

SWIDLER BERLIN SHEREFF FRIEDMAN, LLP

3000 K STREET, NW, SUITE 300  
WASHINGTON, DC 20007-5116  
TELEPHONE (202) 424-7500  
FACSIMILE (202) 424-7645

NEW YORK OFFICE  
405 LEXINGTON AVE.  
NEW YORK, NY 10174

September 7, 2000

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SEP 12 2000

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

Telecom Division  
International Bureau

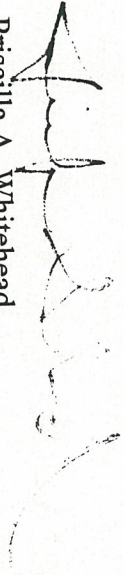
Re: Joint Application of Genesis Communications International, Inc. and American  
TeleSource International, Inc. for Authority Pursuant to Section 214 of the  
Communications Act of 1934, as Amended, to Transfer Control of Genesis  
Communications International, Inc. to American TeleSource International, Inc.

Dear Ms. Salas:

Enclosed for filing with the Commission are an original and six (6) copies of the joint  
application of Genesis Communications International, Inc. ("Genesis") and American TeleSource  
International, Inc. ("ATSI") (together, the "Applicants") requesting authority, pursuant to Section 214  
of the Communications Act of 1934, as amended, to transfer control of Genesis to ATSI.

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. Should you have any questions regarding the enclosed application, please contact  
the undersigned.

Respectfully submitted,



Priscilla A. Whitehead  
Jennifer A. Schneider

Counsel for the Applicants

Enclosures

cc: David Gietzen (Genesis)  
Ray Romero (ATSI)  
Katherine Rolph

347909.1

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

In the Matter of \_\_\_\_\_ Streamlined ITC-T/C-20000907-00536  
GENESIS COMMUNICATIONS INTERNATIONAL, INC.

**GENESIS COMMUNICATIONS  
INTERNATIONAL, INC.**

And

**AMERICAN TELESOURCE  
INTERNATIONAL, INC.**

Application for Authority Pursuant to \_\_\_\_\_  
Section 214 of the Communications Act \_\_\_\_\_  
of 1934, as Amended, to Transfer Control of \_\_\_\_\_  
Genesis Communications International, Inc. \_\_\_\_\_  
an Authorized U.S. International Carrier, \_\_\_\_\_  
to American TeleSource International, Inc. \_\_\_\_\_

ITC-T/C-20000907-00536  
GENESIS COMMUNICATIONS INTERNATIONAL, INC.  
FILE NO. ITC-T/C-2000-  
**RECEIVED**  
SEP 12 2000  
Telecom Division  
International Bureau

**JOINT APPLICATION FOR TRANSFER OF CONTROL**

Genesis Communications International, Inc. (“Genesis”) and American TeleSource International, Inc. (“ATSI”) (together, “the Applicants”), by their undersigned counsel, and pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214 (1982) (the “Act”), and Section 63.18 of the Commission’s Rules, 47 C.F.R. § 63.18 (1999), hereby request approval of a transaction whereby ATSI will acquire ownership and control of Genesis, a non-dominant U.S. common carrier holding Section 214 authorization to provide international telecommunications services on a facilities-based and/or resold basis.

ATSI is the parent company of a non-dominant U.S. common carrier holding Section 214 authorization to provide international telecommunications services on a facilities-based and/or resold basis. The Applicant ATSI is not a foreign carrier, but is in the process of acquiring an affiliation, via an unrelated transaction with a foreign carrier. ATSI is filing separately its

notification of foreign affiliation on this same date, September 7, 2000. The Applicant Genesis is not a foreign carrier, nor is it currently affiliated with any foreign carrier. As a result of the transaction whereby ATSI will acquire ownership and control of Genesis, Genesis will thereby acquire an affiliation with ATSI's future foreign carrier subsidiary. In accordance with the requirements of Section 63.11(b) of the Commission's Rules, 47 C.F.R. § 63.11(b), Genesis is filing a separate notification of foreign affiliation contemporaneously with this Application.

Applicants respectfully request streamlined treatment of this application pursuant to Section 63.12 of the Commission's Rules, 47 C.F.R. § 63.12 (1999). The foreign carrier affiliated with ATSI, and with whom Genesis will become affiliated as a result of the transaction, is a non-dominant provider of telecommunications service in Mexico. Therefore, the Applicants lack sufficient market power on the foreign end of this route to affect competition adversely in the U.S. telecommunications market. Accordingly, given that the Applicants qualify for a presumption of non-dominance with respect to their foreign affiliate, pursuant to Section 63.10(a)(3) of the Commission's Rules, 47 C.F.R. § 63.10 (a)(3) (1999), this application is eligible for streamlined processing, pursuant to Section 63.12(c)(1)(ii) of the Commission's Rules, 47 C.F.R. § 63.12 (c)(1)(ii) (1999).

## **I. THE PARTIES**

### **A. Genesis Communications International, Inc.**

Genesis Communications International, Inc. is a privately-held corporation organized under the laws of the State of California. Genesis is authorized to provide U.S. international service pursuant to its Section 214 authorization. Genesis provides intrastate local exchange and interexchange services to customers in several U.S. states. Genesis also provides carrier-to-carrier, switchless resale and prepaid long distance calling card services to customers throughout the U.S. Genesis specializes in delivering competitive telecommunications services to a growing base of Spanish-speaking residential and small business customers.

**B. American TeleSource International, Inc.**

American TeleSource International, Inc., is a publicly-traded corporation organized under the laws of the State of Delaware. ATSI shares are quoted on the American Stock Exchange under the symbol AI. Through its subsidiaries, ATSI provides international telecommunications services between the United States and specific markets in Latin America, most notably Mexico. ATSI's subsidiaries are facilities-based carriers transporting wholesale and retail voice and/or data communications traffic through a network of fiber and satellite-based transmission and receiving facilities in San Antonio and Dallas, Texas as well as in Mexico, Guatemala, El Salvador and Costa Rica. ATSI does have an affiliation with a company in Costa Rica, but such entity is not considered a foreign carrier within the meaning of Section 63.09(d) of the Commission's Rules, 47 C.F.R. §63.09(d). ATSI's subsidiary, also known as American TeleSource International, Inc., a corporation organized under the laws of the State of Texas ("ATSI-Texas"), is authorized to provide U.S. international service pursuant to Section 214 authorization.

**II. DESCRIPTION OF THE TRANSACTION**

Genesis and ATSI have determined that they will realize significant economic and marketing efficiencies by establishing Genesis as a direct subsidiary of ATSI. ATSI will acquire Genesis through a series of transactions including the merger of Genesis and ATSI Merger Corp. ("Merger Sub"), a direct and wholly-owned subsidiary of ATSI. Merger Sub is a new California corporation formed exclusively for the purpose of effecting the proposed transaction.

Pursuant to the Applicants' agreement, Merger Sub will merge with and into Genesis, with Genesis surviving the merger as a wholly-owned subsidiary of ATSI. Each of the issued and outstanding shares of Merger Sub will be converted into one share of common stock of Genesis. At the time of the merger, each issued and outstanding share of common stock of Genesis will be converted into the right to receive a number of shares of common stock of ATSI, based on a formula agreed upon by the Applicants. As a result, Genesis will become a direct, wholly-owned subsidiary of ATSI, and the separate existence of Merger Sub shall cease.

The corporation surviving the merger, Genesis, shall possess all the rights, privileges, powers, franchises, all property, real personal and mixed, and all debts due to Genesis and Merger Sub prior to the merger. Although the proposed transaction will transfer ownership and control of Genesis to ATSI, the transaction will not involve a change in the manner in which Genesis provides service to its customers. Following consummation of the merger, Genesis will continue to provide high quality telecommunications services to its customers pursuant to its authorization, with no change in the rates or terms and conditions of service currently enjoyed by its existing customers. As such, the transaction will not cause inconvenience or confusion to Genesis' customers nor otherwise have a negative impact on the operations of Genesis. The transfer of control of Genesis to ATSI, therefore, will be virtually transparent to Genesis' customers in terms of the services that they receive.

### **III. PUBLIC INTEREST STATEMENT**

Genesis and ATSI have determined that the proposed merger will enable the two companies to enhance the range of services and choices available to their customers. Moreover, the synergies resulting from the transaction will promote operational and administrative efficiencies within each company. These enhancements and efficiencies will enable Genesis and ATSI to compete more effectively in the U.S. and global telecommunications market to the ultimate benefit of consumers. Finally, the proposed transaction will be consummated in a seamless fashion, will be transparent to consumers and will not in any way inconvenience or cause harm to any of Genesis' customers.

### **IV. INFORMATION REQUIRED BY SECTION 63.18**

(a) Name, address and telephone number:

Transferor: Genesis Communications International, Inc.  
11995 El Camino Real, Suite 102  
San Diego, California 92130-2565  
Tel: (858) 792-2400

Transferee: American TeleSource International, Inc.  
6000 Northwest Parkway, Suite 110  
San Antonio, Texas 78249

Tel: (210) 547-1000

(b) Transferor: Genesis Communications International, Inc. is organized under the laws of the State of California.

Transferee: American TeleSource International, Inc. is organized under the laws of the State of Delaware.

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

Priscilla A. Whitehead, Esq.  
Jennifer A. Schneider, Esq.  
SWIDLER BERLIN SHEREFF FRIEDMAN, LLP  
3000 K Street, N.W., Suite 300  
Washington, D.C. 20007  
Tel: (202) 424-7500  
Fax: (202) 424-7645

with copies to:

Derek Gietzen  
Genesis Communications International, Inc.  
11995 El Camino Real, Suite 102  
San Diego, CA 92130-2565  
Tel: (858) 792-2400  
Fax: (858) 793-8339

and

Arthur L. Smith  
American TeleSource International, Inc.  
6000 Northwest Parkway, Suite 110  
San Antonio, Texas 78249  
Tel: (210) 547-1000  
Fax: (210) 547-1001

(d) Transferor: Genesis Communications International, Inc. is an authorized non-dominant international facilities-based carrier and reseller of international services pursuant to Section 214 of the Act. See File No. ITC-95-345, FCC Public Notice Report No. I-8077 (rel. July 18, 1995).

Transferee: American TeleSource International, Inc. has not previously received authority under Section 214 of the Act. A wholly-owned subsidiary of American TeleSource International, Inc., a Texas corporation also known as American TeleSource International, Inc. ("ATSI-Texas"), is an authorized non-dominant international

facilities-based carrier and reseller of international services pursuant to Section 214 of the Act. See File No. ITC-214-19970506-00254, granted on June 20, 1997.

(e)(3) By this Application, Applicants seek authority to transfer control of Genesis Communications International, Inc. a non-dominant common carrier holding international Section 214 authority, to American TeleSource International, Inc.

(f) Not applicable. This application for transfer of control is eligible for streamlined processing under Section 63.12 of the Commission's Rules, 47 C.F.R. § 63.12 (1999) as discussed in Section (l) below.

(g) Not applicable.

(h) After completion of the transaction, the following persons or entities will hold a ten percent (10%) or greater ownership interest in **Genesis Communications International, Inc.:**

Name: American TeleSource International, Inc.  
Address: 6000 Northwest Parkway, Suite 110  
San Antonio, Texas 78249

Citizenship: Delaware (USA)

Percentage Owned: 100%

Principal Business: Telecommunications

After completion of the transaction, no single shareholder of American TeleSource International, Inc., a publicly traded company, will hold an indirect ten percent (10%) or greater ownership interest in Genesis.

ATSI has no interlocking directorates. At present, no director or officer of ATSI-TX is an officer or director of a foreign carrier as such term is defined by the FCC. As a result of the transaction whereby ATSI will acquire a 49% interest in a Mexican foreign carrier, Intelcom, S.A. de C.V., the following officers or directors of ATSI may become officers or directors of the foreign carrier:

\* Arthur Smith, Chairman and Chief Executive Officer

\* H. Douglas Saathoff, Chief Financial Officer

\* Raymond G. Romero, Vice President, General Counsel and Secretary

In addition, the following officer or director of Genesis may become an officer or director of the foreign carrier:

\* Derek Gietzen, Chief Executive Officer

(i) ATSI certifies that it is not a foreign carrier. ATSI certifies that it is in the process of acquiring an affiliation with a non-dominant foreign carrier in Mexico, as

- defined by the FCC's Rules, for which it has made a separate filing with the FCC. Exhibit A lists the foreign carrier with whom ATSI will become affiliated.
- (j) ATSI, through its subsidiary, ATSI-Texas, holds authority to provide international telecommunications services to Mexico where it is acquiring an affiliation with a non-dominant foreign carrier as described in Section 63.18(j) of the Commission's Rules, 47 C.F.R. § 63.18(j), pursuant to Section 214 of the Act. See File No. ITC-214-19970506-00254, granted on June 20, 1997.
- (k) The foreign carrier listed in Exhibit A of this Application is based in Mexico, which is a Member of the World Trade Organization ("WTO").
- (l) ATSI may resell the international switched services of an unaffiliated U.S. carrier for the purpose of providing international telecommunications services to Mexico. ATSI, through ATSI-Texas, has been classified as non-dominant pursuant to Section 63.10(a)(3) of the Commission's Rules. Neither ATSI nor ATSI's foreign affiliate listed in Exhibit A of this Application are included on the Commission's *List of Foreign Telecommunications Carriers that are Presumed to Possess Market Power in Foreign Telecommunications Markets*, released June 18, 1999. In addition, ATSI and its foreign affiliate are small companies that are new market entrants offering services in competition with dominant foreign carriers and others. At this time, ATSI and its foreign affiliate hold significantly less than a 50 percent market share in the international transport and local access markets in the countries in which they operate. Moreover, ATSI and its future foreign affiliate lack the ability to discriminate against unaffiliated U.S. international carriers through the control of bottleneck services or facilities to exercise market power in the countries in which they operate. Accordingly, ATSI and its future foreign affiliate lack sufficient market power on any U.S.-international route to affect competition adversely in the U.S. market. Therefore, ATSI is presumptively classified as a non-dominant carrier on all international routes.
- (m) As described in Section (l) above, ATSI qualifies for non-dominant treatment for the provision of all international telecommunications services on any U.S.-international route pursuant to Section 63.10 of the Commission's Rules, 47 C.F.R. § 63.10 (1999).
- (n) ATSI certifies that it has not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route and will not enter into such agreements in the future.
- (o) ATSI certifies, pursuant to Sections 1.2001 through 1.2003 of the Commission's Rules (implementing the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 3301), that no party to its application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.



- (p) ATSI qualifies for streamlined processing pursuant to Section 63.12(c)(1)(ii) of the Commission's Rules because, as set forth above in Section (l), ATSI qualifies for a presumption of non-dominance under Section 63.10(a)(3) of the Commission's Rules.

**IV. CONCLUSION**

For the reasons stated herein, Genesis Communications International, Inc. and American TeleSource International, Inc. respectfully submit that the public interest, convenience and necessity would be furthered by grant of this Application for consent of transfer of control of Genesis Communications International, Inc. to American TeleSource International, Inc.

Respectfully submitted,

By:



Priscilla A. Whitehead  
Jennifer A. Schneider  
SWIDLER BERLIN SHEREFF FRIEDMAN, LLP  
3000 K Street, N.W., Suite 300  
Washington, DC 20007  
Tel: (202) 424-7500  
Fax: (202) 424-7645

Counsel for

**GENESIS COMMUNICATIONS  
INTERNATIONAL, INC.**

and

**AMERICAN TELESOURCE  
INTERNATIONAL, INC.**

Dated: September 7, 2000

**EXHIBIT A**

**Foreign Affiliation of American TeleSource International, Inc.**

- ***Mexico (WTO Member):*** Grupo Intelcom S.A., de C.V. is authorized to install and operate a telecommunications network to provide long distance services in Mexico.

**CERTIFICATION OF  
GENESIS COMMUNICATIONS INTERNATIONAL, INC.**

On behalf of Genesis Communications International, Inc., 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.

By:

  
\_\_\_\_\_

Name:

Derek Gietzen

Title:

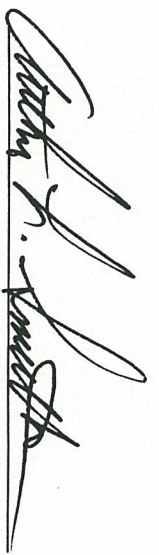
President and Chief Executive Officer

Date:

8/13/2002  
\_\_\_\_\_

**CERTIFICATION OF  
AMERICAN TELESOURCE INTERNATIONAL, INC.**

On behalf of American TeleSource International, Inc., 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.



By:

Name:

Arthur L. Smith

Title:

Chief Executive Officer

Date:

8-18-00