

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: _____

efficient services that they currently receive. As a result of this Transaction, Metracom will gain access to the capital necessary to finance Metracom's on-going operations, thereby allowing Metracom to remain competitive in the industry.

Applicants submit the following information in support of this Joint Application:

I. THE PARTIES

A. UniDial Holdings, Inc. ("UniDial")

UniDial is a newly created holding company organized under the laws of the State of Delaware. UniDial Holdings was created in conjunction with the on-going reorganization of the UniDial companies. Following the completion of the proposed reorganization, UniDial Communications, Inc. ("UniDial Communications" formerly UniDial Incorporated), the UniDial operating company will become a wholly owned subsidiary of UniDial. UniDial Communications is authorized to provide resold international telecommunications services pursuant to Section 214 authorization issued by the Commission on November 3, 1993.^{1/} UniDial Communications is also authorized to provide intrastate interexchange telecommunications service on a resold basis pursuant to a certificate of public convenience, tariff, registration, or on a deregulated basis in 48 states.

UniDial has the technical, managerial and financial resources necessary to acquire Metracom. Upon consummation of the proposed transaction, Metracom's operations will be overseen by a management team that, by virtue of its continuing involvement with UniDial Communications' operations, has obtained extensive telecommunications experience. Moreover,

^{1/} UniDial Incorporated, FCC File No. ITC-93-317 (Nov. 3, 1993). On June 10, 1998, the Commission approved the *pro forma* transfer of control of UniDial Communications to UniDial through its grant stamp procedure. See FCC File No. ITC-98-411-TC. For the Commission's convenience, a copy of the reorganization approval is provided in Exhibit A.

Unidial has access to extensive financial resources. In 1997, Unidial Communications, had operating gross revenues in excess of \$112 million and assets in excess of \$30 million.

B. Metracom Corporation ("Metracom")

Metracom is a privately held corporation organized under the laws of the Commonwealth of Massachusetts with principal offices located at 210 South Street, Boston, MA 02111. Metracom is authorized to provide international facilities-based and resale services by virtue of Section 214 authority issued by the Commission on June 19, 1998.^{2/} Metracom is also authorized to provide telecommunications services as a reseller in 21 states pursuant to a certification, tariff, registration or deregulated basis. Metracom is also authorized to provide resold competitive local exchange services in four states.

II. REQUEST FOR AUTHORITY FOR UNIDIAL TO ACQUIRE METRACOM

Unidial and Metracom have determined that they can realize significant economic and marketing efficiencies by establishing Metracom as a direct, wholly owned subsidiary of Unidial. Accordingly, Unidial and Metracom have executed an Agreement and Plan of Merger ("Agreement"), through which Metracom will merge with and into a newly created Unidial acquisition subsidiary, Metracom Acquisition Corp. ("Metracom Acquisition"), that will then change its name to Metracom Corporation. Upon completion of the proposed transaction, Metracom will be a wholly owned subsidiary of Unidial.

Although the proposed transaction will result in a change in the ownership of Metracom, the transaction will not involve a change in the manner in which Metracom provides service to its

^{2/} *Metracom Corporation*, File No. ITC-98-345 (Jun. 19, 1998).

international customers. Specifically, Metracom will continue to provide high quality, affordable resold service to its international customers pursuant to its Section 214 authority and international tariff on file with the Commission.^{3/} Moreover, Metracom will continue to be led by a team of well-qualified telecommunications managers, comprised, in large part, of existing Metracom personnel. As a result, the proposed transaction will not adversely impact Metracom's operations. Indeed, the proposed transaction will be virtually transparent to Metracom's customers in terms of the rates, terms and conditions of services those consumers receive.

III. PUBLIC INTEREST CONSIDERATIONS

UniDial's acquisition of Metracom serves the public interest in promoting competition among telecommunications carriers by providing UniDial and Metracom the opportunity to strengthen their respective positions in the competitive telecommunications marketplace. The Transaction invigorates competition by enabling UniDial and Metracom to pursue their respective marketing and business plans more effectively by combining the Applicants' financial and technical resources. Moreover, the Transaction combines the complementary managerial skills, background, and experience of UniDial and Metracom in providing telecommunications services to the public. Applicants believe that the business combination has resulted in a company better equipped to accelerate its growth as a competitive telecommunications service provider. In addition, the Transaction allows Applicants to manage their telecommunications operations more efficiently, thereby enhancing Applicants' operational flexibility and efficiency as well as their financial viability. The Transaction, therefore, ensures that Metracom can continue to provide high quality

^{3/} Similarly, UniDial Communications will continue to provide services to its international customers under its existing service agreements and pursuant to its own grant of authority and tariff.

and innovative telecommunications services to Metracom's existing customers and furthers competition in the international telecommunications service market. In sum, the proposed acquisition benefits the public interest by enhancing the ability of UniDial and Metracom to offer competitively priced services to their respective customers.

IV. INFORMATION REQUIRED UNDER SECTION 63.18

The following information is submitted, as required by Section 63.18 of the Commission's Rules, 47 C.F.R. §63.18, in support of Applicants' request for authorization.

(a) Names, addresses and phone numbers of Applicants:

UniDial Holdings, Inc.
One Corporate Center
9931 Corporate Campus Drive
Louisville, KY 40223
(888) 398-3425 (Tel)
(502) 426-2257 (Fax)

Metracom Corporation
210 South Street, 9th Floor
Boston, MA 02111
(617) 912-8898 (Tel)
(617) 912-8844 (Fax)

(b) UniDial is a corporation organized under the laws of the State of Delaware. Metracom is a corporation currently organized under the laws of the Commonwealth of Massachusetts. UniDial and Metracom have executed an Agreement through which Metracom will merge with and into a newly created UniDial acquisition subsidiary, Metracom Acquisition, a corporation organized under the laws of the State of Delaware, that will then change its name to Metracom Corporation.

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

Nancy Killien Spooner, Esq.
Edward S. Quill, 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)

with copies to:

John Grieve
UniDial Holdings, Inc.
One Corporate Center
9931 Corporate Campus Drive
Louisville, KY 40223
(888) 398-3425 (Tel)
(502) 426-2257 (Fax)

and:

Heather Bogaty
Metracom Corporation
210 South Street, 9th Floor
Boston, MA 02111
(617) 912-8898 (Tel)
(617) 912-8844 (Fax)

(d) Metracom holds Section 214 authority, granted by the Commission on June 19, 1998, to operate as a global international facilities-based/global resale carrier of switched telecommunications services. *See* FCC File No. ITC-98-345. UniDial does not hold Section 214 authority. Following the completion of the proposed reorganization described above, however, UniDial will be the immediate and ultimate parent of UniDial Communications, an operating company that holds global international resale Section 214 authority. *See* FCC File No. ITC-93-317. A complete description of the proposed reorganization is provided in the approved application contained in Exhibit A.

(e) UniDial and Metracom have executed an Agreement through which Metracom will merge with and into a newly created UniDial acquisition subsidiary, Metracom Acquisition, that will then change its name to Metracom Corporation. Upon completion of the proposed transaction, Metracom will be a wholly owned subsidiary of UniDial.

(f) Not applicable.

(g) Not applicable.

(h) Neither UniDial nor Metracom are affiliated with any carrier that holds market power in a foreign destination market.

After the Transaction, the following entities will hold a ten percent (10%) or greater ownership or management interest in UniDial Holdings:

<u>Name/Address</u>	<u>% Held</u>	<u>Citizenship</u>	<u>Principal Business</u>
J. Donald Nichols 9931 Corporate Campus Drive Louisville, Kentucky 40223 (502) 394-0789/Telephone (502) 426-2257Fax	36.69%*	U.S.	Telecommunications
J. Sherman Henderson, III 9931 Corporate Campus Drive Louisville, Kentucky 40223 (502) 394-0789/Telephone (502) 426-2257Fax	28.83%	U.S.	Telecommunications
S. Andrew McKay 9931 Corporate Campus Drive Louisville, Kentucky 40223 (502) 394-0789/Telephone (502) 426-2257Fax	36.69%*	U.S.	Telecommunications
N-Tel, LLC 9931 Corporate Campus Drive Louisville, Kentucky 40223 (502) 394-0789/Telephone (502) 426-2257Fax	36.69%*	U.S.	Telecommunications

*Includes shares beneficially owned by N-Tel, LLC, for which Mr. Nichols and Mr. McKay share voting control and dispositive control, subject to the approval of a majority of interests in the entity.

Following the completion of the proposed transaction, the following individuals will be directors of Metracom:

J. Sherman Henderson, III
S. Andrew McKay
John E. Roth

Mr. Henderson is also a director of UniDial and Telegroup, Inc. Mr. McKay is also a director of UniDial. All of these individuals may be reached at:

9931 Corporate Campus Drive
Louisville, Kentucky 40223
(502) 394-0789/Telephone
(502) 426-2257Fax

- (i) Applicants certify that they have not agreed and will not agree in the future to accept any direct or indirect special concessions from a foreign carrier or administration with regards to traffic or revenue flows between the United States and any foreign countries the company is authorized to serve.
- (j) Applicants certify that no party to this application has been denied federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

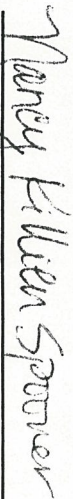
CONCLUSION

Applicants submit that UniDial's acquisition of Metracom serves the public interest and therefore respectfully request Commission approval of the Transaction described herein.

Respectfully submitted,

**UNIDIAL HOLDINGS, INC.
METRACOM CORPORATION**

By:



Nancy Killien Spooner
Edward S. Quill, Jr.
SWIDLER BERLIN SHEREFF FRIEDMAN, LLP
3000 K Street, N.W., Suite 300
Washington, D.C. 20007
202-424-7500 (Tel)
202-424-7645 (Fax)

Their Counsel

Dated: September 30, 1998

Exhibit A

Reorganization Approval

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

ITC-98-411-TC

In the Matter of

UNIDIAL HOLDINGS, INC.

and

UNIDIAL COMMUNICATIONS, INC.

Application for authority pursuant to
Section 214 of the Communications Act of
1934, as amended, for *pro forma* transfer of
control of an international resale authorization

APPLICATION

Unidial Holdings, Inc. ("Unidial Holdings"), and Unidial Communications, Inc. ("Unidial"),¹ by its undersigned counsel, pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214 (1997) and Section 63.18(e)(5) of the Commission's Rules, 47 C.F.R. § 63.18(e)(5) (1997), hereby request authority for a *pro forma* transfer of control of Unidial Incorporated's Section 214 authorization in connection with a corporate reorganization that will create a holding company structure. The transaction will not alter Unidial's underlying ownership, company management, service to Unidial's customers, or the rates charged for Unidial's service

¹ Unidial Incorporated, now known as Unidial Communications, Inc., is authorized by the Commission to provide international switched and private line telecommunications services between the United States and various international points pursuant to FCC Report No. I-6884, ITC-93-317, released November 3, 1993.

Created	
date	JUN 11 1998
authorized by	AL
signature	<i>Joey J. Parnell</i> Joey J. Parnell, Attorney General

and, accordingly will be *pro forma* in nature. UniDial Incorporated changed its name to UniDial Communications, Inc., and asks that the Commission take official notice of this name change herein.²

Applicant therefore respectfully requests streamlined, expedited treatment of this application pursuant to Section 63.12 of the Commission's Rules, 47 C.F.R. § 63.12 (1997) and the grant stamp procedure established in the Commission's November 21, 1994 Public Notice, Mimeo 50767. As fully described below, grant of this *pro forma* transfer will allow UniDial to enhance its ability to obtain additional financing and improve UniDial's marketing position. Accordingly, grant of this application will benefit the public interest by permitting UniDial to organize its business operations in a more efficient, financially beneficial manner.

I. DESCRIPTION OF THE TRANSACTION

UniDial Incorporated, now known as UniDial Communications, Inc., is a nondominant reseller of international switched services. UniDial is neither affiliated with the U.S. facilities-based carriers whose services it resells, nor with a foreign carrier. Other information concerning UniDial's legal, technical, and financial qualifications to provide service was submitted with the application for UniDial Incorporated's initial Section 214 authorization to operate as an international resale carrier, and is, therefore, already a matter of record at the Commission.

The parties seek approval of the *pro forma* transfer of UniDial Incorporated's international resale authority to accomplish a reorganization whereby a holding company structure will be created. By that transaction, UniDial Incorporated was renamed UniDial Communications, Inc., and will

² The corporate structure before and after the reorganization is depicted in Exhibit B, attached hereto.

become a wholly owned subsidiary of a Delaware holding company which will assume the name of UniDial Holdings, Inc. After the completion of the reorganization, the identity of the shareholders and proportion of stock held by shareholders of the parent company will be identical to the identity and proportion of stock held by the former shareholders of the applicant. Ownership will remain in the hands of the same parties, there will be no change in management, and no change in operations or rates. The transaction is thus entirely *pro forma* in nature.

II. PUBLIC INTEREST CONSIDERATIONS

The principals of UniDial have determined that significant financial and competitive benefits would be made available to the company by reorganizing under a holding company structure. Because the transactions described above do not change the underlying ownership or control of UniDial or its authorization, and the Commission has previously found UniDial Incorporated, now UniDial Communications, to be legally, financially and technically qualified to provide international communications services, this transaction results merely in a *pro forma* transfer of control of UniDial's authorization. UniDial will continue to provide high-quality, affordable international services without a disruption of service and without inconvenience or confusion to customers. Indeed, the *pro forma* transfer of control will be entirely transparent to UniDial's customers.

The *pro forma* transaction is expected to facilitate the company's ability to attract investors and obtain necessary financing in the future. As such, the transaction will serve the public interest in promoting competition among international carriers by providing UniDial the opportunity to enhance its working capital and strengthen its competitive position. The proposed transaction will not in any way reduce competition.

III. 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:
- Unidial Communications, Inc.
One Corporate Center
9931 Corporate Campus Drive
Louisville, Kentucky 40223
(502) 394-0789 (Telephone)
(502) 426-2257 (Facsimile)
- (b) Unidial Communications, Inc., is a corporation organized under the laws of the State of Kentucky. Unidial Holdings is a corporation organized under the laws of the State of Delaware.
- (c) Correspondence concerning this Application should be sent to:
- William B. Wilhelm, Jr., Esq.
Tony S. Lee, 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:
- John J. Grieve, Esq.
Director of Legal Services and General Counsel
Unidial Communications, Inc.
One Corporate Center
9931 Corporate Campus Drive
Louisville, Kentucky 40223
(502) 394-0789 (Telephone)
(502) 426-2257 (Facsimile)
- (d) Unidial Incorporated, now known as Unidial Communications, Inc., currently provides resold international telecommunications services pursuant to Section 214 authorization granted in FCC Report No. I-6884. FCC File No. ITC-93-317, released November 3, 1993. Unidial's application is subject to streamlined regulatory

requirements in accordance with the Commission's *International Competitive Carrier Policies*, 102 F.C.C. 2d 812 (1985), *recon. denied*, 60 Rad. Reg. 2d (P&F) (1986).

(e)(5) The authorization sought in this application will approve a *pro forma* reorganization whereby the corporate form of UniDial Incorporated will be changed to a holding company structure. UniDial Incorporated changed its name to UniDial Communications, Inc. The transaction will not alter the applicant's business of purchasing and reselling switched international message telecommunications service provided by other authorized carriers pursuant to the applicable rates, terms, and conditions in those carrier's tariffs.

(f) Not applicable.

(g) Not applicable.

(h) By the attached certification, UniDial 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 D is a list of UniDial's 10 percent or greater direct and indirect shareholders, including the address, citizenship and principal business of each such shareholder. In addition, attached hereto as Exhibit E is a list of all interlocking directorates held by UniDial's directors. UniDial further certifies that it is not affiliated with the U.S. carrier(s) whose facilities-based service(s) UniDial proposes to 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, UniDial certifies that, except as permitted by the Commission's Rules, as amended from time to time, UniDial 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 UniDial Communications may be authorized to serve and it will not enter into such agreements in the future.

(j) By the attached certification and as required by Section 63.18(j) of the Commission's rules, UniDial certifies that no party to this Application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

IV. CONCLUSION

For the reasons stated above, UniDial Holdings, Inc., and UniDial Communications, Inc., submit that the public interest, convenience and necessity would be furthered by a grant of this application for consent to the *pro forma* transfer of UniDial Incorporated's Section 214 authorization and request for expedited processing of this application.

Respectfully submitted,

UNIDIAL HOLDINGS, INC.
UNIDIAL COMMUNICATIONS, INC.

By: 

William B. Wilhelm, Jr.
Tony S. Lee

SWIDLER & BERLIN, Chartered
3000 K Street, N.W., Suite 300
Washington, D.C. 20007
(202) 424-7500 (telephone)
(202) 424-7645 (facsimile)

Their Counsel

Dated: June 2, 1998

CERTIFICATION OF APPLICANT

On behalf of UniDial Holdings, Inc. ("UniDial") 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 neither UniDial nor any 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.

Further, I hereby certify that UniDial has neither negotiated for nor 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.

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

UNIDIAL HOLDINGS, INC.

By: 

Name: S. Andrew Mackey

Title: Chief Operating Officer

Date: 9/27/18

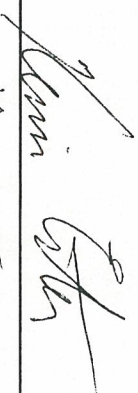
CERTIFICATION OF APPLICANT

On behalf of Metracom Corporation ("Metracom") 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 neither Metracom nor any 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.

Further, I hereby certify that Metracom has neither negotiated for nor 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.

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

METRACOM CORPORATION

By: 
Name: Kevin Estes
Title: Vice President
Date: 9/24/98