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June 30, 2000

**VIA OVERNIGHT DELIVERY**

Secretary  
Federal Communications Commission  
International Bureau-Telecommunications  
PO Box 358115  
Pittsburgh, PA 15251-5115

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Re: PT-1 Long Distance, Inc. and PT-1 Counsel Inc. Joint Petition for Limited Waiver  
under CC Docket No. 94-129  
Implementation of the Subscriber Carrier Selection Change Provisions of the  
Telecommunications Act of 1996

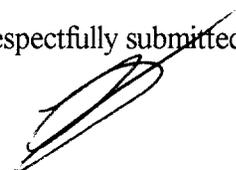
Dear Sir/Madam:

Enclosed please find for filing an original and six (6) copies of the Joint Petition for Limited  
Waiver under CC Docket No. 94-129 of PT-1 Long Distance, Inc. and PT-1 Counsel Inc.

**Please date-stamp the extra copy of this application and return it in the enclosed self-  
addressed stamped envelope.**

If you have any questions regarding the foregoing, please do not hesitate to call me. Thank  
you.

Respectfully submitted,

  
Lance J.M. Steinhart  
Attorney for PT-1 Counsel, Inc. and  
PT-1 Long Distance, Inc.

Enclosures  
cc: Gary Wasserson

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List A B C D E



**I. Description of the Parties**

**A. PT-1 Counsel**

PT-1 Counsel, a Delaware corporation, is wholly-owned by WebToTel, Inc., which is in turn wholly-owned by Counsel Communications, LLC, which is in turn a wholly owned subsidiary of Counsel Corporation (which is traded on the NASDAQ exchange under the symbol “CXSN”). Counsel Corporation (“Counsel Corp.”) is an investment and management company specializing in Internet, communications, and other technology-based enterprises. It plans, through PT-1 Counsel, to provide domestic and international retail communications over an Internet protocol-based network in the United States. PT-1 COUNSEL has applications pending before various state regulatory authorities for authority to provide intrastate resale services in all states in which PT-1 LD currently provides interexchange services to customers.

**B. STAR**

STAR, a Delaware corporation headquartered in Santa Barbara, California (traded on the NASDAQ exchange under the symbol “STRX”) is a non-dominant facilities-based and resale carrier that provides domestic and international wholesale and retail telecommunications services in the United States, Europe, and Asia.

**C. PT-1 Communications, Inc.**

PT-1 Communications, Inc. (“PT-1”), a New York corporation with offices in Flushing, New York, is a wholly owned subsidiary of STAR. PT-1 Communications, Inc. provides prepaid calling card service throughout the United States pursuant to authority granted by the Federal Communications Commission and various state regulatory agencies.

**D. PT-1 LD**

PT-1 LD, a Delaware corporation also with offices in Flushing, New York, is a wholly owned subsidiary of PT-1 which provides primarily casual calling service throughout the United States pursuant to authority granted by the Federal Communications Commission and various state regulatory agencies. The company has presubscribed customers, by request of prior casual calling customers.

Both PT-1 and PT-1 LD are non-dominant carriers that provide international and domestic telecommunications services, primarily prepaid calling card and casual calling services. PT-1 LD was granted Authority to Operate as a facilities-based carrier in accordance with the provisions of Section 63.18(e)(1) of the rules of the FCC and also to provide service in accordance with the provisions of Section 63.18(e)(2) of the rules of the FCC. See FCC File No. ITC2141999050500348, granted July 7, 1999.

On February 11, 2000, STAR entered into a merger agreement with World Access under which that company plans to acquire 100% of the shares of STAR. As a pre-condition to the STAR/World Access merger, however, STAR has agreed to sell the capital stock or the assets of PT-1 (which includes its subsidiary PT-1 LD). Pursuant to this condition, STAR and PT-1 entered into a Purchase Agreement with Counsel Communications, LLC, a Delaware limited liability company, on June 6, 2000, following the determination by all of the parties involved that the operations of PT-1 and PT-1 LD are compatible with the planned operations of Counsel Communications, LLC through PT-1 Counsel, and that Counsel Communications, LLC's acquisition of PT-1 and PT-1 LD would benefit all of those companies. Under the PT-1/Counsel

Communications, LLC Purchase Agreement, Counsel Communications, LLC will pay cash to acquire the assets of PT-1, including the Section 214 authorizations of both PT-1 and PT-1 LD.

STAR Telecommunications, Inc. (“STAR”), PT-1 Communications, Inc. (“PT-1”), PT-1 Long Distance, Inc. (“PT-1 LD”), and PT-1 Counsel, Inc. (“PT-1 Counsel”) collectively have requested authority pursuant to Section 214 of the Communications Act of 1934, as amended, and Section 63.18 of the Commission's Rules, to assign the Section 214 authorizations of PT-1 and PT-1 LD — both subsidiaries of STAR — to PT-1 Counsel as part of PT-1 Counsel’s acquisition of the assets of PT-1 and PT-1 LD from STAR.

In order to facilitate this transaction, PT-1 LD must transfer to PT-1 COUNSEL, among other things, all assets associated with its telecommunications operations, including agreements with all of its presubscribed customers. Given the significant number of customers involved, it is unlikely that PT-1 COUNSEL could obtain prior authorization from each customer without significantly delaying consummation of PT-1 COUNSEL’s acquisition of PT-1 Communications, Inc. and PT-1 LD.

In accordance with Section 1.3, the Commission may waive any of its rules for “good cause shown.” The Commission has deemed waiver of a rule appropriate where the particular facts make strict compliance inconsistent with the public interest, (taking into account considerations of hardship, equity, or more effective implementation of overall policy on an individual basis). Petitioners submit that the “special circumstances” presented here “warrant deviation from the general rule,” particularly given that “such . . . deviation will serve the public interest.”

Petitioners submit that grant of this Petition would serve the public interest by rendering the sale of PT-1 Communications, Inc. and PT-1 LD’s telecommunications operations transparent to PT-1 LD’s presubscribed customers. Following transfer of the customers to PT-1 COUNSEL, PT-1 COUNSEL will continue to provide the transferred customers with services identical to those currently provided by PT-1 LD under the same terms and conditions. It is PT-1 LD’s and PT-1 COUNSEL’s intent to provide for a seamless, but fully informed, transition. To this end, a notice substantially in the form of Exhibit 1, attached hereto, will be sent to all of PT-1 LD’s presubscribed customers prior to transfer of the customers to PT-1 COUNSEL

In the absence of the requested waiver, Petitioners fear that some customers may experience service disruptions because PT-1 LD will cease providing telecommunications services upon consummation of the acquisition by PT-1 COUNSEL. In all likelihood, many customers will not respond to requests for new letters of agency (“LOA”), either because correspondence will be lost or not read or understood. PT-1 COUNSEL will not be able to serve such customers without valid LOAs, ensuring service disruption and customer inconvenience. The Commission has previously found that “a waiver of the Commission’s carrier change rules and orders is [justified where] necessary to provide a seamless transition with no disruption of service to the transferred customers,

(particularly where the carriers seeking the waiver will fully notify the affected customers of the proposed transaction.)

By reason of the foregoing, Petitioners respectfully request that the Commission grant a waiver of the Commission's authorization and verification requirements to the extent necessary to enable PT-1 LD to transfer to PT-1 COUNSEL the customers presubscribed to PT-1 LD's interexchange service without first obtaining each customer's authorization.

Respectfully submitted,

**PT-1 LONG DISTANCE, INC.**

**PT-1 COUNSEL INC.**

By: \_\_\_\_\_  
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(770) 232-9200

June \_\_, 2000

Their Attorney

## **EXHIBIT 1**

Dear Customer:

Thank you for utilizing long distance service provided by PT-1 Long Distance, Inc. It has been a pleasure serving you. PT-1 Long Distance, Inc. values each and every one of its customer relationships.

I am writing to tell you about an upcoming change in the manner in which your long distance service will be provided. PT-1 Counsel Inc. will soon assume responsibility for providing you with long distance service. PT-1 Counsel Inc. will provide you with the same long distance services you currently receive from PT-1 Long Distance, Inc. but at reduced rates. In fact, lower rates are the only change you will see, because PT-1 Counsel, Inc. will utilize the same facilities and personnel used by PT-1 Long Distance, Inc. to serve you.

Please be assured that no charges will be assessed on you as a result of the transfer of your account to PT-1 Counsel Inc. Moreover, if you are dissatisfied with the service provided by PT-1 Counsel Inc. for any reason and notify PT-1 Counsel Inc. within 30 days following its initiation of service to you, PT-1 Counsel Inc. will reimburse you for any carrier charges assessed by your local service provider to switch to another carrier.

If you have any questions regarding PT-1 Counsel Inc., please feel free to call 1-800-\_\_\_\_-\_\_\_\_ and we will be happy to answer them.

We at PT-1 Long Distance, Inc. thank you again for your patronage and we at PT-1 Counsel Inc. look forward to serving you in the future.