



PUBLIC NOTICE

Federal Communications Commission
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Washington, D.C. 20554

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DA 06-396
Released: February 22, 2006

**DOMESTIC SECTION 214 APPLICATION FILED FOR ACQUISITION OF CERTAIN
ASSETS OF STRATEGIC ALLIANCE MANAGEMENT, INC.
BY ZONE USA, INC. (D/B/A ZONE TELECOM, INC.)**

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 06-35

Comments Due: March 8, 2006

Reply Comments Due: March 15, 2006

On January 24, 2006, Zone USA, Inc., d/b/a Zone Telecom, Inc. (“Zone Telecom, Inc.”) and Strategic Alliance Management, Inc. (“SAM”) (collectively, “Applicants”), filed an application, pursuant to section 63.04 of the Commission’s rules,¹ seeking approval to transfer control of certain assets of SAM to Zone Telecom, Inc.²

Applicants assert that this transaction is entitled to presumptive streamlined treatment under section 63.03(b)(2)(i) of the Commission’s rules. Immediately following the transaction: (1) Zone Telecom, Inc. and its affiliates will hold less than a 10% share of the interstate, interexchange market; and (2) Zone Telecom, Inc. and its affiliates will provide local exchange services or exchange access services (if at all) exclusively in geographic areas served by a dominant local exchange carrier (“LEC”) that is not a party to this transaction. With respect to section 63.03(b)(2)(i), none of the Applicants or their affiliates is dominant with respect to any U.S. domestic telecommunications service.³

SAM, a Nevada corporation, provides wholesale interexchange service throughout the

¹ 47 C.F.R. § 63.04; *see* 47 U.S.C. § 214.

² Applicants filed an amendment to their application on February 8, 2006 providing additional ownership information for Zone Telecom, Inc. and revised exhibits to the Application. Applicants are also filing applications for transfer of control associated with authorization for international services. Any action on this domestic 214 application is without prejudice to Commission action on other related, pending applications.

³ 47 C.F.R. § 63.03(b)(2)(i).

U.S. SAM operates in conjunction with certain affiliates (together, “WRLD”), to provide wholesale resold international and domestic telecommunications service under the WRLD brand. SAMMM International, LLC, a Nevada entity, wholly owns SAM. The following individuals, all U.S. citizens, currently hold a 10% or greater ownership interest in SAMMM International, LLC: Matthew Lewis (33%); Michelle Lewis (33%); and Michael Lewis (33%).

Zone Telecom, Inc., a Delaware corporation, provides wholesale and retail interexchange service throughout the U.S. ZONE Global Limited, a British Virgin Islands entity, wholly owns Zone Telecom, Inc. Cyberman Limited, a British Virgin Islands entity, wholly owns ZONE Global Limited. e-Kong Pillars Holdings Limited, a British Virgin Islands entity, wholly owns Cyberman Limited. e-Kong Group Limited, a Bermuda entity, wholly owns e-Kong Pillars Holdings Limited. The following entities currently hold a 10% or greater direct ownership interest in e-Kong Group Limited: Goldstone Trading Limited, a British Virgin Islands entity (20.9%); Great Wall Holdings Limited, a Niue entity (14.4%); and Future (Holdings) Limited, a Saint Lucia entity (14.4%). The following individuals currently hold a 10% or greater attributable ownership interest in Zone Telecom, Inc. through an attributable ownership interest (direct and/or indirect) in e-Kong Group Limited: Richard John Siemens, a Canadian citizen (21.4%);⁴ William Bruce Hicks, a Canadian citizen (15%);⁵ Kuldeep Saran, an Indian citizen (14.4%).⁶ No other entities or individuals hold a 10% or greater attributable ownership interest in e-Kong Group limited or Zone Telecom, Inc.

On January 16, 2006, Zone Telecom, Inc. and WRLD entered into an Asset Purchase and Sale Agreement (“Agreement”) whereby Zone Telecom, Inc. agreed to purchase, and WRLD agreed to sell, the assets used in the provision of such wholesale service, including all underlying carrier accounts and all wholesale customer accounts.

Applicants state that the proposed transaction serves the public interest because the proposed acquisition will benefit consumers through improved services and lower rates.

GENERAL INFORMATION

The transfer of control identified herein has been found, upon initial review, to be acceptable for filing as a streamlined application. The Commission reserves the right to return

⁴ 21.4% ownership interest attributed as follows: 20.9% indirect ownership interest through controlling interest in Goldstone Trading Limited; and 0.5% indirect ownership interest through controlling interest in Siemens Enterprises Limited, a Hong Kong investment holding company. Siemens Enterprises Limited holds a 0.5% direct ownership interest in e-Kong Group Limited.

⁵ 15% ownership interest attributed as follows: 14.4% indirect ownership through controlling interest in Great Walls Holdings Limited; and 0.6% indirect ownership interest through shares held personally in e-Kong Group Limited.

⁶ 14.4% ownership interest attributed as follows: 14.4 % indirect ownership interest through controlling interest in Future (Holdings) Limited; and *de minimis* (*i.e.*, less than 0.1%) indirect ownership interest through shares held personally in e-Kong Group Limited.

any transfer of control application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Pursuant to sections 1.415 and 1.419 of the Commission's rules, 47 CFR §§ 1.415, 1.419, interested parties may file **comments on or before March 8, 2006** and **reply comments on or before March 15, 2006**.⁷ Unless otherwise notified by the Commission, Applicants are permitted to transfer the assets and related control on the 31st day after the date of this notice.⁸ Comments may be filed using: (1) the Commission's Electronic Comment Filing System (ECFS), (2) the Federal Government's eRulemaking Portal, or (3) by filing paper copies. *See Electronic Filing of Documents in Rulemaking Proceedings*, 63 FR 24121 (1998).

- **Electronic Filers:** Comments may be filed electronically using the Internet by accessing the ECFS: <http://www.fcc.gov/cgb/ecfs/> or the Federal eRulemaking Portal: <http://www.regulations.gov>. Filers should follow the instructions provided on the website for submitting comments.
- For ECFS filers, if multiple docket or rulemaking numbers appear in the caption of this proceeding, filers must transmit one electronic copy of the comments for each docket or rulemaking number referenced in the caption. In completing the transmittal screen, filers should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions, filers should send an e-mail to ecfs@fcc.gov, and include the following words in the body of the message, "get form." A sample form and directions will be sent in response.
- **Paper Filers:** Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.

Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

The Commission's contractor will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. Commercial overnight mail (other than U.S. Postal

⁷ See 47 C.F.R. § 63.03(a).

⁸ Such authorization is conditioned upon receipt of any other necessary approvals from the Commission in connection with the proposed transaction.

Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class, Express, and Priority mail should be addressed to 445 12th Street, S.W., Washington D.C. 20554.

People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (tty).

You may submit comments, identified by the above noted docket number, by any of the following methods:

- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.
- Federal Communications Commission's Web Site: <http://www.fcc.gov/cgb/ecfs/>. Follow the instructions for submitting comments.
- People with Disabilities: Contact the FCC to request reasonable accommodations (accessible format documents, sign language interpreters, CART, etc.) by e-mail: FCC504@fcc.gov or phone: 202-418-0530 or TTY: 202-418-0432.

In addition, one copy of each pleading must be sent to each of the following:

- (1) The Commission's duplicating contractor, Best Copy and Printing, Inc., 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, www.bcpweb.com; phone: (202) 488-5300 fax: (202) 488-5563;
- (2) Tracey Wilson-Parker, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C212, Washington, D.C. 20554; email: tracey.wilson-parker@fcc.gov;
- (3) Adam Kirschenbaum, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C211, Washington, D.C. 20554; e-mail: adam.kirschenbaum@fcc.gov;
- (4) Susan O'Connell, Policy Division, International Bureau, 445 12th Street, S.W., Room 7-B544, Washington, D.C. 20554; email: susan.o'connell@fcc.gov; and
- (5) James Bird, Office of General Counsel, 445 12th Street, S.W., Room 8-C824, Washington, D.C. 20554; e-mail: james.bird@fcc.gov.

Filings and comments are also available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, S.W., Room CY-A257, Washington, D.C. 20554. They may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, telephone: (202) 488-5300, fax: (202) 488-5563, or via e-mail www.bcpweb.com.

For further information, please contact Tracey Wilson-Parker at (202) 418-1394, or Adam Kirschenbaum at (202) 418-7280.

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