public interest by enhancing Preferred Carrier's and PFA's flexibility and efficiency as well as their financial viability.

IV. ELIGIBILITY FOR STREAMLINED PROCESSING

Pursuant to Section 63.12 of the Commission's Rules, 47 C.F.R. § 63.12 (1996), this application is eligible for streamlined processing. Applicants submit the following information in

²*See In re Applications of NYNEX Corp., Transferor and Bell Atlantic Corp. Transferee, for Consent to Transfer Control of NYNEX Corp. and Its Subsidiaries*, File No. NSD-L-96-10 (adopted August 14, 1997) (applying the Department of Justice and Federal Trade Commission 1992 Merger Guidelines for evaluating the likely competitive effects of the merger).

support of their request for streamlined processing of this transfer of the Section 214 authorization
nunc pro tunc.

- (a) Applicants are nondominant resellers;
- (b) Applicants do not have an affiliation with U.S. facilities-based carriers whose services they are authorized to resell;
- (c) As defined in Section 63.18(h) of the FCC rules, §63.18(h) C.F.R., Applicants are not affiliated with a foreign carrier.

V. INFORMATION REQUIRED BY SECTION 63.18

Pursuant to Section 63.18 of the Commission's Rules, 47 C.F.R. § 63.18, the Applicants submit the following information:

- (a) Name and address of Applicants are:
Phones For All, Inc.
14681 Midway Road, Suite 105
Dallas, Texas 75244
Phone: (972) 503-3388
Fax: (972) 503-3385

Preferred Carrier Services, Inc.*
14681 Midway Road, Suite 105
Dallas, Texas 75244
Phone: (972) 503-3388
Fax: (972) 503-3385

*Previously located at: 500 Grapevine Highway, Suite 300
Hurst, Texas 76054,

- (b) Preferred Carrier is a corporation organized under the laws of Texas. PFA is a corporation organized under the laws of Delaware.

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

Dana Frix, Esq.
Kathleen L. Greenan, Esq.
Swidler & Berlin, Chartered
3000 K Street, N.W., Suite 300
Washington, D.C. 20007
(202) 424-7500 (telephone)
(202) 424-7645 (facsimile)

with a copy to:

Jeffrey J. Walker, Esq.
General Counsel
Phones For All, Inc.
14681 Midway Road, Suite 105
Dallas, Texas 75244
(972) 503-3388 (facsimile)
(972) 503-3385 (facsimile)

- (d) Preferred Carrier currently operates as a nondominant international carrier pursuant to the Section 214 authority released on May 16, 1996. See FCC File No. ITC-96-186.

PFA does not have Section 214 authority.

- (e)(5) The authorization sought in this application will approve a transaction which would permit PFA to acquire one hundred percent of the outstanding shares of Preferred Carrier and operate Preferred Carrier as a wholly owned subsidiary of PFA.

- (f) Not applicable.

- (g) Not applicable.

- (h) As defined in Section 63.18(h) of the FCC rules, §63.18(h) C.F.R., Applicants are not affiliated with a foreign carrier. Preferred Carrier and PFA attached hereto an updated ownership report providing the name, address, citizenship and principal businesses of PFA's ten percent or greater direct and indirect shareholders or other equity holders and the identity of any interlocking directorates.

- (i) As required by Section 63.18(i) of the Commission's Rules, 47 C.F.R. § 63.18(i), Preferred Carrier and PFA certify that they have not agreed to accept nor shall 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 Preferred Carrier or PFA may be authorized to serve.

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

CONCLUSION

For the reasons stated herein, Preferred Carrier Services, Inc. and Phones For All, Inc. respectfully submit that the public interest, convenience and necessity would be furthered by a *nonc pro tunc* grant of this application for consent to the transfer of control of Preferred Carrier Services, Inc.

Respectfully submitted,

By:



Dana Frix, Esq.

Kathleen L. Greenan, Esq.

Swidler Berlin Shereff Friedman, LLP
3000 K Street, N.W., Suite 300
Washington, D.C. 20007
Phone (202) 424-7500
Facsimile (202) 424-7645

Attorneys for Preferred Carrier
Services, Inc. and Phones For
All, Inc.

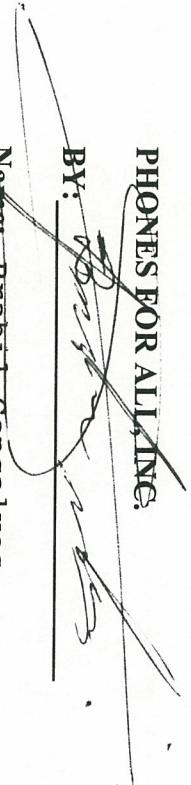
September 22, 1998

CERTIFICATION OF APPLICANT

On behalf of Phones For All, Inc. ("PFA") 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 PFA is not subject to a denial of Federal benefits that includes FCC benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1998. See 21 U.S.C. §853a.

I 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.

PHONES FOR ALL, INC.

BY: 

Name: Brahiil Goncalves

Title: Vice President


Date: 9/21/98

CERTIFICATION OF APPLICANT

On behalf of Preferred Carrier Services, Inc. ("Preferred Carrier") 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 Preferred Carrier is not subject to a denial of Federal benefits that includes FCC benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1998. See 21 U.S.C. §853a.

I 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.

PREFERRED CARRIER SERVICES, INC.

By: 

Name: ROBERTO SISA

Title: PRESIDENT

Date: 09/21/78

OWNERSHIP REPORT

Below are the names and pertinent information of Phones For All's ten percent or greater direct and indirect shareholders or other equity holders and the identity of any interlocking directorates.

<u>Name</u>	<u>Citizenship</u>	<u>Address</u>	<u>Principal Business</u>
Roberto Sidi	Brazil	14681 Midway Road Dallas, Texas 75244	Telecommunications
Dirk Adamski	Germany	Seismayerstrasse 4 60323 Frankfurt, Germany	Real Estate and financial consulting
Heinz-Gerd Stein, Ph.D.	Germany	Rotbach Strasse 47 Dinslaken, Germany	Financial Officer