

SWIDLER BERLIN SHERE

Streamlined ITC-T/C-20000918-00535
IONEX COMMUNICATIONS, INC.
FRIDMAN, LLP

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WASHINGTON, DC 20
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FACSIMILE TRANSMITTAL

September 18, 2000 (3:52 PM)

To: George Li (202) 418-1462
Deputy Chief, Telecommunications
International Bureau

Firm: Federal Communications Commission **Fax No.:** (202) 418-2824

From: Troy Tanner (202) 424-8360
Grace R. Chin (202) 424-7783

Account #: 13920.0001 **Sender's Fax No.:** (202) 424-7645

Total # of Pages: 12 (including cover page)

Re: Application of Ionex Telecommunications, Inc. for Section 214 Authority to Transfer Control of Operating Subsidiaries Holding Section 214 Authorization

Message:

George,

As Grace has discussed with you, we would greatly appreciate it if the attached application could be placed on Public Notice this Wednesday, September 20th. This will make it possible for our client to meet their closing deadline of Thursday, October 5th.

A courier will be on its way to Mellon Bank this afternoon to file the original application, Form 159 and the filing fee today. Please let us know if you have any questions.

Thank you for your assistance.

Troy and Grace

If there is a problem with this transmission, please contact: Michele Smith at (202) 424-7560.

THE INFORMATION CONTAINED IN THIS COMMUNICATION IS CONFIDENTIAL, MAY BE ATTORNEY-CLIENT PRIVILEGED, MAY CONSTITUTE INSIDE INFORMATION, AND IS INTENDED ONLY FOR THE USE OF THE ADDRESSEE. UNAUTHORIZED USE, DISCLOSURE, OR COPYING IS STRICTLY PROHIBITED AND MAY BE UNLAWFUL. IF YOU HAVE RECEIVED THIS COMMUNICATION IN ERROR, PLEASE IMMEDIATELY NOTIFY US AT THE NUMBER LISTED DIRECTLY ABOVE. THANK YOU.

SWIDLER BERLIN SHEREFF FRIEDMAN, LLP

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3000 K STREET, NW, SUITE 300
WASHINGTON, DC 20007-5116
TELEPHONE (202) 424-7500
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NEW YORK, NY 10022-0998
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FACSIMILE (212) 758-9526

September 18, 2000

VIA COURIER

Federal Communications Commission
International Bureau Telecommunications Division
P. O. Box 358115
Pittsburgh, PA 15251-5115
Attn: George Li, Deputy Chief

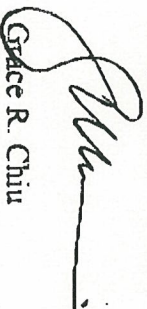
Re: **EXPEDITED CONSIDERATION REQUESTED**
Application of Ionex Telecommunications, Inc for Authority
Pursuant to Section 214 of the Communications Act of 1934, as Amended,
To Transfer Control of its Authorized International Carrier Subsidiaries

Dear Sir or Madam:

On behalf of Ionex Telecommunications, Inc. ("Ionex"), enclosed for filing are an original and six (6) copies of the above-referenced application. Ionex respectfully requests expedited treatment of this application to permit it to consummate the transfer of control described therein as soon as possible, but no later than September 30, 2000.

As required by the Commission's rules, the original application, FCC Form 159, and a check in the amount of \$815.00 are being sent via courier for delivery today to the FCC, c/o Mellon Bank, Pittsburgh, Pennsylvania. Please date-stamp the enclosed extra copy of this application and return it to the courier in the self-addressed envelope provided. Should you have any questions concerning this filing, please do not hesitate to contact me.

Respectfully submitted,


Grace R. Chiu

Counsel for Ionex Telecommunications, Inc

Enclosures

cc: Sue E. Weiske (Ionex)
Andrew D. Lipman (w/o/encl.)

READ INSTRUCTIONS CAREFULLY
BEFORE PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE

APPROVED BY OMB 3000-0089

SPECIAL USE
FCC USE ONLY

(1) LOCKBOX # 358115

PAGE NO 1 OF 1

SECTION A - PAYER INFORMATION

(2) NAME (PLEASE PRINT) Swidler Berlin Shareff Friedman, LLP

(3) TOTAL AMOUNT PAID (Include any cash) \$ 815.00

(4) STREET ADDRESS LINE NO. 1 c/o Grace Chiu

(5) STREET ADDRESS LINE NO. 2 3000 K Street N.W. Suite 300

(6) CITY Washington

(7) STATE DC

(8) ZIP CODE 20007-5116

(9) DAYTIME TELEPHONE NUMBER (Include area code) 202-424-7500

IF PAYER NAME AND THE APPLICANT NAME ARE DIFFERENT, COMPLETE SECTION B. IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 108-C).

SECTION B - APPLICANT INFORMATION

(10) APPLICANT NAME (If paying by credit card, enter name exactly as it appears on your card) Ionex Telecommunications, Inc.

(11) STREET ADDRESS LINE NO. 1 5710 LBJ Freeway

(12) STREET ADDRESS LINE NO. 2 Suite 215

(13) CITY Dallas

(14) STATE Texas

(15) ZIP CODE 75240

(16) DAYTIME TELEPHONE NUMBER (Include area code) 972-392-4601

COMPLETE SECTION C FOR EACH SERVICE. IF MORE PAYERS ARE NEEDED, USE CONTINUATION SHEETS (FORM 108-C).

SECTION C - PAYMENT INFORMATION

(17) TOTAL AMOUNT PAID (Include any cash) 815.00

(18) PAYMENT TYPE CODE (PTC) C U T

(19) PFC CODE 1

(20) PFC CODE 1

(21) PFC CODE 2

(22) PFC CODE 3

(23) PFC CODE 4

(24) PFC CODE 5

(25) PFC CODE 6

(26) PFC CODE 7

(27) PFC CODE 8

(28) PFC CODE 9

(29) PFC CODE 0

(30) PFC CODE 1

(31) PFC CODE 2

(32) PFC CODE 3

(33) PFC CODE 4

(34) PFC CODE 5

(35) PFC CODE 6

(36) PFC CODE 7

(37) PFC CODE 8

(38) PFC CODE 9

(39) PFC CODE 0

SECTION D - PAYEE INFORMATION (REQUIRED)

(40) PAYER TIN 0132679676

(41) APPLICANT TIN 0841510894

SECTION E - CERTIFICATION

I, Grace Chiu (Print Name) certify under penalty of perjury that the foregoing and supporting information are true and correct to the best of my knowledge, information and belief. SIGNATURE 

SECTION F - CREDIT CARD PAYMENT INFORMATION

(42) CARD NUMBER

(43) EXPIRES MONTH

(44) EXPIRES YEAR

(45) NAME

SEE FRONT OF REMITTANCE ESTIMATE FOR DETAILS

PFC FORM 108 JULY 1997 (REVISED)

SWIDLER BERLIN SHEREFF FRIEDMAN, LLP 3000 K STREET, N.W. SUITE 300, WASHINGTON, DC 20007

CHECK NO.: D 124635

REF. #	INV. #	DATE	INVOICE AMOUNT	INVOICE DESCRIPTION	AMOUNT PAID
126622	ST090700-3	09-07-00	815.00		815.00
Safeguard					
CUSTOMER NO.					

SWIDLER BERLIN SHEREFF FRIEDMAN, LLP
3000 K STREET, N.W., SUITE 300
WASHINGTON, DC 20007

CHECK DATE
09/13/00

Chidbank DC Operating
1775 Pennsylvania Avenue, NW
Suite 440
Washington, DC 20006

CHECK AMOUNT
815.00

EIGHT HUNDRED FIFTEEN AND 00/100 Dollars

Federal Communication Commission

PAY TO THE ORDER OF

TWO SIGNATURES REQUIRED ON CHECK
OVER \$10,000.00
[Signature]
OPERATING ACCOUNT

124635 254070181 37402064

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C.

In the Manner of)
)
)
 IONEX TELECOMMUNICATIONS, INC.)
)
)
 Application for Authority Pursuant to) File No. ITC-T/C-2000 _____
 Section 214 of the Communications Act)
 of 1934, as amended, to Transfer Control)
 of Operating Subsidiaries Holding)
 Section 214 Authorizations)

APPLICATION

Ionex Telecommunications, Inc. ("Ionex Telecom" or "Applicant") hereby requests authority, pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214, and Section 63.18 of the Commission's Rules, 47 C.F.R. § 63.18, to transfer control of its wholly owned subsidiaries, which are common carriers holding international Section 214 authorizations as set forth in Section I(d) of this Application, below.¹ Ionex Telecom is a privately held telecommunications company, whose present majority and controlling shareholder is Gilbert Global Equity Partners, L.P. ("Gilbert"), a private equity investment partnership. Ionex Telecom respectfully requests streamlined treatment of this Application pursuant to 47 C.F.R. § 63.12.

Control of the Ionex Telecom Subsidiaries will be transferred from Gilbert pursuant to a private placement offering of Ionex Telecom stock to certain new equity investors Pursuant to a

¹ Ionex Telecom's subsidiaries that hold international Section 214 authorization are: Ionex Communications, Inc. ("Ionex"), Ionex Communications North, Inc. ("Ionex North"), Ionex Communications South, Inc. ("Ionex South"), and Telecom Resources, Inc. ("TRI") (Ionex, Ionex North, Ionex South, and TRI, collectively, hereafter, the "Ionex Telecom Subsidiaries")

stock purchase agreement, two primary investors will each acquire approximately 15 percent of Ionex Telecom. In addition, certain other investors will acquire, in total, approximately 18 percent of Ionex Telecom; however, none of these other investors will acquire a greater than nine (9) percent interest in Ionex Telecom. As a result of the proposed transaction, the percentage of equitable ownership in Ionex Telecom held by Gilbert will fall from over 50% to below 50%. Control of the Ionex Telecom Subsidiaries will therefore be transferred from Gilbert to the resulting combination of new and existing shareholders of Ionex Telecom.

Following consummation of the proposed transaction, the Ionex Telecom Subsidiaries will continue to provide international services to existing customers under existing service arrangements and pursuant to their respective Section 214 authorizations. The proposed transfer of control will therefore be transparent to existing international customers of the Ionex Telecom Subsidiaries.

Approval of the proposed transfer of control will serve the public interest, convenience and necessity by providing the Ionex Telecom Subsidiaries the opportunity to strengthen their respective competitive positions through access to the increased financial resources of their parent, Ionex Telecom. The additional capital raised from Ionex Telecom's private equity offering will contribute to enhancing the operational flexibility and efficiency of the Ionex Telecom Subsidiaries. The proposed transaction will therefore ensure the continued provision of innovative, high quality international telecommunications services to the public and should facilitate competition in the telecommunications service market. Accordingly, grant of this Application will serve the public interest, convenience and necessity.

I. INFORMATION REQUIRED UNDER SECTION 63.18 OF THE COMMISSION'S RULES

(a) Name, address, and telephone number.

Transferor:

Gilbert Global Equity Partners, L.P.
785 Smith Ridge Road
New Canaan, CT 06840
(203) 966-6022 (Tel)

Transferee:

Ionex Telecommunications, Inc
5710 LBJ Freeway, Suite 215
Dallas, TX 75240
(972) 392-4601 (Tel)

(b) State law under which the corporation or partnership is organized.

Transferor: Delaware

Transferee: Delaware

(c) Correspondence concerning this Application should be addressed to.

For both the Transferor and the Transferee:

Grace R. Chiu
Jeanne W. Stockman
Swidler Berlin Sherreff Friedman, LLP
3000 K Street, NW
Suite 300
Washington, D C. 20007
(202) 424-7500 (Tel)

with a copy to:

Sue E. Weiske
General Counsel
Ionex Telecommunications, Inc.
5710 LBJ Freeway, Suite 215
Dallas, TX 75240
(972) 392-0306 (Tel)

(d) Authority Under Section 214 of the Communications Act.

Transferor:

The transferor currently does not hold a Section 214 authorization.

Transferee:

The transferee currently does not hold a Section 214 authorization. The Transferee's wholly owned subsidiaries, the Ionex Telecom Subsidiaries, hold Section 214 authorizations, as follows

Ionex Communications, Inc. holds a Section 214 authorization to provide global resale and global facilities-based international telecommunications services. *See* File No. ITC-98-226, 13 FCC Rcd 8671 (1998).

Ionex Communications North, Inc. holds a Section 214 authorization to provide global resale and global facilities-based international telecommunications services. *See* File No. ITC-98-135, 13 FCC Rcd 6663, 6665 (1998)

Ionex Communications South, Inc. holds two Section 214 authorizations. *See* File Nos. ITC-98-244, 13 FCC Rcd 9402 (1998) (global facilities-based and global resale services) and ITC-89-132, 4 FCC Rcd 6626 (1989) (resale international services of AT&T, MCI, and Sprint).

Telecom Resources, Inc. holds a Section 214 authorization to provide global resale services. *See* File No. ITC-98-256, 13 FCC Rcd 9557 (1998).

(e) Applicant seeks authority pursuant to Section 63.18(e)(3) of the Commission's rules, 47 C.F.R. § 63.18(e)(3), to transfer control of the Ionex Telecom Subsidiaries.

(f) Section 63.18(f) is not applicable to this Application.

(g) Section 63.18(g) is not applicable to this Application.

(h) Pursuant to Section 63.18(h) of the Commission's Rules, the Transferee, Ionex Telecommunications, Inc, sets forth the name, address, citizenship and principal business of any person or entity that directly or indirectly will own at least ten percent of the equity of the Transferee, and the percentage of equity that will be owned by each such person and/or entity:

ION Investors II LLC
c/o AEA ION Investors, Inc.
65 E. 55th Street
New York, NY 10022
Citizenship: U.S.A.
Principal Business: Private equity investment company
Percentage Equity: 12 - 14%²

VS&A Ionex LLC
c/o VS&A Communications Partners III, L.P.
350 Park Avenue, 7th Floor
New York, NY 10022
Citizenship: U.S.A.
Principal Business: Private equity investment partnership
Percentage Equity: 14 - 16%³

Gilbert Global Equity Partners, L.P.
785 Smith Ridge Road
New Canaan, CT 06840
Citizenship: U.S.A.
Principal Business: Private equity investment partnership
Percentage Equity: 34%

² The precise percentage interest (rounded to the nearest one percent) that ION Investors II LLC will hold in the Transferee will be determined following receipt of commitments from all other investors. It is known that the percentage interest that ION Investors II LLC will hold will be between 12 and 14 percent.

³ The precise percentage interest (rounded to the nearest one percent) that VS&A Ionex LLC will hold in the Transferee will be determined following receipt of commitments from all other investors. It is known that the percentage interest that VS&A Ionex LLC will hold will be between 14 and 16 percent.

No other investor will hold a ten percent or greater equity interest in the Transferee.

No person or entity directly or indirectly will hold through ION Investors II LLC, VSS&A Ionex LLC, or Gilbert Global Equity Partners, L.P., a ten percent or greater equity interest in the Transferee

Interlocking Directorates:

Steven J. Gilbert serves as Chairman of the Board of the General Partner of Gilbert Global Equity Partners, L.P., and Chairman of the Investment Committee of the General Partner for Gilbert Global Equity Partners (Bermuda), L.P. Mr. Gilbert also serves as a director of One Tel Ltd., an Australian carrier that provides mobile services and domestic and international interexchange services and as a director of Iaxis B.V., a Bermuda-based carrier's carrier supplying fiber optic bandwidth and value-added services to telecom service providers in Europe.

(j) The Transferee certifies that it is not a foreign carrier and is not affiliated with any foreign carriers.

(i) The Transferee certifies that it, through its Ionex Telecom Subsidiaries, does not seek to provide international telecommunications services to any destination country where:

- (1) the Transferee is a foreign carrier in that country, or
- (2) the Transferee controls a foreign carrier in that country; or
- (3) Any entity that owns more than 25% of the Transferee, or that controls the Transferee, controls a foreign carrier in that country; or
- (4) Two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate, more than 25% of the Transferee and are parties to, or the beneficiaries of, a contractual relation affecting the provision or marketing of international basic telecommunications services in the United States

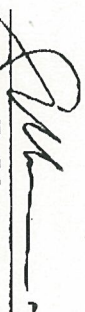
(k) This section is inapplicable as the Transferee is not a foreign carrier and has no foreign carrier affiliations.

(l) This section is inapplicable as the Transferee is not a foreign carrier and has no foreign carrier affiliations.

(m) This section is inapplicable as the Transferee is not a foreign carrier and has no foreign carrier affiliations.

- (n) The Transferee 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 to affect competition adversely in the U.S. market, and will not enter into such agreements in the future.
- (o) Pursuant to Sections 1.2001 through 1.2003 of the Commission's Rules, the Transferee 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.
- (p) This Application qualifies for streamlined treatment pursuant to Section 63.12 of the Commission's rules because the proposed transfer of control will not result in the Ionex Telecom Subsidiaries having any foreign carrier affiliations. As such, each of the Ionex Telecom Subsidiaries will be presumptively considered non-dominant for the provision of international communications services pursuant to Section 63.10(a) of the Commission's Rules.

Respectfully submitted,


Andrew D. Lipman
Grace R. Chiu
SWIDLER BERLIN SHEREFF FRIEDMAN, LLP
3000 K Street, NW
Suite 300
Washington, D.C. 20007

Counsel to Ionex Telecommunications, Inc.

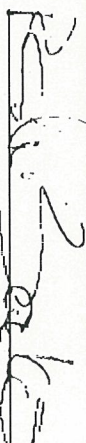
Dated: September 18, 2000

CERTIFICATION OF TRANSFEREE

On behalf of Ionex Telecommunications, Inc., I hereby certify that the statements in the foregoing Application for Authority to Transfer Control of Operating Subsidiaries Holding Section 214 Authorization are true, complete, and correct to the best of my knowledge and are made in good faith.

IONEX TELECOMMUNICATIONS, INC.

By:



Name:

R. C. Mark Baker

Title:

Chief Executive Officer

Date:

September 6, 2000