

Categories of Services for 214 Applications
(Streamline/Non-streamline)

- ASSIGNMENT OF LICENSE
- GLOBAL FACILITIES-BASED SERVICE
- GLOBAL FACILITIES-BASED/GLOBAL RESALE SERVICE
- GLOBAL RESALE SERVICE
- INDIVIDUAL FACILITIES-BASED SERVICE
- INTERCONNECTED PRIVATE LINE RESALE SERVICE
- LIMITED GLOBAL FACILITIES-BASED SERVICE/LIMITED GLOBAL RESALE SERVICE
- LIMITED GLOBAL FACILITIES-BASED SERVICE
- LIMITED GLOBAL RESALE SERVICE
- INMARSAT AND MOBILE SATELLITE SERVICE
- SWITCHED RESALE SERVICE
- TRANSFER OF CONTROL
- SUBMARINE CABLE LANDING LICENSE
- INTERNATIONAL SPECIAL PROJECT

Description of Application: _____

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BY COURIER

Federal Communications Commission
International Bureau Telecommunications Division
P. O. Box 358115
Pittsburgh, PA 15251-5115

Attention: Troy Tanner, Chief, Policy and Facilities Branch, International Bureau

Re: *Application of International Exchange Communications, Inc. d/b/a IE Com, for
Global Authority Pursuant to Section 214 of the Communications Act of 1934, As
Amended, to Operate as an International Facilities-based Carrier and as an
International Resale Carrier*

Dear Sir or Madam:

Enclosed for filing with the Commission are an original and six (6) copies of the application of International Exchange Communications, Inc. d/b/a IE Com requesting global authority, pursuant to Section 214 of the Communications Act of 1934, as amended, to operate as an international facilities-based carrier and as an international resale carrier between the United States and various international points.

As required by the Commission's Rules, a check in the amount of \$780.00 is enclosed. Please date-stamp the extra copy of this application and return it in the enclosed self-addressed, stamped envelope. Any questions regarding the enclosed application should be addressed to the undersigned.

Respectfully submitted,


Catherine Wang
Maria L. Cattafesta

Counsel for International Exchange
Communications, Inc. d/b/a IE Com

Enclosures

cc:

Howard Neckowitz
Gail Granton
Robert Craver
Ron Anderson
Chuck Taylor
Andrew D. Lipman

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of

INTERNATIONAL EXCHANGE
COMMUNICATIONS, INC.
D/B/A IE COM

File No. ITC-98-

ITC-214-19980915-08644

Application for Global Authority Pursuant to
Section 214 of the Communications Act
of 1934, as amended, to Operate as an
International Facilities-Based and Resale Carrier
Between the United States and Various
International Points

APPLICATION

International Exchange Communications, Inc. d/b/a IE Com ("IE Com" or "Applicant"),
by its undersigned counsel, hereby requests "global" authority, under Section 214 of the
Communications Act of 1934, as amended, 47 U.S.C. § 214, and Section 63.18 of the
Commission's Rules, 47 C.F.R. § 63.18 (1997), to provide international telecommunications
services between the United States and international points.

I. The Proposed International Services

IE Com requests four types of authority in this Application, all of which are eligible for
streamlined processing.¹ IE Com specifically requests: (1) global facilities-based authority

¹ See *Streamlining the International 214 Authorization Process and Tariff Requirements*, 11
FCC Rcd 12884 (1996) (adopting streamlined 35-day processing procedures for certain international
resale applications) ("*Streamlining Order*"); 47 C.F.R. § 63.12 (1998).

pursuant to Section 63.18(e)(1) of the FCC's Rules, 47 C.F.R. § 63.18(e)(1), to acquire interests in half-circuits in U.S.-authorized facilities as well as necessary connecting facilities to provide international telecommunications services between the United States and all international points except those countries excluded by the Exclusion List;^{2/} (2) global authority pursuant to Section 63.18(e)(2) of the FCC's Rules, 47 C.F.R. § 63.18(e)(2), to resell the international switched services of all U.S.-authorized carriers to provide international switched services between the United States and all international points served by those carriers; (3) global authority pursuant to Section 63.18(e)(2) of the FCC's rules, 47 C.F.R. §63.18(e)(2), to resell international private lines to provide international non-interconnected private line services between the United States and all international points; and (4) authority pursuant to Section 63.18(e)(2) of the FCC's Rules, 47 C.F.R. § 63.18(e)(2), to resell international private lines interconnected to the public switched network ("PSN") at one or both ends to provide international switched services on all international routes on which the Commission permits such services to be provided.^{3/} As IE Com does not seek authority to serve countries or use facilities excluded by the Exclusion List, and does not

^{2/} IE Com only seeks authority to own circuits on facilities not excluded by the Exclusion List.

^{3/} The FCC will automatically amend all Section 214 authorizations to permit carriers to resell international private lines to provide international switched services between the United States and other countries as provision of such services becomes permitted by the Commission. *Streamlining Order* at ¶ 34. *See also, International Settlement Rates*, IB Docket 96-261, *Report and Order*, FCC 97-280 (rel. Aug. 18, 1997)(*Benchmarks Order*); *Rules and Policies of Foreign Market Participation in the U.S. Telecommunications Market*, IB Docket 97-142, *Report and Order on Reconsideration*, FCC 97-398 (rel. Nov. 26, 1997) (*Foreign Market Participation Order*).

seek to serve countries in which it has a facilities-based affiliate, IE Com's Application for authority pursuant to Section 214 is eligible for streamlined processing.^{4/}

IE Com believes that the added competition its entry will bring to the market will benefit the consumers of United States-overseas services. These benefits include competitive pricing and increased availability of a variety of service options. A grant of this Application will therefore further the public interest.

II. The Applicant

IE Com is a corporation organized under the laws of Delaware. IE Com is not affiliated, as that term is defined by Part 63 of the Commission's Rules^{5/} with any dominant U.S. carriers whose international services IE Com will resell. IE Com is affiliated, within the meaning of Section 63.18(h)(1)(i), 47 C.F.R. § 63.18(h)(1)(i), of the Commission's Rules, with foreign carriers that lack sufficient market power on the respective foreign end of the route to affect competition adversely in the U.S. market. Therefore, IE Com should be classified as a nondominant carrier for the provision of the services for which authority is requested in this Application, and IE Com's Application is eligible for streamlined processing.

III. Public Interest Considerations

In the *Market Entry Order*, the Commission set forth the following policy goals for its regulation of the U.S. international telecommunications market: to promote effective competition

^{4/} See *Streamlining Order*; 47 C.F.R. § 63.12 (1998).

^{5/} 47 C.F.R. §63.18(h); *Market Entry and Regulation of Foreign-Affiliated Entities, Report and Order*, 11 FCC Rcd 3875 (1995) (*Market Entry Order*).

in the U.S. telecommunications market, particularly the market for international telecommunications services; to prevent anticompetitive conduct in the provision of international services or facilities; and to encourage foreign governments to open their communications markets.^{6/} The Commission also stated that "establishing an effectively competitive global communications market could result in reduced rates, increased quality, and new innovative services."^{7/} In addition, the Commission found that "effective competition directly advances the public interest and the Commission's paramount goal of making available a rapid, efficient, worldwide wire and radio communication service with adequate facilities at reasonable charges."^{8/}

Grant of IE Com's request for facilities-based and resale authority to provide international services as requested in this Application will directly further the Commission's policies of bringing increased competition to the U.S. international telecommunications services market and is therefore in the public interest.

IV. Information Required under Section 63.18

As required by Section 63.18 of the Commission's Rules, IE Com submits the following information:

- (a) Name, address and telephone number of Applicant:

International Exchange Communications, Inc. d/b/a IE Com
533 Airport Boulevard, Suite 505
Burlingame, CA 94019
Tel: (650) 375-6700

^{6/} *Id.* at ¶ 6.

^{7/} *Id.*

^{8/} *Id.* at ¶ 10.

(b) Applicant is a corporation incorporated under the laws of Delaware.

(c) Correspondence regarding this Application should be sent to:

Catherine Wang, Esq.
Maria L. Cattafesta, Esq.
SWIDLER BERLIN SHEREFF FRIEDMAN, LLP
3000 K Street, N.W., Suite 300
Washington, D.C. 20007
Tel: (202) 424-7837
Fax: (202) 424-7645

with a copy to:

Gail E. Granton
International Exchange Communications, Inc. d/b/a IE Com
533 Airport Boulevard, Suite 505
Burlingame, CA 94019
Tel: (650) 375-6700

(d) Upon grant of this Application, IE Com will become an authorized non-dominant facilities-based carrier and reseller with global authority, subject to Section 214 of the Communications Act of 1934, as amended, and the Commission's Rules. IE Com lacks the market power that would allow it to control prices to the detriment of market competition.

(e) IE Com requests Section 214 authority to operate as a facilities-based carrier pursuant to the terms and conditions of Section 63.18(e)(1) and to operate as a resale carrier pursuant to the terms and conditions of Section 63.18(e)(2). Specifically, IE Com requests: (1) global facilities-based authority pursuant to Section 63.18(e)(1) of the FCC's Rules, 47 C.F.R. § 63.18(e)(1), to acquire interests in half-circuits in U.S.-authorized facilities as well as necessary connecting facilities to provide international telecommunications services between the United States and all international points except those countries excluded by the Exclusion List;^{9/} (2) global authority pursuant to Section 63.18(e)(2) of the FCC's Rules, 47 C.F.R. § 63.18(e)(2), to resell the international switched services of all U.S.-authorized carriers to provide international switched services between the

^{9/} IE Com only seeks authority to own circuits on facilities not excluded by the Exclusion List.

United States and all international points served by those carriers; (3) global authority pursuant to Section 63.18(e)(2) of the FCC's rules, 47 C.F.R. §63.18(e)(2), to resell international private lines to provide international non-interconnected private line services between the United States and all international points; and (4) authority pursuant Section 63.18(e)(2) of the FCC's Rules, 47 C.F.R. § 63.18(e)(2), to resell international private lines interconnected to the public switched network ("PSN") at one or both ends to provide international switched services on all international routes on which the Commission permits such services to be provided.

(f) IE Com seeks the authority to provide only the services referenced under paragraph (e) of Section 63.18 of the Commission's Rules.

(g) The authority requested in this Application is categorically excluded from environmental processing as defined by Section 1.1306 of the Commission's Rules, 47 C.F.R. § 1.1306. As such, an environmental assessment is not required for purposes of this Application and is therefore not attached.

(h) IE Com is "affiliated," either directly or indirectly, with the following foreign carrier pursuant to Section 63.18(h)(1)(i) of the Commission's Rules. Commission's Rules.^{10/}

IE Com will provide its foreign affiliation information under separate cover.

Information regarding **IE Com's** 10% or greater direct or indirect shareholders is as follows:

Name:	Pacific Gateway Exchange, Inc.
Address:	533 Airport Boulevard, Suite 505 Burlingame, CA 94019
Percentage Held:	100%
Citizenship:	Delaware
Principal Business:	Telecommunications

^{10/} 47 C.F.R. §63.18(h)

Information regarding **Pacific Gateway Exchange, Inc.**'s 10% or greater direct or indirect shareholder is as follows:

Name: Howard A. Neckowitz
 Address: 533 Airport Boulevard, Suite 505
 Burlingame, CA 94019
 Percentage Held: approximately 20.4%*
 Citizenship: United States of America
 Principal Business: Telecommunications

*Including certain shares held by other individuals or trusts for which Mr. Neckowitz has been granted certain irrevocable proxies.

(2) IE Com's interlocking officers or directors are as follows:

Name of Officer/Director	Company	Position
Howard A. Neckowitz	International Exchange Communications, Inc. d/b/a IE Com	President & Director
	Pacific Gateway Exchange, Inc.	President & Chief Executive Officer
Gail E. Granton	International Exchange Communications, Inc. d/b/a IE Com	Vice-President, Secretary, Treasurer & Director
	Pacific Gateway Exchange, Inc.	Executive Vice President, International Business Development & Secretary

(i) As required by Section 63.18 (i) of the Commission's Rules, 47 C.F.R. § 63.18(i), IE Com certifies that it has not agreed to accept nor shall it accept in the future any special concessions, as defined by the Commission's Rules, directly or indirectly from any foreign carrier or administration with respect to traffic or revenue flows between the U.S. and any foreign country for which IE Com may be authorized to serve.

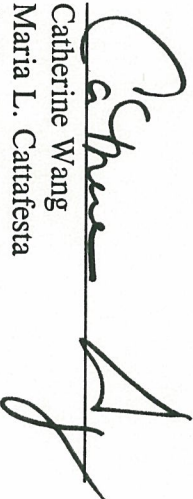
(j) IE Com is not subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988. IE Com's certification pursuant to Section 1.2002 of the Commission's Rules (implementing the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 3301) is attached.

CONCLUSION

For the reasons stated above, International Exchange Communications, Inc. d/b/a IE Com respectfully submits that the public interest, convenience, and necessity would be furthered by a grant of this Section 214 Application.

Respectfully submitted,

By:



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SWIDLER BERLIN SHEREFF FRIEDMAN, LLP
3000 K Street, N.W., Suite 300
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(202) 424-7837 (tel)
(202) 424-7645 (fax)

Counsel for International Exchange
Communications, Inc. d/b/a IE Com

Dated: September 15, 1998

CERTIFICATION OF APPLICANT

On behalf of International Exchange Communications, Inc. d/b/a IE Com and in accordance with Section 1.2001-1.2003 of the Commission's Rules, 47 C.F.R. §§ 1.2001-1.2003, I hereby certify that no party to this request is subject to a denial of Federal benefits that includes FCC benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988. See 21 U.S.C. § 853a. Further, I hereby certify that the statements in the foregoing request for Special Temporary Authority are true, complete, and correct to the best of my knowledge and are made in good faith.

To the extent required by the Commission's Rules, International Exchange Communications, Inc. d/b/a IE Com certifies that it has not agreed to accept special concessions directly or indirectly from any foreign carrier or administration with respect to traffic or revenue flows between the U.S. and various international points for which Special Temporary Authority is granted, and has not agreed to enter into such agreements in the future.

International Exchange Communications, Inc.
d/b/a IE Com

By: 

Name: GAILE GRANTON

Title: V-P, Secretary, Treasurer & Director

Date: 9/14/98