



PUBLIC NOTICE

Federal Communications Commission
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DA 04-1611
Released: June 2, 2004

DOMESTIC SECTION 214 APPLICATION FILED FOR ACQUISITION OF ASSETS OF INTERNATIONAL EXCHANGE COMMUNICATIONS, INC., BY MATRIX TELECOM, INC.

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 04-173

Comments Due: June 16, 2004

Reply Comments Due: June 23, 2004

On April 28, 2004, Matrix Telecom, Inc. (Matrix) filed an application, pursuant to sections 63.03 and 63.04 of the Commission's rules,¹ requesting consent for the acquisition of certain assets of International Exchange Communications, Inc. (debtor-in-possession) (IECom) by Matrix.²

Applicants assert that this transaction is entitled to presumptive streamlined treatment pursuant to section 63.03(b)(2)(i) of the Commission's rules because the proposed transaction would result in Matrix having a market share in the interstate, interexchange market of less than 10 percent; Matrix will provide competitive telephone exchange services or exchange access services, if at all, only in areas served by dominant local exchange carriers that are not parties to this transaction; and neither of the applicants nor their affiliates are dominant with respect to any telecommunications service.³

¹ 47 C.F.R. §§ 63.03, 63.04; *see* 47 U.S.C. § 214.

² The Applicants are also filing an application for consent to transfer assets 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). Letter from Thomas K. Crowe and Gregory E. Kunkle, Counsel for Matrix, to Marlene H. Dortch, Secretary, Federal Communications Commission, Office of the Secretary, WC Docket No. 04-173 (filed May 24, 2004) (Matrix Letter).

IECom provides 1+, calling card, and toll free service in each of the 48 contiguous states. Matrix provides 1+, calling card, and toll free service in each of the 48 contiguous states. Matrix is wholly-owned by Matrix Acquisition Holdings Corp., a holding company that is wholly-owned by Platinum Equity LLC. Tom T. Gores owns 100 percent of the equity interest in Platinum Equity, LLC. Neither Matrix Acquisition Corp. nor Tom T. Gores own any additional telecommunications companies. Platinum Equity, LLC owns Claricom Networks, Inc., which offers domestic interstate and intrastate services as well as international services.

Applicants state that this proposed transfer of control is being made pursuant to an order of the United States Bankruptcy Court of the Northern District of California, San Francisco Division. On January 4, 2001, IECom filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code. In order to resolve a dispute arising from a business relationship between Matrix and IECom, the parties entered into a settlement agreement, dated August 12, 2002, whereby Matrix agreed to purchase certain assets from IECom, including its retail customer base consisting of 1+, calling card, and toll-free customers. As part of the bankruptcy proceeding, the court issued an order directing the parties to consummate the asset transfer pursuant to the settlement agreement as soon as regulatory approval could be obtained.⁴

Matrix states that the consummation of the proposed transaction will serve the public interest in promoting competition in the domestic telecommunications market by providing it the opportunity to strengthen its competitive position by combining IECom's resources with Matrix's global resale services, products and expertise. Matrix claims that its operations will more readily increase in size and profitability, due to enhanced economies of scale. Accordingly, Matrix argues that the proposed acquisition will benefit consumers through improved services and lower rates. Additionally, Matrix maintains that approval of the proposed transfer will ensure continuous, uninterrupted service to the customers of IECom, who might otherwise have their service disrupted due to circumstances stemming from IECom's current bankruptcy.

GENERAL INFORMATION

The acquisition of assets identified herein has been found, upon initial review, to be acceptable for filing as a streamlined application. The Commission reserves the right to return any acquisition of assets application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Interested parties may file **comments on or before June 16, 2004** and **reply comments on or before June 23, 2004**.⁵ Unless otherwise notified by the Commission, Applicants are permitted to transfer control on the 31st day after the date of this notice.⁶ Comments may be filed using the Commission's Electronic

⁴ See Application Exhibit B at para. 8.

⁵ See 47 C.F.R. § 63.03(a).

⁶ Such authorization is conditioned upon receipt of any other necessary approvals from the Commission in connection with the proposed transaction.

Comment Filing System (ECFS) or by filing paper copies. *See Electronic Filing of Documents in Rulemaking Proceedings*, 63 Fed. Reg. 24121 (1998).

Comments filed through the ECFS can be sent as an electronic file via the Internet to <<http://www.fcc.gov/e-file/ecfs.html>>. Generally, only one copy of an electronic submission must be filed. If multiple docket or rulemaking numbers appear in the caption of this proceeding, however, commenters must transmit one electronic copy of the comments to each docket or rulemaking number referenced in the caption. In completing the transmittal screen, commenters 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 for e-mail comments, commenters should send e-mail to ecfs@fcc.gov, and should include the following words in the subject line "get form <your e-mail address>." A sample form and directions will be sent in reply.

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, commenters 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). The Commission's contractor, Natek, Inc., 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 Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class mail, Express Mail, and Priority Mail should be addressed to 445 12th Street, SW, Washington, D.C. 20554. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

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

- (1) the Commission's duplicating contractor, Qualex International, 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554; e-mail: qualexint@aol.com; facsimile: (202) 863-2898; phone: (202) 863-2893;
- (2) Tracey Wilson, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C437, Washington, D.C. 20554; e-mail: tracey.wilson-parker@fcc.gov;
- (3) Dennis Johnson, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 6-A461, Washington, D.C. 20554; e-mail: dennis.johnson@fcc.gov;
- (4) Julie Veach, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C124, Washington, D.C. 20554; e-mail: julie.veach@fcc.gov;

- (5) 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
- (6) Christopher Killion, Office of General Counsel, 445 12th Street, S.W., Room 8-C740, Washington, D.C. 20554; e-mail: chris.killion@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, SW, Room CY-A257, Washington, DC, 20554. They may also be purchased from the Commission's duplicating contractor, Qualex International, Portals II, 445 12th Street, SW, Room CY-B402, Washington, DC, 20554, telephone 202-863-2893, facsimile 202-863-2898, or via e-mail qualexint@aol.com.

For further information, please contact Tracey Wilson, at (202) 418-1394, or Dennis Johnson at (202) 418-0809.

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