

WILLIAM D. STEINMEIER, P.C.

2031 TOWER DRIVE
JEFFERSON CITY, MISSOURI (MO) 65109

WILLIAM D. STEINMEIER
ATTORNEY AT LAW
REGULATORY CONSULTANT
(573) 659-8672
FAX (573) 636-2305

MAILING ADDRESS:
POST OFFICE BOX 104595
JEFFERSON CITY, MISSOURI (MO)
65110-4595

MARY ANN YOUNG
ATTORNEY AT LAW
OF COUNSEL
(573) 634-8109
FAX (573) 634-8224

April 13, 2000

Mr. Dale Hardy Roberts
Executive Secretary-Chief Regulatory Law Judge
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102-0360

FILED²

APR 14 2000

Missouri Public
Service Commission

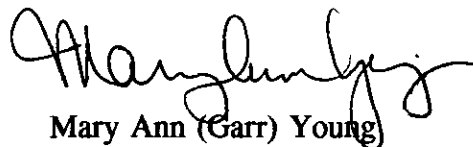
RE: Case No. TM-2000-653
Joint Application of World Access, Inc. and Communication TeleSystems International
d/b/a WORLDxCHANGE Communications for Approval of Merger

Dear Mr. Roberts:

Enclosed please find an original and fourteen copies of the **Joint Application** of World Access, Inc. and Communication TeleSystems International d/b/a WORLDxCHANGE Communications for Approval of a Merger for filing with the Commission. Thank you for your assistance in processing this filing.

Copies are being served on the Office of Public Counsel and General Counsel. If there are any questions, please call me at 634-8109.

Sincerely,



Mary Ann (Garr) Young

Enclosure

cc: Office of Public Counsel
General Counsel's Office
Ellen Ann G. Sands

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED³

APR 14 2000

Missouri Public
Service Commission

APPLICATION FOR APPROVAL)
OF THE MERGER BY AND AMONG)
WORLD ACCESS, INC.,)
WORLDxCHANGE COMMUNICATIONS, INC.)
AND COMMUNICATION TELESYSTEMS)
INTERNATIONAL d/b/a WORLDxCHANGE)

CASE NO. TM-2000-653

JOINT APPLICATION

World Access, Inc. ("WAXS") and Communication TeleSystems International d/b/a WORLDxCHANGE Communications ("CTI")*, pursuant to Section 392.300 RSMo. and 4 CSR 240-2.060(6), hereby request Commission approval of a transaction whereby CTI will merge with and into WorldxChange Communications, Inc. ("WCI", or the "Surviving Corporation"), a wholly owned subsidiary of WAXS (hereinafter, the "Acquisition").

The practical effect of the Acquisition will be that WAXS will acquire all of the issued and outstanding shares of CTI common stock for equitable consideration. After the transaction, WCI will continue to operate, in all material respects, as CTI currently operates. The technical, managerial and financial personnel of WAXS, in addition to some current CTI employees, will become the technical, managerial and financial personnel of the WCI after this transaction. WCI will continue to provide service under CTI's present operating authorities, certifications and tariffs, to the extent permitted by this Commission. In that regard, the parties respectfully request transfer of CTI's certification, tariffs and/or operating authority to WCI, or, in the alternative, grant of certificate of service authority as a competitive interexchange carrier to WCI.

WAXS and CTI hereby jointly seek Commission approval of the Merger, which will result in a change in ownership of the capital stock of CTI. Commission approval of the Merger will be beneficial to the involved companies as well as their customers, primarily due to the enhanced overall financial strength of the combined companies which will result from the transaction. Approval of the Merger will not in any way be detrimental to the public interests of this state. The customers of CTI will continue to receive from the WCI the same high quality service presently rendered to them by CTI, and there will not be any increase in their rates due to this transaction.

In support of this Application, Applicant shows the following:

I. THE PARTIES

1. CTI is a privately held California corporation with principal offices located at 9999 Willow Creek Road, San Diego, California 92131. CTI is a non-dominant carrier that provides switch-based and resold domestic and international long distance and alternative operator services.

2. CTI is authorized by the FCC to provide international services as a non-dominant carrier and intrastate service, pursuant to certification, registration or tariff requirements, or on an unregulated basis, in forty (40) states. CTI is a certificated carrier in Missouri pursuant to the Commission's Order Approving Interexchange Certificate of Service Authority and Order Approving Tariff, issued January 3, 1995, in Case No. TA-95-115. Documentation from the Missouri Secretary of State concerning CTI's authority to do business in Missouri was filed in Case No. TA-96-159, and is incorporated herein by reference.

3. WAXS is a public company, the common stock of which is publicly traded on the NASDAQ National Market, and is a Delaware corporation with principal offices located at 945 E. Paces Ferry Road, Suite 2200, Atlanta, Georgia 30326. WAXS is a holding company which does not directly offer telecommunications services, but rather owns and operates wholly owned subsidiaries which offer such services.

4. WCI is a privately held Delaware corporation (which is a wholly owned subsidiary of WAXS) that has been formed strictly for purposes of effectuating the Acquisition. In connection with the Acquisition, CTI will merge with and into WCI and will continue to provide service under CTI's present operating authorities, certifications and tariffs, to the extent permitted by this Commission.

5. The Acquisition contemplates CTI merging with and into WCI. The practical effect of the merger will be the acquisition by WAXS of all of the outstanding and issued shares of CTI's common stock for equitable consideration. After the transaction, the WCI will continue to operate, in all material respects, as CTI currently operates. The WCI will continue to operate as a regulated entity pursuant to CTI's present certifications, registrations, tariff requirements and rate structures, pursuant to applicable law and to the extent permitted by this Commission, or in the alternative, under a new IXC certificate to be issued to WCI. Pre- and post-merger flow charts are attached as Exhibit 1 to graphically show the results of the transaction.

II. DESIGNATED CONTACT

6. The designated contact for questions concerning this Application is:

EllenAnn G. Sands
Nowalsky, Bronston & Gothard, APLLC
3500 North Causeway Boulevard

Suite 1442
Metairie, Louisiana 70002
Telephone: (504) 832-1984
Facsimile: (504) 831-0892

with copies to:

Eric G. Lipoff
WorldxChange Communications
9999 Willow Creek Road
San Diego, California 92131
Telephone: (858) 530-8116
Facsimile: (858) 452-3780

Richard Heidecke
World Access, Inc.
1919 S. Highland, Suite 129-D
Lombard, Illinois 60148
Telephone: (630) 268-6620
Facsimile: (630) 268-6898

H. Franklin Layson
Long, Aldridge & Norman, LLP
303 Peachtree Street, Suite 5300
Atlanta, Georgia 30308
Telephone: (404) 527-4000
Facsimile: (404) 527-4198

III. REQUEST FOR PERMISSION TO CONSUMMATE THE MERGER

7. At the present time, WAXS is a non-regulated entity operating as a holding company. CTI is a regulated entity providing intrastate interexchange and alternative operator services, as well as interstate interexchange and international services, to its customers. By virtue of this transaction, and the resulting association of the two (2) corporate entities, both companies will realize economic, marketing and administrative efficiencies.

8. The parties submit that the Acquisition will accomplish the following:

- (a) WAXS will acquire all of the issued and outstanding shares of the stock of CTI by virtue of the merger of CTI with and into WCI;
- (b) As a result of the transaction, CTI will, in effect, become a wholly owned subsidiary of WAXS; and
- (c) The WCI shall continue to operate as a regulated entity pursuant to CTI's present certifications, registrations, tariff requirements and rate structures, as provided by and pursuant to applicable law and to the extent permitted by this Commission. If the Commission does not permit transfer of CTI's certificate to WCI, WCI will either adopt the tariff of CTI or file a new tariff adopting all rules, services and rates of CTI.

9 The technical, managerial and financial personnel of WAXS will become the technical, managerial and financial personnel of the WCI after the transaction, and WorldxChange Communications, Inc. will continue to provide service to the customers of CTI with the same high level of expertise currently in place.

10. The practical effect of the transaction is a change in ownership of the common stock of CTI. The WCI will continue to operate in all material respects as CTI presently operates. The Acquisition will be seamless and transparent to the customers of

CTI. As a result, the customers of CTI will in no way be adversely impacted by the Acquisition.

11. There are no pending or final judgments or decisions against WCI, the purchaser, from any state or federal agency which involve customer service or rates.

12. The proposed transaction will not have any impact on the tax revenues of any political subdivision in the state of Missouri.

IV. PUBLIC INTEREST CONSIDERATIONS

13. Critical to the Acquisition is the need to ensure the continuation of high quality service to all customers currently served by CTI. The Acquisition will serve the public interest for the following reasons:



- (a) First, it will enhance the operating efficiencies, including market efficiencies, of the combined companies.
- (b) Second, it will increase the appeal to present and potential customers as communications services will be provided in a more cost-effective manner due to higher buying power and lower transport costs.
- (c) Finally, it will provide improved access to capital and the ability to provide services to customers at competitive prices.

14. Accordingly, the Acquisition will serve to create a heightened level of operating efficiency which generally will serve to enhance the overall capacity of the combined companies to compete in the marketplace and to provide telecommunications services for customers in this state at competitive rates.

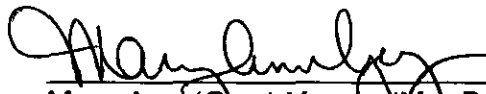
V. CONCLUSION

15. WHEREFORE, for the reasons stated herein, Applicants respectfully request that the Commission approve the Merger and authorize consummation of the Acquisition as described above, including the transfer of CTI's tariffs, certification and/or operating authority to the WCI.

Respectfully submitted,

 by 

EllenAnn G. Sands Ga. Bar #22604
Nowalsky, Bronston & Gothard, APLLC
3500 North Causeway Boulevard, Suite 1442
Metairie, Louisiana 70002
Telephone: (504) 832-1984
Fax: 504-831-0892



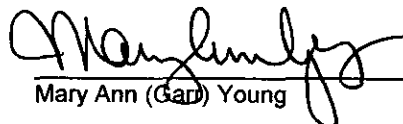
Mary Ann (Garr) Young (Mo. Bar No. 27951)
WILLIAM D. STEINMEIER, P.C.
P.O. Box 104595
Jefferson City, MO 65110-4595
(573) 634-8109 (telephone)
(573) 634-8224 (facsimile)

Counsel for World Access, Inc. and
Communication TeleSystems International d/b/a
WORLDxCHANGE Communications

Date: April 14, 2000

Certificate of Service

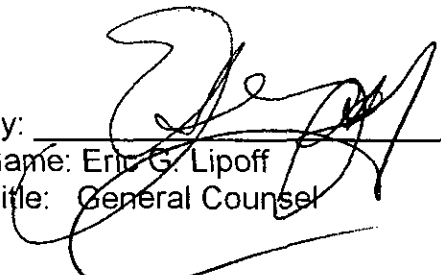
I hereby certify that copies of the foregoing Application have been hand delivered or deposited in the U.S. Mail, postage prepaid, to the Office of Public Counsel and the General Counsel this 14th day of April 2000.


Mary Ann (Garr) Young

STATE OF California
COUNTY OF San Diego

VERIFICATION

I, Eric G. Lipoff, am the General Counsel for WorldxChange Communications, and am authorized to make this verification on its behalf. The statements made in the foregoing Application are true of my own knowledge, except as to those matters which are therein stated on information and belief, and as to those matters I believe them to be true.

By: 
Name: Eric G. Lipoff
Title: General Counsel

Sworn to and subscribed before me, Notary Public, in and for the State and County named above, this 2nd day of March, 2000.

Terra K. Adams
Notary Public

My commission expires: 10-16-03



STATE OF Georgia

COUNTY OF Fulton

VERIFICATION

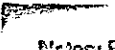
I, W. Tod Chmar, am the Executive Vice President of World Access, Inc. and am authorized to make this verification on its behalf. The statements made in the foregoing Application are true of my own knowledge, except as to those matters which are therein stated on information and belief, and as to those matters I believe them to be true.

By: W. Tod Chmar
Name: W. Tod Chmar
Title: Executive Vice President

Sworn to and subscribed before me, Notary Public, in and for the State and County named above, this 1st day of March, 2000.

Virginia S. Cook
Notary Public

My commission expires: _____

 **VIRGINIA S. COOK**
Notary Public, Fulton County, Georgia
My Commission Expires January 4, 2004