

Categories of Services for 214 Applications
(Streamlined/Non-streamlined)

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

In the matter of)	
BC TEL)	
Application for authority pursuant)	File No. I.T.C. – 98-_____
to Section 214 of the)	
Communications Act of 1934)	
as amended, for global authority)	
to operate as an international)	
facilities-based carrier)	

SECTION 214 APPLICATION

BC TEL hereby requests authority, pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. Section 214 (1982), and Section 63.18 of the Commission's Rules, 47 C.F.R. Section 63.18, to provide global international facilities-based services between the United States and international points. BC TEL also requests streamlined processing of this application and non-dominant regulatory treatment.

I. BACKGROUND AND REASONS FOR THE APPLICATION

BC TEL is a Canadian telecommunications company that provides a wide range of products and services to customers throughout British Columbia. At this time, BC TEL provides no service in the United States.

Currently, BC TEL exchanges Canada/US traffic with AT&T, MCI and Sprint at an interconnection point located on the Canada/US border. The carriers charge each other for traffic carried over their network under a settlement scheme administered by a consortium of Canadian carriers known as the Stentor-Canadian Network Management ("Stentor") based on annual volumes. BC TEL is one of the ten members of Stentor.

BC TEL seeks a Section 214 license to acquire and operate certain fiber strands and relocate the interconnection point for Canada/US traffic from the border to Seattle, Washington. The change in the interconnection point should enable BC TEL to interconnect to more carriers and promote competition in the international services market, allowing BC TEL to reduce costs to its customers. Any future operations in the United States under this license will serve the same purposes. Consequently, by granting this application, the Commission will serve the public interest, convenience and necessity.

II. BC TEL'S APPLICATION PRESENTS NO FOREIGN OWNERSHIP CONCERNS

In the recent Foreign Participation Order, the Commission promulgated new rules to liberalize foreign participation in basic telecommunication services in the United States. Report and Order, Market Entry and Regulation of Foreign-Affiliated Entities, FCC No. 97-398 (rel. Nov. 26, 1997) ("Foreign Participation Order" or "Order"). The Commission adopted "a rebuttable presumption that applications for Section 214 authority from carriers from WTO Members do not pose concerns that would justify denial of an application on competition grounds," Id. at para. 50, and, as a result, the Commission anticipates denying or attaching conditions to the authorization only under "exceptional circumstances." Id. at para. 54.

Under this standard, BC TEL's acquisition of a Section 214 license presents no foreign ownership concerns. First, as an applicant from Canada – a WTO member country – BC TEL is entitled to a presumption of entry. Additionally, this application will merely result in a change in the interconnection point from the Canada/U.S. border to Seattle, an action that does not constitute "exceptional circumstances." Finally, the Commission has already granted Section 214 authorization to a wholly owned affiliate of Teleglobe, a monopoly provider of overseas telecommunications services in Canada, under an earlier, stricter entry standard in place

before the liberalized WTO rules were implemented. Matter of Teleglobe, 13 FCC Rcd 2560 at para. 2 (1998). This suggests that the Commission should have few competitive concerns regarding entry by Canadian carriers.

III. BC TEL IS ENTITLED TO NON-DOMINANT TREATMENT AND STREAMLINED PROCESSING OF THIS APPLICATION

Commission rules require foreign carriers to provide information sufficient to demonstrate that they qualify for non-dominant classification. 47 C.F.R. §63.18(h)(8). In response, BC TEL points out that the Commission has already determined that BC TEL is non-dominant. In Matter of Petition of GTE Hawaiian Telephone Company, the Commission determined that BC TEL has "little ability to influence Stentor [the entity that administers settlements] or otherwise discriminate against . . . U.S. competitors," 11 FCC Rcd 20354 at para. 63 (1996). Moreover, BC TEL "provide[s] local exchange service in only a limited portion of Canada," Id. at para 63, and controls no bottleneck services in relevant markets. See paras 62-63. Given that there have been no material changes affecting BC TEL's market power since GTE Hawaiian was released, the Commission should continue to regard BC TEL as non-dominant.

Because BC TEL is non-dominant, this application is entitled to streamlined processing. Streamlined processing applies unless (1) the applicant is a foreign carrier and (2) the Commission has not yet made a finding that the carrier lacks "sufficient market power in that destination market to affect competition adversely in the U.S. market," unless certain exceptions are met. 47 C.F.R. § 63.12(c)(1). In BC TEL's case, the Commission already determined in GTE Hawaiian Telephone that BC TEL cannot discriminate against U.S. carriers, and consequently, streamlined processing of this application is appropriate. 11 FCC Rcd 20354 at paras. 62-63 (1996).

IV. SECTION 63.18 INFORMATION

The following information is submitted, as required by Section 63.18 of the

Commission's Rules, in support of BC TEL's request for authorization.

A. Name, address, and telephone number of BC TEL

BC TEL
Legal Department
21-3777 Kingsway
Burnaby, B.C. VSH 327

B. Government under which BC TEL is organized

BC TEL is a corporation organized under the laws of Canada

C. Where to send correspondence

Correspondence concerning this application should be sent to:

Attention: Mr. Michel E. Belec, Senior Counsel
BC TEL
Legal Department
21-3777 Kingsway
Burnaby, B.C. VSH 327
Direct Tel. No.: (604) 432-2151
Fax No.: (604) 439-1261

Brooks Harlow
Miller, Nash, Wiener, Hager & Carlsen LLP
4400 Two Union Square
601 Union Street
Seattle, WA 98109

D. Whether BC TEL currently has Section 214 approval

BC TEL has not received authority previously under Section 214 of the Communications Act.

E. Type of Section 214 authority requested

BC TEL requests global facilities-based Section 214 authority pursuant to the terms and conditions of Section 63.18(e)(1) of the Commission's Rules.

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F. Other authorizations

At this time, BC TEL seeks no other authorization available under Section 63.18(e).

G. Construction of other facilities

Not applicable.

H. Affiliations with foreign carriers

BC TEL is a foreign carrier currently providing service in Canada, a WTO member country. All of the outstanding shares of BC TEL are owned by BC Telecom. As required by 47 C.F.R. § 63.18 (h)(2), the name, address, citizenship and principal business of the shareholders that control ten percent or more of BC TEL are as follows:

1. BC Telecom

21-3777 Kingsway, Burnaby
British Columbia, Canada
V5H 3Z7
Citizenship: *Canadian
Principal business: Telecommunications
Anglo-Canadian Telephone Company ("Anglo-Canadian") owns 63,143,943 common shares representing 50.9% of the outstanding shares of BC Telecom.

2. Anglo-Canadian Telephone Company

1155 Rene Levesque Boulevard West
Room 3301
Montreal, Quebec
H3B 3T1
Citizenship: Canadian
Principal business: Telecommunications
Anglo-Canadian is a subsidiary of GTE Corporation.

3. GTE Corporation

1 Stanford Forum
Stanford, CT 06904
Citizenship: USA
Principal business: Telecommunications

I. Special concessions

BC TEL certifies that it has not agreed and will not agree in the future to accept any direct or indirect special concessions from a foreign carrier or administration with regards to traffic or revenue flows between the United States and any foreign countries the company is authorized to serve.

J. Anti-Drug Abuse Act

BC TEL certifies that no party to this application has been denied federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

V. CONCLUSION

In conclusion, BC TEL certifies that all information in this application is accurate and correct. For these reasons, BC TEL respectfully requests that the Commission grant this application.

Respectfully submitted,

Miller, Nash, Wiener, Hager & Carlsen LLP

By: 
Brooks Harlow

Miller, Nash, Wiener, Hager & Carlsen LLP
4400 Two Union Square
601 Union Street
Seattle, WA 98109

Attorneys for BC TEL

Date: Sept. 18, 1998