

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

DA 96-1875

In the Matter of)
)
TOTALNET COMMUNICATIONS, INC.)
)
Application for authority,) File No. I-T-C-96-526(TC)
pursuant to Section 214 of)
the Communications Act of)
1934, as amended, to transfer)
control of an international)
resale carrier.)

MEMORANDUM OPINION, ORDER
AND AUTHORIZATION

Adopted: November 6, 1996 Released: November 12, 1996

By the Chief, Telecommunications Division:

1. TotalNet Communications, Inc. (TotalNet), pursuant to Section 214 of the Communications Act of 1934, as amended, submitted the above-captioned application requesting authority to transfer control of TotalNet to GST Telecommunications, Inc. (GSTTI). The application was placed on public notice on October 4, 1996. No comments were received.

2. TotalNet, a privately held Texas corporation, is a certified international communications carrier, authorized to provide switched resale services between the United States and various overseas points.¹ GSTTI, a Canadian corporation, has its U.S. corporate headquarters in the state of Washington. GSTTI is the parent of GST USA, Inc., a Delaware corporation which in turn wholly owns GST Net, Inc. (GST Net), a Delaware corporation which in turn wholly owns GST Newco of Texas, Inc. (GST sub), an entity recently incorporated specifically for this transaction. GSTTI's subsidiaries are already active in telecommunications in the United States in both manufacture of equipment and provision of telecommunications services.

3. The parties have agreed to a two-step transaction whereby GSTTI will first acquire TotalNet's outstanding shares of capital stock by merger into GST sub, created for this transaction, and second transfer the stock to GST Net, which will hold the authority and provide the services formerly provided by TotalNet in the United States.

¹ See File No. I-T-C-93-293, released September 29, 1993.


4. Upon consideration of the application and in view of the foregoing, we conclude that consent to transfer control of TotalNet to GSTTI will serve the public interest, convenience and necessity.

5. Accordingly, IT IS ORDERED that the application of TotalNet, File No. I-T-C-96-526(TC) IS GRANTED, and the transfer of control of TotalNet to GSTTI is authorized.

6. IT IS FURTHER ORDERED that all terms and conditions of any Commission orders granting authority to TotalNet to provide common carrier services remain in effect.

7. This Order is issued under Section 0.261 of the Commission's Rules and is effective upon adoption. Petitions for reconsideration under Section 1.106 or applications for review under Section 1.115 of the Commission's Rules may be filed within 30 days of the date of public notice of this Order (see Section 1.4(b)(2)).

FEDERAL COMMUNICATIONS COMMISSION


for Diane J. Cornell
Chief, Telecommunications Division
International Bureau