

DT 00-053

**WORLD ACCESS, INC., WORLDXCHANGE COMMUNICATIONS, INC. AND
COMMUNICATION TELESYSTEMS INTERNATIONAL**

**Request for Authority to Merge Communication TeleSystems
International With WorldxChange Communications, Inc.**

Order Approving Plan of Merger

O R D E R N O. 23,609

December 27, 2000

World Access, Inc. (WAXS), Communication TeleSystems International d/b/a WorldxChange Communications (CTI), and WorldxChange Communications, Inc. (WorldxChange or Merger Sub), on March 9, 2000, filed with the New Hampshire Public Utilities Commission (Commission) a joint petition requesting approval of an Agreement and Plan of Merger dated as of February 11, 2000.

CTI, a privately-held California corporation, is a competitive intraLATA toll provider in New Hampshire, pursuant to Authorization No. IXC15797 (March 6, 1997).

WAXS, a Delaware corporation, is a holding company which does not directly provide telecommunication services but offers telecommunications services through its wholly-owned subsidiaries.

Merger Sub, a Delaware privately-held corporation and a wholly-owned subsidiary of WAXS, was formed specifically to effectuate the acquisition of CTI by WAXS. The proposed

transaction provides for CTI to merge with and into Merger Sub, and the surviving company will continue as CTI d/b/a WorldxChange. WorldxChange received its Certificate of Authority to provide intraLATA telecommunication services in New Hampshire on September 6, 2000, pursuant to Authorization No. IXC0900300.

WorldxChange avows the proposed acquisition will be seamless and transparent to the customers of CTI, the company will adopt CTI's tariff rates, terms and conditions, and the company will continue to operate in all material respects as CTI operates.

We find that the merger of CTI and WorldxChange will be for the public good, a finding necessary for approval of the transfer of a public utility's franchise, works, or system. RSA 374:30. The system to be transferred consists of all assets, including customer base.

We addressed the issue of customer base transfer in Order No. 23,234 (June 14, 1999) in DT 99-077, Re RSL COM U.S.A., Inc. In that order, we noted that we cannot approve the transfer of a 'customer base,' given the statutory mandate of RSA 374:28-a. RSA 374:28-a prohibits changes of a customer's service provider "without the customer's knowledge or consent," a practice known as "slamming." In Re RSL, where

the acquiring company had begun to provide the customers service, we found that such a transfer without advance notice and opportunity to select a different carrier violated the anti-slamming statute.

Here we believe that customers should be notified of the merger, but because the surviving company will do business as, and continue to operate as, CTI, we do not believe customers need to be given the opportunity to switch carriers.

We will approve the acquisition, with the condition that CTI notify its customers by announcing the change.

Based upon the foregoing, it is hereby

ORDERED, that the merger of Communication TeleSystems International d/b/a WorldxChange Communications with and into WorldxChange Communications, Inc. is hereby **APPROVED,** with the condition that CTI provide customer notification consistent with our discussion above; and it is

FURTHER ORDERED, that WorldxChange shall file tariff pages encompassing the services provided by CTI and, accordingly, will provide service to those former customers of CTI that choose the default carrier WorldxChanges as their intraLATA telecommunication service provider; and it is

FURTHER ORDERED, that CTI shall surrender its

certification in New Hampshire by filing a supplement canceling their existing tariff; and it is

FURTHER ORDERED, that the Petitioner shall file a compliance tariff with the Commission in accordance with N.H. Admin. Rules, Puc 1603.02(b).

By order of the Public Utilities Commission of New Hampshire this twenty-seventh day of December, 2000.

Douglas L. Patch
Chairman

Susan S. Geiger
Commissioner

Nancy Brockway
Commissioner

Attested by:

Claire D. DiCicco
Assistant Secretary