

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

<i>In the Matter of</i>)	
)	
KDDI AMERICA, INC.,)	
<i>Transferor,</i>)	WC Docket No. _____
)	
TELRITE HOLDINGS, INC,)	
<i>Transferee,</i>)	File No. ITC-T/C- _____
)	
LOCUS TELECOMMUNICATIONS, LLC,)	
<i>Section 214 Authority Holder,</i>)	
)	
Application for Consent to Transfer Control of)	
Domestic Common Carrier Transmission Lines)	
and to Transfer Control of Authority to Provide)	
Global Resale International)	
Telecommunications Services, Under Section)	
214 of the Communications Act of 1934, as)	
Amended)	
_____)	

**CONSOLIDATED APPLICATIONS FOR CONSENT TO TRANSFER CONTROL OF
DOMESTIC AND INTERNATIONAL SECTION 214 AUTHORITY
(STREAMLINED PROCESSING REQUESTED)**

Pursuant to Section 214 of the Communications Act of 1934, as amended (“the Act”),¹ and Sections 63.04, 63.18, and 63.24 of the Commission’s Rules,² KDDI America, Inc. (“KDDIA”) (FRN 0003782844) and Telrite Holdings, Inc. (“Telrite Holdings”) (FRN 0028150290) (collectively, “Applicants”) request Commission consent to the transfer of indirect control of the domestic and international Section 214 authority held by Locus Telecommunications, LLC (“Locus”) (FRN 0010729515) to Telrite Holdings.

¹ See 47 U.S.C. § 214.

² See 47 C.F.R. §§ 63.04, 63.18, 63.24.

On January 6, 2019, the Transferor, KDDIA, its direct subsidiary, KDDI US Holding Inc. (“KDDI Holding”), and indirect subsidiary and Section 214 authority holder, Locus, entered into a Membership Interest Purchase Agreement (the “Agreement”) with Transferee, Telrite Holdings, in which Telrite Holdings will acquire in an all-cash transaction all of the issued and outstanding membership interests of Locus. Locus will exist as a wholly-owned direct subsidiary of Telrite Holdings after the transaction closes. The proposed transaction will generate meaningful public interest benefits to customers and is not expected to have any adverse effects on customers.

This narrative provides the information required by Sections 63.04 and 63.18 of the Commission’s Rules.

I. DESCRIPTION OF THE APPLICANTS

A. KDDI America, Inc. (Transferor)

KDDI America, Inc. (“KDDIA”) is a New York corporation with principal offices located at 825 Third Avenue, Third Floor, New York, NY 10022. KDDIA is 100% owned by KDDI Corporation, a Japanese corporation, with principal offices located at 3-10-10 Iidabashi, Chiyoda-ku, Tokyo, 102-8460, Japan. KDDIA is authorized to provide resold and facilities-based international services by the Commission. In addition, KDDIA holds blanket domestic 214 authority. KDDIA also holds authority from state regulatory commissions to provide resold telecommunications services throughout the United States. KDDIA does not provide local exchange service in any U.S. market. KDDIA primarily provides enterprise communications and IT solution services to domestic and international customers.

B. Locus Telecommunications, LLC (Section 214 Authority Holder)

Locus Telecommunications, LLC (“Locus”) is a Delaware limited liability company with principal offices located at 2200 Fletcher Avenue, Suite 600, Fort Lee, NJ 07024. Locus is

authorized to provide global international resale service granted by the Commission in File No. ITC-214-19950819-00044. In addition, Locus Telecom holds blanket domestic 214 authority. Locus offers nationwide resold prepaid wireless services. Locus does not provide local exchange service in any U.S. markets.

C. Telrite Holdings, Inc. (Transferee)

Telrite Holdings, Inc. (“Telrite Holdings”) is a privately-held Georgia corporation headquartered at 4113 Monticello Street, Covington, Georgia 30014. Telrite Holdings operates as a holding company.

Telrite Holdings offers telecommunications services to a broad spectrum of customers with specific needs through its wholly-owned direct subsidiary, Telrite Corporation (“Telrite Corp.”). Telrite Corp. is a telecommunications provider authorized to provide interexchange telecommunications (IXC) services in 48 jurisdictions, including, the District of Columbia and the states of: Alabama, Arizona, Arkansas, California, Colorado, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, North Carolina, North Dakota, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, West Virginia, Washington, Wisconsin, and Wyoming. Telrite Corp. is authorized as a facilities-based competitive local exchange carrier (CLEC) in the states of Florida, Georgia, Indiana, Iowa, Maine, Massachusetts, Michigan, Montana, Ohio, Oklahoma, Oregon, Rhode Island, Texas, West Virginia, Washington, and Wisconsin. Telrite Holdings offers nationwide prepaid wireless services through its wholly-owned subsidiary Puretalk Holdings, LLC. Telrite Corp. provides eligible telecommunications carrier services through Telrite Corporation d/b/a

Life Wireless in the states of Arkansas, Arizona, California, Colorado, Georgia, Illinois, Iowa, Indiana, Kansas, Kentucky, Maine, Michigan, Mississippi, North Dakota, Nevada, Ohio, Oklahoma, Pennsylvania, Puerto Rico, South Carolina, Texas, Utah, Washington, Wisconsin, US Virgin Islands West Virginia, Louisiana, Maryland, Minnesota, Missouri, and Rhode Island. Telrite Corp. is authorized to provide resold and international services by the Commission. Telrite Corp. also holds blanket domestic 214 authority.

The following U.S. entities own a ten percent or greater ownership or equity interest in Telrite Holdings: Reginald McFarland, a U.S. individual holding a 27.5 equity percent; Prairie Fire Trust, a U.S. grantor trust holding a 12.2 percent equity interest, and Kelly Jesel, a U.S. individual holding a 13.9 percent equity interest. None of these individuals or entities own a 10% or more equity or controlling interest in any other telecommunications company. There are no other owners with a ten percent or greater ownership or equity interest in Telrite Holdings.

Although Reginald McFarland does not own a controlling equity interest in Telrite Holdings, he has, since its inception, maintained *de facto* control of the company. Mr. McFarland controls the daily operations of the company(s), exercises oversight of Telrite Holding's and its subsidiaries finances, management, personnel, business and sales activities.

II. PUBLIC INTEREST STATEMENT

The Commission's approval of the proposed transaction described herein will serve the public interest, convenience and necessity. This combination raises no competitive or other public interest concerns and should be approved expeditiously.

Combining the Locus customer base with Telrite's operating subsidiaries will enable Locus to increase its competitiveness by expanding its portfolio of services, generating efficiencies that benefit customers, and serving more customers where it can.

The transaction poses no risk to competition or the public interest. Because Locus and

Telrite do not own any last-mile facilities, there is no concern about a reduction in competition based on overlapping last-mile facilities.

The transaction will largely be seamless to Locus customers. The transaction itself is not expected to adversely affect the rates or other terms of service that customers currently experience, nor is it expected to have any adverse effect on the already high quality of service that Locus's customers currently receive.

III. RESPONSE TO ITEMS ON IBFS ELECTRONIC FORM: INFORMATION REQUIRED BY 47 C.F.R. § 63.18

By this application, Applicants request approval for the transfer of control of Locus Telecommunications, LLC from KDDIA to Telrite Holdings. KDDIA is the transferor for the Section 214 applications included in this transaction. Telrite Holdings is the transferee for the Section 214 applications included in this transaction.

A. Answer to Question 10 – Section 63.18(a)-(d)

(a) Name, address, and telephone number of each applicant

Transferor:

KDDI America, Inc. (“KDDIA”)
825 Third Avenue
Third Floor
New York, NY 10022
Tel: (917) 209-9383

Transferee:

Telrite Holdings, Inc. (“Telrite Holdings”)
4113 Monticello Street
Covington, GA 30014
Tel: (678) 202-0828

Section 214 Authority Holder

Locus Telecommunications, LLC
2200 Fletcher Avenue
Suite 600
Fort Lee, NJ 07024

(b) Place of organization

Transferor:

KDDI America, Inc. is a New York corporation

Transferee:

Telrite Holdings, Inc. is a privately-held Georgia corporation

Section 214 Authority Holder:

Locus is a Delaware limited liability company

(c) Name, title, post office address, and telephone number of official and any other contact point

Correspondence concerning these applications should be directed to:

For KDDIA and Locus:

Masatoshi Tanabe
Legal Professional
KDDI America, Inc.
825 Third Avenue
Third Floor
New York, NY 10022
Tel: (917) 209-9383
m.tanabe@kddia.com

with a copy to:

Brita D Strandberg, Esq.
Randall W. Sifers, Esq.
Harris, Wiltshire & Grannis LLP
1919 M Street N.W.
Suite 800
Washington, DC 20036
Tel: 202-730-1346
bstrandberg@hwglaw.com
Counsel to KDDI America, Inc.

For Telrite Holdings, Inc.:

Reginald McFarland
Telrite Holdings, Inc.
4113 Monticello Street
Covington, GA 30014
Tel: (678) 202-0828

with a copy to:

Leon Nowalsky, Esq.
Nowalsky & Gothard APLLC
1420 Veterans Memorial Blvd.
Metairie, LA 70005
Tel: (504) 832-1984
lnowalsky@nbglaw.com

(d) Statement as to whether applicants have previously received authority under Section 214

Transferor, KDDIA, holds the following international Section 214 authorizations:

File No. ITC-214-19970212-00085 (Limited Global Resale Service to Belgium, France, Hong Kong, Mongolia, and Russia)

File No. ITC-214-19970113-00019 (Limited Global Resale Service to provide non-interconnected resold private line services to Belgium, France, and Hong Kong)

File No. ITC-214-19970212-00082 (Limited Global Resale Service to all international points except Japan, Belgium, France, Hong Kong, Mongolia, and Russia)

File No. ITC-214-19971014-00620 (Limited Global Facilities-Based Service to all international points except Japan)

File No. ITC-214-19980205-00076 (Limited Global Resale Service between the United States and Japan; applicant agreed to be classified as a dominant carrier to Japan)

File No. ITC-214-19980205-00077 (Limited Global Facilities-Based Service between the United States and Japan; applicant agreed to be classified as a dominant carrier to Japan)

File No. ITC-214-19980424-00275 (Limited Global Resale Service to provide non-interconnected resold private lines between the United States and all permissible international points except Japan, the United Kingdom, Belgium, Germany, France, and Hong Kong)

File No. ITC-214-19980607-00388 (Interconnected Private Line Switched Service to Japan; applicant agreed to be classified as a dominant carrier to Japan)

Transferee, Telrite Holdings, has not previously received authority under Section 214. Telrite Holdings subsidiary, Telrite Corporation, holds the following international Section 214 authorization: File No. ITC-214-20021118-00543

Section 214 Authority Holder, Locus, is authorized under IB File No. ITC-214-19950819-00044 to provide global resale service between the United States and international points.

B. Answer to Questions 11 – Section 63.18(h)

The following entities and persons hold, directly or indirectly, a ten percent or greater equity interest in the applicants (to the nearest one percent):

Information concerning a ten percent or greater interest, directly or indirectly, in the Transferee:

Name: Telrite Holdings, Inc.
Address: 4113 Monticello Street
Covington, GA 30014
Ownership: 100% equity interest of Telrite Corporation
Citizenship: Closely-held, private Georgia corporation
Principal Business: Holding Company

Name: Reginald McFarland
Address: 4113 Monticello Street
Covington, GA 30013
Ownership: 27.49% equity of Telrite Holdings
Citizenship: U.S.
Principal Business: Shareholder

Mr. McFarland is the CEO of Telrite Holdings and has exercised de facto control over the company since its formation. Mr. McFarland does not own a 10% or more equity or a controlling interest in any other telecommunications company.

Name: Prairie Fire Trust
Address: 4113 Monticello Street
Covington, GA 30013
Ownership: 12.24% equity of Telrite Holdings
Citizenship: U.S.
Principal Business: Grantor Trust

The Prairie Fire Trust is a Grantor Trust established by Reginald McFarland for the benefit of Reginald McFarland's children and grandchildren. The Prairie Fire Trust does not own a 10% or more equity or a controlling interest in any other telecommunications company.

Name: Kelly Jesel
Address: 4113 Monticello Street
Covington, GA 30013
Ownership: 13.89% equity of Telrite Holdings
Citizenship: U.S.
Principal Business: Shareholder

Ms. Jesel is the Chief Financial Officer and Secretary of Telrite Holdings, and is the daughter of Reginald McFarland. Ms. Jesel does not own a 10% or more equity or a controlling interest in any other telecommunications company.

No other individual or entity holds a 10% or greater ownership interest in Telrite Holdings, Inc.

C. Answer to Question 12 – Section 63.18(h) – Interlocking Directorates

Telrite Holdings does not have any interlocking directorates with any foreign carrier.

D. Answer to Question 13 – Narrative of Means by Which Proposed Transfer Will Take Place

On January 6, 2019, Transferor, KDDIA, its direct subsidiary, KDDI US Holding Inc. (“KDDI Holding”), and its indirect subsidiary and Section 214 authority holder, Locus, entered into a Membership Interest Purchase Agreement (the “Agreement”) with Transferee, Telrite Holdings, in which Telrite Holdings will acquire in an all-cash transaction all of the issued and outstanding membership interests of Locus. Locus will exist as a wholly-owned direct subsidiary of Telrite Holdings after the transaction closes.

Attachment A depicts the companies’ corporate structure before and after the transaction.

E. Answer to Question 14 – Foreign Carrier Affiliates (Section 63.18(i))

By its signature below, Telrite Holdings certifies that it is not a foreign carrier and is not affiliated with any foreign carrier.

F. Answer to Question 15 (Section 63.18(j))

By its signature below, Telrite Holdings certifies that following the transaction, it does not seek authority to provide international telecommunications services to any country for which any of the conditions described in paragraphs (1) through (4) of 47 C.F.R. § 63.18(j) is true.

G. Answer to Question 16

Not applicable.

H. Answer to Question 17

Not applicable.

I. Answer to Question 18

Not applicable.

J. Answer to Question 19

Not applicable.

K. Answer to Question 20 – Section 63.12

This Application qualifies for streamlined processing under 47 C.F.R. § 63.12 because, as stated above, Transferee is not affiliated with any foreign carrier, the Transferee is not affiliated with any dominant U.S. carrier whose international switched or private line services the Transferee seeks authority to resell; and the Transferee does not seek authority to provide switched basic services over private lines to a country for which the Commission has not previously authorized the provision of switched services over private lines. Accordingly, the Applicants request streamlined processing treatment for the application to transfer control of the international Section 214 authorizations pursuant to 47 C.F.R. § 63.12 of the Commission's Rules.

L. Answer to Question 21 – Section 63.18(n)

Telrite Holdings certifies that it has not agreed to accept special concessions directly or indirectly from a foreign carrier with respect to any U.S. international route where the foreign carrier possesses sufficient market power on the foreign end of the route to affect competition adversely in the U.S. market and will not enter into any such agreements in the future.

M. Answer to Question 25 – Section 63.18(o)

Telrite Holdings certifies that no party to the application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 862, because of a conviction for possession or distribution of a controlled substance.

IV. INFORMATION REQUIRED BY SECTION 63.04 OF THE COMMISSION'S RULES IN RELATION TO TRANSFER OF DOMESTIC 214 AUTHORIZATION

In support of the Applicants' request for consent to transfer control to Locus of the domestic Section 214 authorizations in the identified areas, the following information is submitted pursuant to Section 63.04 of the Commission's Rules.

A. Section 63.04(a)(6) – Description of the transaction

A description of the transaction is set forth above in Sections I and III.D.

B. Section 63.04(a)(7) – Description of the geographic area in which the transferor and transferee (and affiliates) offer domestic telecommunications services, and what services are provided in each area

Applicants' (and their affiliates) wireline domestic interstate and international services are described in detail above in Section I.

C. Section 63.04(a)(8) – Statement as to how the Application qualifies for streamlined treatment

This Application qualifies for streamlined processing under section 63.03(b)(2)(i) because the Transferee will have a market share in the interstate interexchange market of less than 10 percent, the Transferee will provide competitive telephone exchange services or exchange access services exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the proposed transaction, and no party to this Application is dominant with respect to any service.

D. Section 63.04(a)(9) – Identification of all other Commission applications related to this transaction

The only Commission applications being filed related to this application are the international and domestic Section 214 authorizations detailed in this application.

E. Section 63.04(a)(10) – Statement of whether the Applicants request special consideration because either party is facing imminent business failure

The Applicants do not request special consideration because no parties to this transaction are facing imminent business failure.

F. Section 63.04(a)(11) – Identification of any separately filed waiver requests being sought in conjunction with this Application

No separately filed waiver requests are sought in conjunction with this application.

G. Section 63.04(a)(12) – Statement showing how grant of the Application will serve the public interest, convenience and necessity

A demonstration of how the transaction will serve the public interest, convenience, and necessity is discussed above in Section II.

V. CONCLUSION

For the reasons stated above, the Applicants respectfully request that the Commission grant these applications for consent to transfer control of the international and domestic Section 214 authorization held by Locus from KDDI America to Telrite Holdings.

Respectfully submitted,

BY: TELRITE HOLDINGS, INC.



Name:

Title: CEO

BY: KDDI AMERICA, INC.

Name:

Title:

Dated: January 28 2019

V. CONCLUSION

For the reasons stated above, the Applicants respectfully request that the Commission grant these applications for consent to transfer control of the international and domestic Section 214 authorization held by Locus from KDDI America to Telrite Holdings.

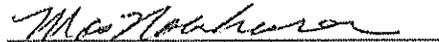
Respectfully submitted,

BY: TELRITE HOLDINGS, INC.

Name:

Title:

BY: KDDI AMERICA, INC.



Name: Masatoshi NOBUHARA

Title: President & CEO

Dated: January 23, 2019

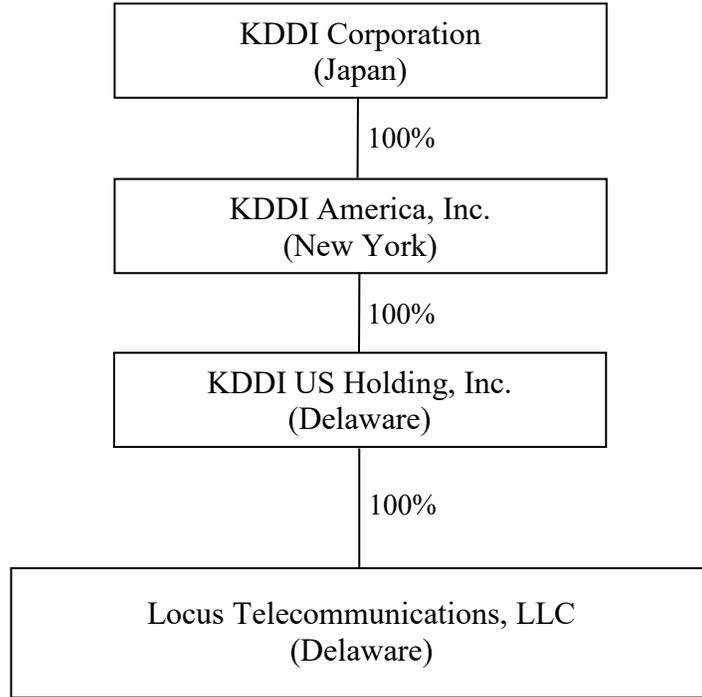
EXHIBITS

Exhibit A – Diagrams of the Ownership Structure of Locus Telecommunications, LLC
Prior to and Following the Consummation of the Transaction

Exhibit B – Certifications

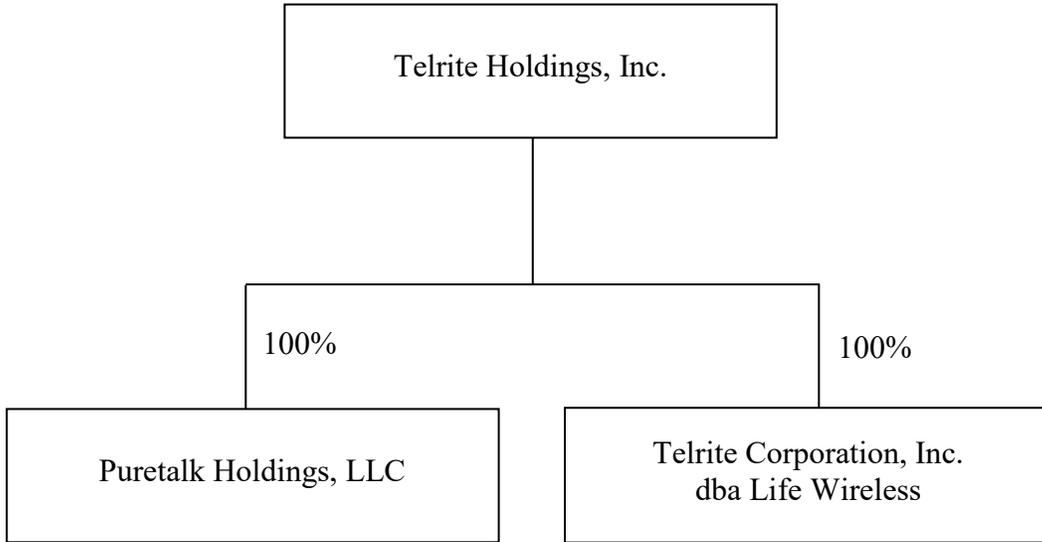
EXHIBIT A

Overview of the Pre-Transaction Ownership Structure



Pre-Transaction Organizational Structure

Transferee



Post-Transaction Organizational Chart

Transferee

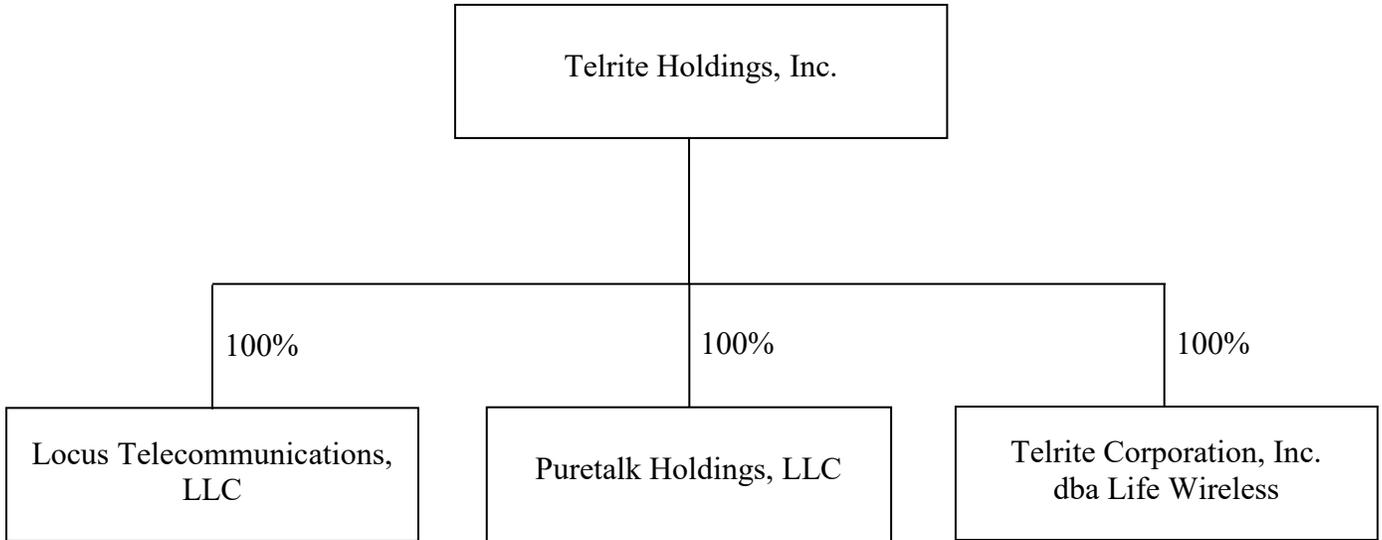


EXHIBIT B
CERTIFICATIONS

Certification of KDDI America, Inc.

The undersigned hereby certifies, on behalf of KDDI America, Inc. and with respect to the foregoing Consolidated Applications for Consent to Transfer Control of Domestic and International Section 214 Authority, that the statements are true and correct to the best of my knowledge and belief and are made in good faith.

Date: 1/28/2019

By: Mas Nobuhara
Name: Masatoshi Nobuhara
Title: President & CEO

Certification of Telrite Holdings, Inc.

The undersigned hereby certifies, on behalf of Telrite Holdings, Inc. and with respect to the foregoing Consolidated Applications for Consent to Transfer Control of Domestic and International Section 214 Authority, that the statements are true and correct to the best of my knowledge and belief and are made in good faith.

Date: 1/28/2019

By: 
Name: _____
Title: CEO