

Filed Session of January 17, 2013  
Approved as Recommended  
and so Ordered  
By the Commission

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JEFFREY C. COHEN  
Acting Secretary

Issued and Effective January 17, 2013

STATE OF NEW YORK  
DEPARTMENT OF PUBLIC SERVICE

January 2, 2013

TO: THE COMMISSION

FROM: Office of Telecommunications

SUBJECT: CASE 12-C-0548 – Joint Petition of Total Call International, Inc. and KDDI America, Inc. for Approval of Transfer of up to 49% of Total Call International, Inc. to KDDI America, Inc.

SUMMARY OF

RECOMMENDATION: Staff recommends that approval be granted, pursuant to Section 100 of the Public Service Law, for the transfer of up to 49% of Total Call International, Inc. to KDDI America, Inc.

SUMMARY

By joint petition filed November 28, 2012, pursuant to Section 100 of the Public Service Law, Total Call International, Inc. and KDDI America, Inc. request approval for the transfer of up to 49% control of Total Call International, Inc. to KDDI America, Inc. While the proposed transaction will result in a change in the Total Call International, Inc. ownership, no transfer of authorizations, assets or customers will occur as a result of the proposed transaction. The petitioners have requested that this transaction be closed by January 31, 2013. Based on the parties' representations in the petition, the proposed transaction is in the public interest and Commission approval of the petition is recommended.

BACKGROUND

Total Call International, Inc. (TCI) is a California corporation with principal offices located at 707 Wilshire Blvd., 12 Floor, Los Angeles, CA 90017. TCI

provides prepaid calling card services and prepaid wireless services. In New York, TCI is authorized to provide resold telephone services pursuant to a Certificate of Public Convenience and Necessity (CPCN) granted on July 27, 2000 in Case No. 00-C-0268.

KDDI America, Inc. (KDDI) is a New York corporation with principal offices located at 825 Third Avenue, Third Floor, New York, NY 10022. KDDI America is 100% owned by KDDI Corporation, a Japanese corporation, with principal offices located at 3-10-10 Iidabashi Chiyoda-ku, Tokyo 102-0072, Japan. KDDI primarily provides international services, dial-around services and wireless services. In New York, KDDI is authorized to provide resold and facilities-based telecommunications services pursuant to a CPCN issued on July 9, 1998 in Case No. 98-C-0570.

#### PROPOSED TRANSACTION

TCI and KDDI have entered into a Summary of Principal Terms pursuant to which KDDI will purchase the remaining 49%<sup>1</sup> of the issued and outstanding capital stock of TCI, on a fully diluted, as converted basis. The consideration to be paid is all cash. The transaction will be accomplished pursuant to a definitive Stock Purchase Agreement which is currently being negotiated by the Parties. Upon consummation of the proposed transaction, KDDI will own 100% of the interests in TCI. There is no plan to notify customers as the proposed transaction will be transparent. There will be no impact on customers because the transfer will only result in a change of percentage of ownership. There will be no change in name and the company will continue to provide services pursuant to the terms and conditions of its tariff. Pre- transaction and post-transaction corporate structure charts are shown in Attachment A.

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<sup>1</sup> Transfer of Control of 51% of issued and outstanding stock from TCI to KDDI was approved in Matter No. 09-02214 effective February 8, 2010.

DISCUSSION

The petitioners represent that approval of the petition is in the public interest because it will enhance TCI's ability to compete in the market for telecommunications services in New York. This transaction will give TCI access to resources which will enable it to introduce new products and services and to respond to the competitive environment. The petitioners further represent that the proposed transaction will have no adverse effect upon TCI's current customers.

CONCLUSION

Based on the representations in the petition, staff finds that the proposed transaction is in the public interest. TCI will continue to provide services at the same or similar rates, terms and conditions without any immediate changes.

RECOMMENDATION

It is recommended that:

1. The Commission approve the petition and that the case be closed.

Respectfully submitted,

DAVID W. CRAMER  
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Office of Telecommunications

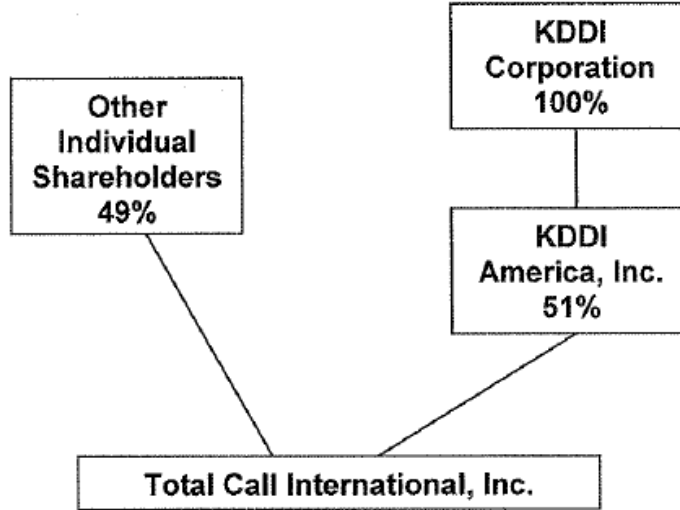
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APPROVED:

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**Pre-Transaction Ownership**



**Post-Transaction Ownership**

