

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: \_\_\_\_\_

---

---

---

---

---

SWIDLER BERLIN SHEREFF FRIEDMAN, LLP

FCC/MELLOW

FEB 23 1999

WASHINGTON OFFICE  
3000 K STREET, N.W., SUITE 300  
WASHINGTON, DC 20007-5116  
TELEPHONE (202) 424-7500  
FACSIMILE (202) 424-7647

February 23, 1999

NEW YORK OFFICE  
919 THIRD AVENUE  
NEW YORK, NY 10022-9998  
TELEPHONE (212) 758-9500  
FACSIMILE (212) 758-9526

VIA COURIER

**COPY**

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

Re: *Application of Sea Breeze Communication Company, 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 Sea Breeze Communication Company, 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 Anthony Hansel at (202) 424-7854.

Respectfully submitted,



Andrew D. Lipman  
Anthony Hansel

Counsel for Sea Breeze Communication Company

Enclosures

cc: Philip D. Wright

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

\_\_\_\_\_  
In the Matter of )  
)  
)

SEA BREEZE COMMUNICATION )  
COMPANY )  
)

File No. ITC-99-\_\_\_\_\_

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

Sea Breeze Communication Company ("Sea Breeze" 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 (1996), to provide international telecommunications services between the United States and international points other than those excluded by the Exclusion List.

**I. The Proposed International Services**

Sea Breeze requests four types of authority in this Application, all of which are eligible for streamlined processing.<sup>1/</sup> Sea Breeze specifically 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

\_\_\_\_\_  
<sup>1/</sup> 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 (1996).

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;<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 U.S.-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 except those countries excluded by the Exclusion List; (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 except those countries excluded by the Exclusion List; 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> As Sea Breeze does not seek authority to serve countries or use facilities excluded by the Exclusion List, and does not seek to

---

<sup>2/</sup> Sea Breeze only seeks 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. *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*).

serve countries in which it has a facilities-based affiliate, Sea Breeze's Application for authority pursuant to Section 214 is eligible for streamlined processing.<sup>4/</sup>

Sea Breeze believes that the added competition its entry will bring to the market will benefit United States consumers of international telecommunications services. 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

Sea Breeze is a privately held corporation organized under the laws of the State of Delaware. Sea Breeze is not affiliated, as that term is defined by Part 63 of the Commission's Rules<sup>5/</sup> with any dominant U.S. carriers whose international services Sea Breeze will resell. Sea Breeze is not 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 any foreign carriers. Therefore, Sea Breeze should be classified as a nondominant carrier for the provision of the services for which authority is requested in this Application, and Sea Breeze's Application is eligible for streamlined processing.

---

<sup>4/</sup> See *Streamlining Order*; 47 C.F.R. § 63.12 (1996).

<sup>5/</sup> 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*).

### 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 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.<sup>6/</sup> The Commission also stated that "establishing an effectively competitive global communications market could result in reduced rates, increased quality, and new innovative services."<sup>7/</sup> 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."<sup>8/</sup> Grant of Sea Breeze'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.

---

<sup>6/</sup> *Id.* at ¶ 6.

<sup>7/</sup> *Id.*

<sup>8/</sup> *Id.* at ¶ 10.

**IV. Information Required under Section 63.18**

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

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

Sea Breeze Communication Company  
P.O. Box 2256  
Wichita, Kansas 67201  
Tel: (316) 828-5500  
Fax: (316) 828-7664

(b) Applicant is organized under the laws of the State of Delaware.

(c) Correspondence concerning this application should be sent to:

Andrew D. Lipman, Esq.  
Anthony Hansel, Esq.  
SWIDLER BERLIN SHEREFF FRIEDMAN, LLP  
3000 K Street, N.W., Suite 300  
Washington, D.C. 20007  
Tel: (202) 424-7500  
Fax: (202) 424-7645

with a copy to:

Philip D. Wright, Esq.  
Sea Breeze Communication Company  
P.O. Box 2256  
Wichita, Kansas 67201  
Tel: (316) 828-5524  
Fax: (316) 529-6337

(d) Upon grant of this Application, Sea Breeze 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. Sea Breeze lacks the market power that would allow it to control prices to the detriment of market competition.

(e) Sea Breeze 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, Sea Breeze 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;<sup>9/</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 U.S.-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 except those countries excluded by the Exclusion List; (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 except those countries excluded by the Exclusion List; 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) Sea Breeze seeks authority in this Application to provide only 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.

---

<sup>9/</sup> List.

Sea Breeze only seeks authority to own circuits on facilities not excluded by the Exclusion



(h) Sea Breeze is not "affiliated," either directly or indirectly, with any foreign carrier as that term is defined in the Commission's Rules.<sup>10/</sup> Information regarding Sea Breeze's 10% or greater direct or indirect shareholders is as follows:

Name: Koch Ventures, Inc  
Address: P. O. Box 2256  
Wichita, Kansas 67201  
Percentage Held: 100%  
Citizenship: United States  
Principal Business: Private Equity Investment Activities

Information regarding Koch Ventures, Inc.'s 10% or greater direct or indirect shareholders is as follows:

Name: Koch Capital Services, Inc  
Address: P. O. Box 2256  
Wichita, Kansas 67201  
Percentage Held: 100%  
Citizenship: United States  
Principal Business: Maintain and optimize the excess financial capital of Koch Industries, Inc. and provide value added capital markets products and services.

Information regarding Koch Capital Services, Inc.'s 10% or greater direct or indirect shareholders is as follows:

Name: Koch Industries, Inc  
Address: P. O. Box 2256  
Wichita, Kansas 67201  
Percentage Held: 100%  
Citizenship: United States  
Principal Business: Oil and Gas

Information regarding Koch Industries, Inc.'s 10% or greater direct or indirect shareholders is as follows:

Name: Charles Koch  
Address: P. O. Box 2256  
Wichita, Kansas 67201  
Citizenship: United States

---

<sup>10/</sup> 47 C.F.R. §63.18(h)

Name: David Koch  
Address: 161 East 42<sup>nd</sup> Street  
New York, New York 10017  
Citizenship: United States

Name: Trof, Inc.  
Address: 7600 West Tidwell, Suite 800  
Houston, Texas 77040  
Citizenship: United States  
Principal Business: Investments

Sea Breeze does not have any interlocking directorates to report.

- (i) As required by Section 63.18 (i) of the Commission's Rules, 47 C.F.R. § 63.18(i), Sea Breeze 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 Sea Breeze may be authorized to serve.

- (j) Sea Breeze is not subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988. Sea Breeze'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, Sea Breeze Communication Company respectfully submits that the public interest, convenience, and necessity would be furthered by a grant of this Section 214 Application.

Respectfully submitted,

By:

  
\_\_\_\_\_  
Andrew D. Lipman

Anthony Hansel

SWIDLER BERLIN SHEREFF FRIEDMAN, LLP  
3000 K Street, N. W., Suite 300  
Washington, DC 20007  
(202) 424-7854 (tel)  
(202) 424-7645 (fax)

Counsel for Sea Breeze Communication  
Company

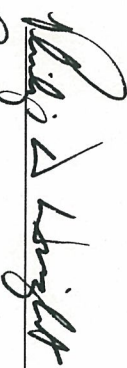
Dated: February 23, 1999

CERTIFICATION OF APPLICANT

On behalf of Sea Breeze Communication Company, 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.

To the extent required by the Commission's rules, Sea Breeze Communication Company has not agreed to accept any special concessions directly or indirectly from any foreign carrier or administration with respect to traffic or revenue flow between the United States and various international points under the authority granted under Section 214 of the Communications Act of 1934, as amended, and the Commission's Rules, and has not agreed to enter into such agreements in the future.

SEA BREEZE COMMUNICATION COMPANY

By:   
Name: Philip D. Wright  
Title: Vice President  
Date: 2/12/99

SWIDLER BERLIN SHEREFF FRIEDMAN, LLP

3000 K STREET, NW, SUITE 300  
WASHINGTON, DC 20007-5116  
TELEPHONE (202) 424-7500  
FACSIMILE (202) 424-7645

NEW YORK OFFICE  
919 THIRD AVENUE  
NEW YORK, NY 10022-9998

March 15, 1999

VIA FACSIMILE

Ms. Fran E. Eisenstein  
International Bureau  
Federal Communications Commission  
2000 M Street, N.W., 8th Floor  
Washington, D.C. 20554

Re: Application of Sea Breeze Communication Company for Section 214  
International Global Facilities-Based Authority and Global Resale Authority.

Dear Ms. Eisenstein:

As you know, Sea Breeze Communication Company ("Sea Breeze") filed an application for Section 214 international global facilities-based authority and global resale authority with the Commission on February 23, 1999. You requested information regarding any entities holding ten percent (10%) or greater, direct or indirect, ownership interest in Trof, Inc. ("Trof").

In response, the following shareholder holds ten percent (10%) or greater, direct or indirect, ownership interest in Trof:

Name: E. Pierce Marshall  
Address: 5917 Club Oaks Drive  
Dallas, Texas 75248  
Citizenship: United States

Please call me at (202) 424-7854 if you have any questions or need additional information regarding this matter.

Very truly yours,



Anthony Hansel

Counsel to Sea Breeze Communication Company

cc: Philip D. Wright

273330.1