

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: \_\_\_\_\_

*De Land*

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FCC/MELLOW FEB 25 1999

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

In the Matter of )  
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 )  
 Interlice Ltd. )  
 )  
 )  
 Application for Authority )  
 Pursuant to Section 214 of the ) File No. I - T - C \_\_\_\_\_  
 Communications Act of 1934, as )  
 amended, to Provide International )  
 Simple Resale Services (ISR) )  
 between the United States and )  
 Iceland. )

APPLICATION

Interlice Ltd. ("Interlice") hereby requests authority pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214, and Section 63.18 of the Rules of the Federal Communications Commission (the "Commission"), 47 C.F.R. § 63.18, to provide International Simple Resale ("ISR"), or the use of international private lines for the provision of switched services interconnected at one or both ends between the United States and Iceland, and the reselling of international non-interconnected private lines between the United States and Iceland.

Interlice is an Icelandic corporation and a wholly owned subsidiary of Iceland Telecom Ltd. ("Iceland Telecom"), also an Icelandic corporation. Interlice and Iceland Telecom do not have any affiliations in any foreign country other than Iceland, a World Trade Organization ("WTO") Member country.

A handwritten signature in dark ink, appearing to be 'P. B.', with a large, stylized flourish underneath.

Interlce was granted Section 214 authority to operate as a facilities-based and resale carrier. The Commission's approval is stated in File No. ITC-214-19980713-00475.

The Commission's recent *Foreign Participation Order*,<sup>1</sup> which became effective February 9, 1998, sets forth the requirements under which the Commission will review applications for authority to engage in ISR with a carrier from a WTO country. Specifically, the Commission's Rules state:

Pursuant to the Section 214 authorization condition adopted in the *Beckmarks Order*, we will authorize carriers to provide switched services over international facilities-based or resold private lines [ ] on the condition that settlement rates for at least 50 percent of the settled U.S.-billed traffic on the route or routes in question are at or below the relevant benchmark adopted in that *Order*.<sup>2</sup>

Interlce hereby provides the following information demonstrating that the above requirement has been met:

1. Iceland is a WTO Member country;
2. Accounting Rate Agreements, which took effect on January 1, 1999, between Iceland Telecom and AT&T Corp. ("AT&T"), MCI (USA) ("MCI") and Sprint Communications Company L.P. ("Sprint"), respectively, set an accounting rate per minute of 0.20 SDR for services between Iceland Telecom and each of these carriers on the U.S.-Iceland route. Each of AT&T, MCI and Sprint filed an accounting rate modification request with the Commission reflecting an International Message Telephone Service ("IMTS") accounting rate of 0.20 SDR with Iceland Telecom.<sup>3</sup> This modified IMTS accounting rate of 0.20 SDR is

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<sup>1</sup> *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market*, IB Docket No. 97-142, Report and Order and Order on Reconsideration (rel. Nov. 26, 1997) ("*Foreign Participation Order*").

<sup>2</sup> *Id.* at ¶ 79.

<sup>3</sup> *Accounting Rate Waivers & Modifications 1998* (visited February 24, 1999) <<http://www.fcc.gov/ib/tel/pf/account.html>>.

listed in the Commission's January 1, 1999 *Consolidated Accounting Rates of the United States*.<sup>4</sup>

3. Employing an effective rate of 1SDR = \$1.4806 (SDR conversion rate used in the Commission's January 1, 1999 *IMTS Accounting Rates of the United States (1985-1999) Report*),<sup>5</sup> Iceland's accounting rate of 0.20 SDR equates to an accounting rate of \$0.296, or a settlement rate of \$0.148, which is below the prescribed \$0.15 benchmark settlement rate for Iceland in the *Benchmarks Order*,<sup>6</sup> and

4. Based on the foregoing, Iceland now exceeds the minimum requirement for qualifying for ISR, *i.e.*, more than 50 percent of the U.S. billed traffic is settled below the benchmark settlement rate.

Interlice requests streamlined treatment of this Application pursuant to Section 63.12 of the Commission's Rules, 47 C.F.R. § 63.12. Grant of this Application will serve the public interest by promoting competition in the international services market.

In accordance with Section 63.18 of the Commission's Rules,

47 C.F.R. § 63.18, Interlice provides the following information in support of this

Application:

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<sup>4</sup> *Consolidated Accounting Rates of the United States*, dated January 1, 1999 (last modified February 3, 1999) <<http://www.fcc.gov/ib/td/pf/account.html>>.

<sup>5</sup> *IMTS Accounting Rates of the United States (1985-1999) Report*, dated January 1, 1999 (last modified February 3, 1999) <<http://www.fcc.gov/ib/td/pf/account.html>>.

<sup>6</sup> *International Settlement Rates*, IB Docket 96-261, Report and Order, FCC 97-280 (rel. Aug. 18, 1997), recon. pending, at Appendix C ("Benchmarks Order").



**Section 63.18 Information**

- (a) The name, address and telephone number of the applicant are:
- Interlce Ltd.  
Thorvaldsensstræti 4  
150 Reykjavík  
Iceland  
(011) 354 550-6002

(b) Interlce is a corporation organized and existing under the laws of the Republic of Iceland.

- (c) Correspondence concerning this Application should be addressed to:

Mr. Guðmundur Björnsson  
Director  
Interlce Ltd.  
Landssíminn  
Austurvöllur  
150 Reykjavík  
Iceland  
(011) 354 550-6002

Copies of all correspondence should be sent to Interlce's counsel:

Daniel Levin  
Levin & Srinivasan LLP  
1776 Broadway  
Suite 1900  
New York, New York 10019  
(212) 957-4511

- (d) Interlce has previously applied for and was granted authority under Section 214 of the Communications Act of 1934, as amended, to operate as a facilities-based and resale carrier pursuant to the terms and conditions of Sections 63.18(e)(1) and (e)(2) of the Commission's Rules, 47 C.F.R. § 63.18(e)(i) and (e)(2), including Iceland under Section 63.18(e)(6) of the Commission's Rules, 47 C.F.R. § 63.18(e)(6). Interlce was classified as non-dominant on all routes with

the exception of the U.S.–Iceland route. Interlce reserved its rights to request modification of its classification, at a later date, from dominant to non-dominant on the U.S.–Iceland route. The Commission’s approval and classification are stated in File No. ITC-214-19980713-00475.

- (e) Interlce is applying for authority under Section 63.18(e)(3) of the Commission’s Rules, 47 C.F.R. § 63.18(e)(3), to provide ISR between the United States and Iceland, including:
- (i) the resale of international private lines interconnected to the public switched network for the provision of switched services, including voice, data and facsimile between the United States and Iceland;
  - (ii) the resale of international private lines not interconnected to the public switched network for the provision of international private line services between the United States and Iceland;
  - (iii) the practice of “switched hubbing” through Iceland consistent with Section 63.17 of the Commission’s Rules, 47 C.F.R. § 63.17.

As indicated above, the accounting rate for more than 50 percent of the U.S. billed traffic to Iceland is 0.20 SDR. This rate translates to a settlement rate of \$0.148, which is below the prescribed \$0.15 benchmark settlement rate for Iceland.

- (f) At this time, Interlce seeks no other authorization available under Section 63.18(e) of the Commission’s Rules, 47 C.F.R. § 63.18(e).
- (g) Not applicable.

(h) (1) The Commission's approval is stated in File No. ITC-214-19980713-00475. InterIce is a wholly owned subsidiary of Iceland Telecom. InterIce certifies that, as a wholly owned subsidiary of Iceland Telecom, it is affiliated with a foreign carrier in the following country: Iceland. Iceland is a WTO Member country and therefore has opened its telecommunications markets to competition.

(h) (2) InterIce is a wholly owned subsidiary of Iceland Telecom, which is owned by the government of the Republic of Iceland. The address for Iceland Telecom is as follows:

Iceland Telecom Ltd.  
Austurvöllur  
150 Reykjavík  
Iceland

(h) (3) InterIce has no affiliation with any U.S. carrier as defined by Section 63.18(h)(1)(i) of the Commission's Rules, 47 C.F.R. § 63.18(h)(1)(i).

(h) (4) InterIce will comply with the Section 63.18(h)(4) obligation for the continuing accuracy of the information provided under paragraphs (h)(1)-(3) of Section 63.18 of the Commission's Rules, 47 C.F.R. § 63.18(h)(1)-(3).

(h) (5) InterIce, as a wholly owned subsidiary of Iceland Telecom, is affiliated with a foreign carrier in Iceland. Iceland is a WTO Member country.

(h) (6) InterIce, as a wholly owned subsidiary of Iceland Telecom, is affiliated with a foreign carrier in Iceland. Iceland is a WTO Member country.



- (h) (7) Interlce will file the quarterly traffic reports required by Section 43.61(c) of the Commission's Rules, 47 C.F.R. § 43.61(c), for U.S.-Iceland traffic.
- (h) (8) Interlce was classified as non-dominant on all routes with the exception of the U.S.-Iceland route. Interlce reserves its rights under Section 63.13 of the Commission's Rules, 47 C.F.R. § 63.13, to request modification of its classification, at a later date, from dominant to non-dominant on the U.S.-Iceland route. The Commission's classification is stated in File No. ITC-214-19980713-00475.
- (i) Consistent with the Commission's *Foreign Participation Order* concerning special concessions,<sup>7</sup> and pursuant to Section 63.18(i) of the Commission's Rules, 47 C.F.R. § 63.18(i), Interlce further certifies that it has not agreed to accept special concessions (as defined in Section 63.14 (b) of the Commission's Rules, 47 C.F.R. § 63.14(b)) directly or indirectly from any foreign carrier or administration with respect to 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, and Interlce has not agreed to enter into such agreements in the future.
- (j) Interlce hereby certifies that no party to this Application is subject to a denial of Federal benefits that include FCC benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.<sup>8</sup>

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<sup>7</sup> *Foreign Participation Order* at ¶¶ 156-157.

<sup>8</sup> See 21 U.S.C. §853(a).



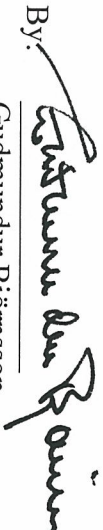
(k) InterIce requests streamlined processing for this Application pursuant to Section 63.12 of the Commission's Rules, 47 C.F.R. § 63.12. This Application qualifies for streamlined processing in that the affiliated destination market, Iceland, is a WTO Member country and InterIce has agreed to be classified and treated as a dominant carrier to the affiliated destination country under Section 63.10 of the Commission's Rules, 47 C.F.R. § 63.10, without prejudice to its right to petition for reclassification at a later date.

CONCLUSION

Based on the foregoing, InterIce respectfully submits that Iceland satisfies the Commission's criteria for approving ISR pursuant to the *Foreign Participation Order* and requests the Commission to grant this Application.

Respectfully submitted,

INTERICE, LTD.

By:   
Gudmundur Björnsson  
Director

cc: Counsel for InterIce Ltd.:

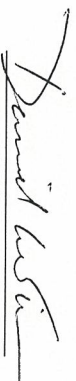
Daniel Levin  
Levin & Srinivasan LLP  
1776 Broadway  
Suite 1900  
New York, New York 10019

Dated: February 24, 1999



## CERTIFICATE OF SERVICE

I, Daniel Levin, do hereby certify that on this 24<sup>th</sup> day of February, 1999, a copy of the foregoing "Application for Section 214 Authority" was mailed by U.S. first class mail, postage prepaid, upon the parties on the attached service list:



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FEDERAL COMMUNICATIONS COMMISSION  
REMITTANCE ADVICE

SPECIAL USE

FCC USE ONLY

(1) LOCKBOX # 358115

PAGE NO. 1 OF 1

SECTION A - PAYER INFORMATION

(2) PAYER NAME (if paying by credit card, enter name exactly as it appears on your card)  
Levin & Srinivasan LLP

(3) TOTAL AMOUNT PAID (dollars and cents)  
\$

(4) STREET ADDRESS LINE NO. 1

1776 Broadway

(5) STREET ADDRESS LINE NO. 2

Suite 1900

(6) CITY

New York

(7) STATE

NY

(8) ZIP CODE

10019

(8) DAYTIME TELEPHONE NUMBER (include area code)  
(212) 957-4511

(10) COUNTRY CODE (if not in U.S.A.)

IF PAYER NAME AND THE APPLICANT NAME ARE DIFFERENT, COMPLETE SECTION B  
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C)

SECTION B - APPLICANT INFORMATION

(11) APPLICANT NAME (if paying by credit card, enter name exactly as it appears on your card)

Interice LTD.

(12) STREET ADDRESS LINE NO. 1

Þhorvaldsensstraeti 4

(13) STREET ADDRESS LINE NO. 2

(14) CITY

150 Reykjavik

(15) STATE

(16) ZIP CODE

(17) DAYTIME TELEPHONE NUMBER (include area code)  
(011) 354 550-6002

(18) COUNTRY CODE (if not in U.S.A.)  
IS

COMPLETE SECTION C FOR EACH SERVICE; IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEETS (FORM 159-C)

SECTION C - PAYMENT INFORMATION

(19A) FCC CALL SIGN/OTHER ID

N/A

(20A) PAYMENT TYPE CODE (PTC)

C U T

(21A) QUANTITY

\$ 780.00

FCC USE ONLY

(23A) FCC CODE 1

N/A

(24A) FCC CODE 2

N/A

(19B) FCC CALL SIGN/OTHER ID

(20B) PAYMENT TYPE CODE (PTC)

(21B) QUANTITY

(22B) FEE DUE FOR (PTC) IN BLOCK 20B

FCC USE ONLY

(23B) FCC CODE 1

(24B) FCC CODE 2

(19C) FCC CALL SIGN/OTHER ID

(20C) PAYMENT TYPE CODE (PTC)

(21C) QUANTITY

(22C) FEE DUE FOR (PTC) IN BLOCK 20C

FCC USE ONLY

(23C) FCC CODE 1

(24C) FCC CODE 2

(19D) FCC CALL SIGN/OTHER ID

(20D) PAYMENT TYPE CODE (PTC)

(21D) QUANTITY

(22D) FEE DUE FOR (PTC) IN BLOCK 20D

FCC USE ONLY

(23D) FCC CODE 1

(24D) FCC CODE 2

SECTION D - TAXPAYER INFORMATION (REQUIRED)

(25) PAYER TIN

0 1 3 3 9 3 9 6 7 0

(26) COMPLETE THIS BLOCK ONLY IF APPLICANT NAME IN B-11 IS DIFFERENT FROM PAYER NAME IN A-2

APPLICANT TIN

F O R E I G N

(27) CERTIFICATION STATEMENT

I, Daniel Levin, Certify under penalty of perjury that the foregoing and supporting information

(PRINT NAME)

are true and correct to the best of my knowledge, information and belief.

SIGNATURE

SECTION E - CERTIFICATION

(28) MASTERCARD/VISA ACCOUNT NUMBER

SECTION F - CREDIT CARD PAYMENT INFORMATION

MASTERCARD/VISA ACCOUNT NUMBER:

EXPIRATION DATE:

MONTH YEAR

VISA

I hereby authorize the FCC to charge my VISA or MASTERCARD for the services described herein.

AUTHORIZED SIGNATURE

SEE PUBLIC BURDEN ESTIMATE ON REVERSE