

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

Pro Forma ITC-T/C-19990319-00154
ALLEGANCE TELECOM INTERNATIONAL, INC.

In the Matter of

**ALLEGANCE TELECOM
INTERNATIONAL, INC.**

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

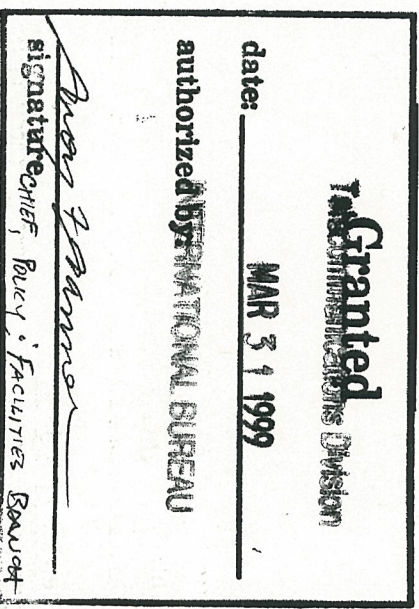
APPLICATION

Allegance Telecom International, Inc. ("Allegance International" or "Applicant"), by its
undersigned counsel and pursuant to Section 214 of the Communications Act of 1934, as amended,
47 U.S.C.A. §214 (1999) and Section 63.18(e)(5) of the Commission's rules, 47 C.F.R. §63.18(e)(5)
(1999), hereby requests authority necessary to complete a *pro forma* reorganization. As described
below, the proposed reorganization involves only an intracorporate restructuring of the Allegance
companies and will not involve a transfer of actual control of Allegance International.
Accordingly, Applicant respectfully submits that the immediate application qualifies for processing
under the Commission's Grant Stamp approval process and request approval under that procedure. ✓

I. DESCRIPTION OF THE TRANSACTION

Allegance International is a Delaware corporation that maintains its principal place of
business at:

✓ See Public Notice, Mimeo 50767 (Nov. 21, 1994).



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**ALLEGIANCE TELECOM
INTERNATIONAL, INC.**

ITC - _____

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

APPLICATION

Allegiance Telecom International, Inc. ("Allegiance International" or "Applicant"), by its undersigned counsel and pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C.A. §214 (1999) and Section 63.18(e)(5) of the Commission's rules, 47 C.F.R. §63.18(e)(5) (1999), hereby requests authority necessary to complete a *pro forma* reorganization. As described below, the proposed reorganization involves only an intracorporate restructuring of the Allegiance companies and will not involve a transfer of actual control of Allegiance International. Accordingly, Applicant respectfully submits that the immediate application qualifies for processing under the Commission's Grant Stamp approval process and request approval under that procedure. ^v

I. DESCRIPTION OF THE TRANSACTION

Allegiance International is a Delaware corporation that maintains its principal place of business at:

^v See Public Notice, Mimeo 50767 (Nov. 21, 1994).

Allegiance Telecom International, Inc.
1950 Stemmons Freeway
Suite 3026
Dallas, TX 75207
(214) 261-7100 (Tel)
(214) 261-7110 (Fax)

Allegiance International is a wholly-owned operating subsidiary of Allegiance Telecom, Inc. Allegiance Telecom, Inc. is a publicly traded corporation that currently is the direct and ultimate parent company of all of the Allegiance operating companies. Allegiance International holds global authority to provide resold and facilities-based international telecommunications services pursuant to Section 214 of the Communications Act, as amended.²

Allegiance International seeks approval of a *pro forma* reorganization whereby all of the stock of Allegiance International will be transferred from Allegiance Telecom, Inc., the ultimate Allegiance holding company, to Allegiance Finance Company, Inc. (“Allegiance Finance”), a newly created holding company that is also wholly owned by Allegiance Telecom, Inc. The net effect of the proposed transaction will be solely to interpose Allegiance Finance as a new intermediate holding company between Allegiance Telecom, Inc. and Allegiance International. Allegiance Telecom, Inc. will remain the ultimate holding company of the Allegiance companies and retain ultimate corporate control of Allegiance International. Allegiance International will continue to provide service to consumers under the same rates, terms and conditions as it currently provides service. The proposed reorganization therefore will be entirely *pro forma* in nature and will be entirely transparent to consumers. A Chart illustrating the corporate structure of the Allegiance companies before and after the proposed transaction is attached as Exhibit A.

² *Allegiance Telecom International, Inc.*, ITC-97-695 (Jan. 9, 1998).

II. PUBLIC INTEREST CONSIDERATIONS

Approval of the restructuring of the Allegiance companies will serve the public interest in promoting competition among telecommunications carriers. In particular the proposed reorganization will provide the Allegiance companies greater access to capital and improved marketing and administrative operations. Allegiance International will continue to provide the same high quality, affordable international telecommunications services, consistent with all terms and conditions of service set forth in Allegiance International's tariff currently on file with the Commission. While the *pro forma* intracorporate reorganization will allow the Allegiance companies to meet important business needs, the transactions will be virtually transparent to existing and prospective customers and will have no impact on Applicant's services. As such, this reorganization will in no way disrupt service or cause customer inconvenience or confusion. Accordingly, grant of this Application is consistent with the public interest because it will promote competition among international telecommunications carriers and will allow Allegiance International to continue to provide high quality international telecommunications services

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), Applicant submits the following information:

(a) Name and address:

Allegiance Telecom International, Inc.
1950 Stemmons Freeway
Suite 3026
Dallas, TX 75207
(214) 261-7100 (Tel)
(214) 261-7110 (Fax)

(b) Allegiance International is a corporation organized under the laws of Delaware.

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

Russell M. Blau
Edward S. Quill, Jr.
Swidler Berin Shereff Friedman, LLP
3000 K Street, N.W., Suite 300
Washington, D.C. 20007
(202) 424-7500 (Tel)
(202) 424-7645 (Fax)

with a copy to:

Robert McCausland
Allegiance Telecom International, Inc.
1950 Stemmons Freeway
Suite 3026
Dallas, TX 75207

- (d) Allegiance International is authorized to provide resold and facilities-based international telecommunications services pursuant to Section 214 authorization granted in FCC File No. ITC-97-695. Allegiance International's corporate parent, Allegiance Telecom, Inc. does not hold any FCC authorizations. Allegiance Finance also holds no FCC authorizations.
- (e) The authorization sought in this application will approve a *pro forma* reorganization of the Allegiance companies, the sole effect of which will be to interpose an intermediate holding company between Allegiance International and its current corporate parent Allegiance Telecom, Inc. The transaction will not alter the rates, terms or conditions of the international service Allegiance International provides.
- (f) Not applicable.
- (g) Not applicable.
- (h) Applicant is not affiliated with any foreign carrier.
- (i) Applicant certifies that it will not 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 Applicant may be authorized to serve.
- (j) By the attached certification and as required by Section 63.18(j) of the Commission's rules, Applicant 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, Allegiance International submits that the public interest, convenience and necessity would be furthered by an expedited grant of this *pro forma* application for consent to complete a *pro forma* reorganization.

Respectfully submitted,



Russell M. Blau
Edward S. Quill, Jr.

Swidler Berlin Shereff Friedman, LLP
3000 K Street, N.W., Suite 300
Washington, D.C. 20007
(202) 424-7500 (Tel)
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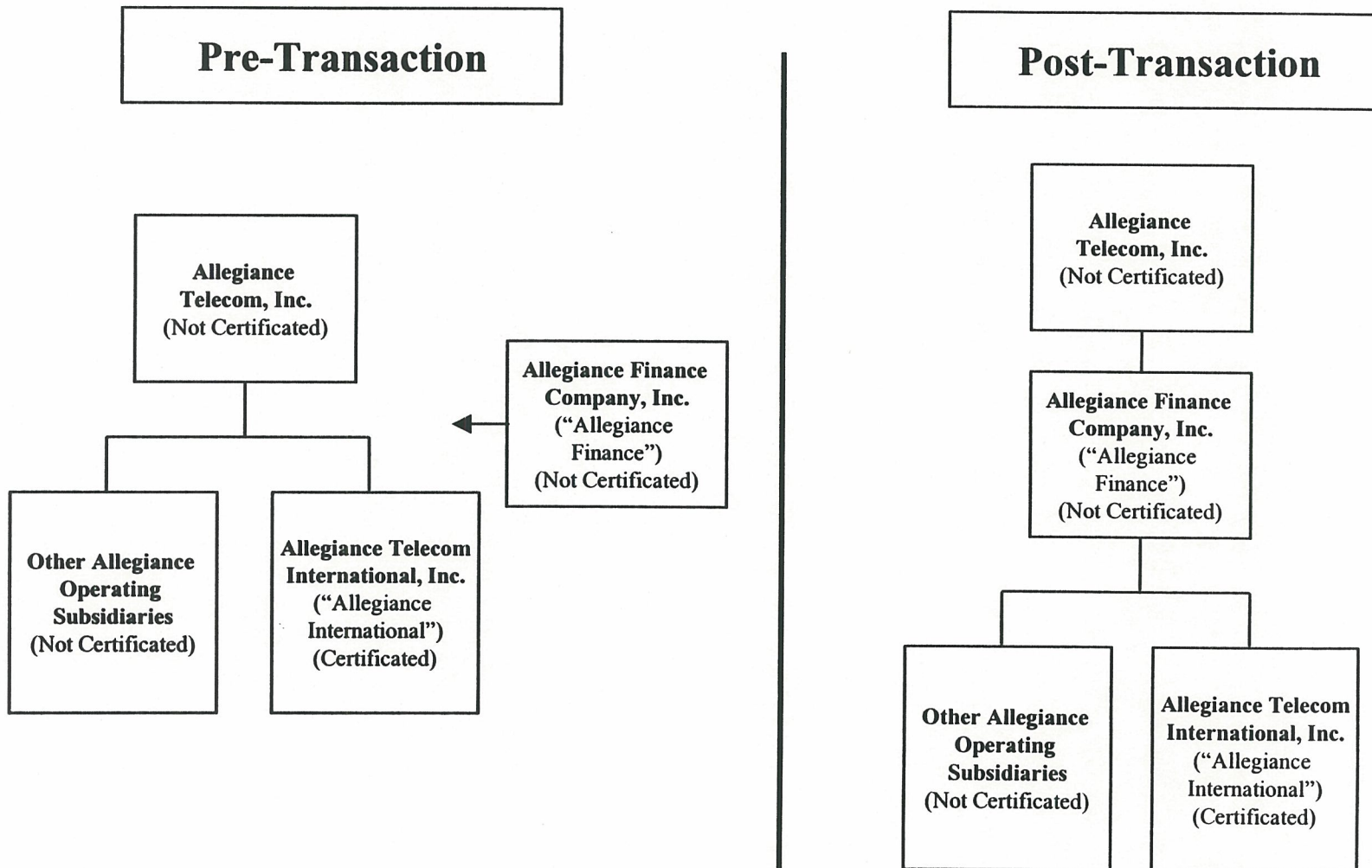
Dated: March 18, 1999

Counsel for Applicant
Allegiance Telecom International, Inc.

EXHIBIT A

Diagram of Previous and Current
Corporate Structures

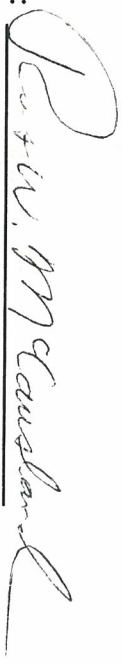
Allegiance Telecom - Proposed Reorganization



VERIFICATION

I, Robert W. McCausland, hereby declare that I am Vice President, Regulatory and Interconnection of Allegiance Telecom International, Inc.; that I am authorized to make this Verification on its behalf; that I have read the foregoing Application and exhibit thereto. I declare that the same are true and correct to the best of my knowledge, information and belief.

I further certify, in accordance with Section 1.2001-1.2003 of the Commission's Rules, 47 C.F.R. §§1.2001-1.2003, that neither Allegiance Telecom International, Inc. nor any party to this application is subject to a denial of Federal benefits that include FCC benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1998. See 21 U.S.C. § 853(a).

By: 

Allegiance Telecom International, Inc.

Subscribed and sworn to before me this 16th day of March, 1999.



Notary Public



My Commission expires: _____