

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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FBI





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February 22, 1999

VIA OVERNIGHT DELIVERY

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: KD Associates, Inc.'s Application Pursuant to Section 214 of the Communications Act of 1934, as amended, for Global Authority to Operate as an International Facilities-Based and International Resale Carrier

Dear Sir or Madam:

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

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,

  
Rachel D. Flam

Counsel for KD Associates, Inc.

Enclosures

cc: Trevor Dearman





Information Required under Section 63.18

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

- (a) Name, address and telephone number:  
KD Associates, Inc.  
11240 Waples Mill Road  
Suite 403  
Fairfax, Virginia 22030  
Telephone: (703) 691-0330
- (b) KD Associates is a corporation organized under the laws of the State of Delaware.
- (c) Correspondence concerning this application should be sent to:  
Rachel D. Flam  
Swidler Berlin Shereff Friedman, LLP  
3000 K Street, N.W., Suite 300  
Washington, D.C. 20007  
Telephone: (202) 424-7500  
Facsimile: (202) 424-7645  
with a copy to:  
Trevor Dearman, Chief Executive Officer  
KD Associates, Inc.  
11240 Waples Mill Road  
Suite 403  
Fairfax, Virginia 22030  
Telephone: (703) 691-0330
- (d) Upon grant of this application, KD Associates 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. KD Associates lacks the market power that would allow it to control prices to the detriment of market competition.

(e) KD Associates hereby requests four types of authority, all of which are eligible for streamlined processing.<sup>1/</sup> Specifically KD Associates 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 United States-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;<sup>2/</sup> (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 United States-authorized carriers, other than those affiliated carriers with market power on a particular route, 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.<sup>3/</sup>

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

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<sup>1/</sup> See *Streamlining the International 214 Authorization Process and Tariff Requirements*, IB Docket No. 95-118, FCC 96-79 (released March 13, 1996) (adopting streamlined 35-day processing procedures for certain international resale applications) ("Streamlining Order"); 47 C.F.R. § 63.12 (1996); see also *Rules and Policies on Foreign Market Participation in the U.S. Telecommunications Market*, IB Docket 97-142, *Report and Order on Reconsideration*, FCC 97-398 at ¶¶ 21, 322-29 (rel. Nov. 27, 1997) ("*Foreign Market Participation Order*").

<sup>2/</sup> KD Associates seeks only authority to own circuits on facilities not excluded by the Exclusion List.

<sup>3/</sup> 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. See *Streamlining Order* at ¶ 34. Cf. *Foreign Market Participation Order* at ¶¶ 29-86 (declaring that, upon the effective date of the Commission's new rules, carriers reselling international private lines interconnected to the public switched network to provide international switched services between the U.S. and WTO Member countries will no longer have to meet the equivalency test if settlement rates for at least 50 percent of the U.S.-billed traffic on the route or routes in question are at or below the relevant benchmark posted in the Commission's *Benchmarks Order*). Cf. also *International Settlement Rates*, IB Docket 96-261, *Report and Order*, FCC 97-280 (rel. Aug. 18, 1997) ("*Benchmarks Order*").

(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) KD Associates certifies that it is not affiliated with any dominant United States carriers whose facilities-based services it proposes to resell or with any foreign carriers, within the meaning of Section 63.18(h), 47 C.F.R. § 63.18(h), of the Commission's rules.

KD Associates' interlocking directorates are reflected in Attachment A, appended hereto.

The following individuals and entities hold a ten percent (10%) or greater direct or indirect shareholder or other equity interest in **KD Associates**:

Name: Calabria Limited  
Address: 227 Clinch's House  
Lord Street Douglas  
Isle of Man IM99IRZ  
Citizenship: Isle of Man  
Principal Business: Telecommunications

The following individuals and entities hold a ten percent (10%) or greater direct or indirect shareholder or other equity interest in **Calabria**:

Name: Kardan International B. V.  
Address: Prins Hendriklaan 18  
1075 BC Amsterdam, The Netherlands  
Citizenship: Netherlands  
Principal Business: Investment

The following individuals and entities hold a ten percent (10%) or greater direct or indirect shareholder or other equity interest in **Kardan International B.V.:**

Name: Kardan Ltd.  
Address: 154 Petach Tikva Road  
Tel Aviv, Israel  
Citizenship: Israel  
Principal Business: Investment

The following individuals and entities hold a ten percent (10%) or greater direct or indirect shareholder or other equity interest in **Kardan Ltd.:**



Name: Talladium Holdings (1987) Ltd.  
Address: 154 Petach Tikva Road  
Tel Aviv, Israel  
Citizenship: Israel  
Principal Business: Investment

The following individuals and entities hold a ten percent (10%) or greater direct or indirect shareholder or other equity interest in **Talladium Holdings (1987) Ltd.:**

Name: Talromit Ltd.  
Address: 154 Petach Tikva Road  
Tel Aviv, Israel  
Citizenship: Israel  
Principal Business: Investment

Name: Raytheon Ltd.  
Address: 154 Petach Tikva Road  
Tel Aviv, Israel  
Citizenship: Israel  
Principal Business: Investment

The following individuals and entities hold a ten percent (10%) or greater direct or indirect shareholder or other equity interest in **Talromit Ltd.:**

Name: Yosef Grunfeld  
Address: 13 Bodenheimer Street  
Tel Aviv, Israel  
Citizenship: Israel  
Principal Business: Investment

The following individuals and entities hold a ten percent (10%) or greater direct or indirect shareholder or other equity interest in **Raytheon Ltd.:**

Name: Avner Schnur  
Address: 4 Hatzabar Street  
Savyon, Israel  
Citizenship: Belgium, Israel  
Principal Business: Diamond Processing and Trading

- (i) Pursuant to Section 63.18(i) of the Commission's Rules, 47 C.F.R. § 63.18(i), KD Associates 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 United States and any foreign country which it is or may be authorized



to serve.

- (j) KD Associates is not subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988. A 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.
- (k) KD Associates is not affiliated, as that term is defined by Part 63 of the Commission's Rules and the Commission's recent revisions of Part 63,<sup>4/</sup> with any dominant United States carriers whose international services it will resell; nor is KD Associates affiliated with any foreign carriers with market power. This application is, accordingly, eligible for streamlined processing.<sup>5/</sup>

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<sup>4/</sup> *Market Entry and Regulation of Foreign-affiliated Entities, Report & Order*, 11 FCC Rcd 3873 (1995).


<sup>5/</sup> *See Streamlining Order*; 47 C.F.R. § 63.12 (1996).

**CONCLUSION**

For the reasons stated above, KD Associates, Inc. respectfully submits that the public interest, convenience and necessity would be furthered by a grant of this Section 214 application.

Respectfully submitted,

By: \_\_\_\_\_

  
Rachel D. Flam

Swidler Berlin Shereff Friedman, LLP  
3000 K Street, N.W., Suite 300  
Washington, D.C. 20007  
Tel: (202) 424-7500  
Fax: (202) 424-7645

Its Counsel

Dated: February 22, 1999



**CERTIFICATION OF APPLICANT**

On behalf of KD Associates, Inc., 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 application 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. I also hereby certify that the statements in the foregoing Application for Section 214 authority are true, complete, and correct to the best of my knowledge and are made in good faith.

KD Associates, Inc. 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 on any U.S. international route where the foreign carrier possesses sufficient market power on the foreign end of the route to affect competition adversely in the U.S. market.

**KD ASSOCIATES, INC.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

ATTACHMENT A

**INTERLOCKING DIRECTORATE REPORT**  
of  
**KD ASSOCIATES, INC.**

Interlocking Officer/Director	Title/Position	Companies
Holger Dietze	Director Chairman of the Board, Chief Executive Officer, President Director, Chief Executive Officer Chief Executive Officer, President	KD Associates, Inc. Denwa Communications, Inc. IFC Global Iredell Data Communications
Trevor Dearman	Director, Chief Executive Officer Chief Operating Officer	KD Associates, Inc. Denwa Communications, Inc. Iredell Data Communications
Lijun Niu	Director, President Chief Technical Officer	KD Associates, Inc. Denwa Communications, Inc. Iredell Data Communications