

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

16
FBI

- 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

Jas-2007

is dominant

Description of Application:

Agrees to be regulated as dominant to the Netherlands. Also agrees to be regulated to the Jassag region of Hungary only of KPN Telecom B.V. Direct to direct list assets upon notification to of agreement to the High Bureau. Applicant will be reclassified as non-dominant to the 30309 region with similar order of the ~~Com Bureau~~ 30309.

SWIDLER BERLIN SHEREFF FRIEDMAN, LLP

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

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

March 2, 1999

VIA COURIER

Magalie Roman Salas, Esq., Secretary
Federal Communications Commission
International Bureau
P. O. Box 358115
Pittsburgh, PA 15251-5115

Re: Application of KPN International Development, Inc. 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 Ms. Salas:

Enclosed for filing with the Commission are an original and six (6) copies of the application of KPN International Development, Inc. requesting global authority to operate as an international facilities-based carrier and as an 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,



Adam L. Kupetsky
Michael P. Donahue

Counsel for KPN International Development, Inc.

Enclosures

cc: Troy Tanner (FCC)

⑈ 105751 ⑈ :054001201:2030000061363⑈

[Handwritten Signature]

GENERAL ACCOUNT
TWO SIGNATURES REQUIRED ABOVE \$10,000

02/28/99 \$\$\$\$\$780.00

DATE AMOUNT

PAY TO THE ORDER OF
FEDERAL COMMUNICATIONS COMMISSION

EXACTLY***780*DOLLARS AND*00*CENTS

NO. 105751

15-122/540

0105751

FIRST UNION BANK
FIRST UNION NATIONAL BANK

SWIDLER BERLIN SHEREFF FRIEDMAN, LLP
3000 K STREET, N.W., SUITE 300
WASHINGTON, DC 20007

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

In the Matter of)
)
)
KPN INTERNATIONAL)
DEVELOPMENT, INC.)
)

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)
)

File No. ITC-214-199903 _ _ _

APPLICATION

KPN International Development, Inc. (“KPN Development” 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, to provide international facilities-based and resale telecommunications services between the United States and international points.

I. Summary

KPN Development is a Delaware corporation that is wholly owned by KPN International Development BV (“KPN International”), a Dutch telecommunications corporation. In this application, KPN Development requests four types of authority, all of which are eligible for streamlined processing. KPN Development respectfully requests: (1) global facilities-based authority, (2) global authority to resell international public switched services of all U.S.-authorized carriers, (3) global authority to resell international private lines to provide international non-

interconnected private line services, and (4) authority to resell international private lines interconnected to the public switched network at one or both ends to provide international switched services on all international routes on which the Commission permits such services to be provided now and in the future.

Prior to exercising any Section 214 authority resulting from approval of this application, KPN Development will become a wholly-owned subsidiary of KPNQwest, a joint venture between KPN Telecom BV, a Netherlands corporation, and Qwest Communications Corporation ("Qwest"), a Delaware corporation. KPN Development will continue to operate as a provider of international telecommunications services, and does not intend to assign its Section 214 authority.

KPN Development believes that the added competition its entry will bring to the market will benefit the consumers of U.S.-overseas services, by among other things, encouraging competitive pricing and creating more service options. Therefore, grant of this application serves the public interest.

II. INFORMATION REQUIRED BY SECTION 63.18

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

KPN International Development, Inc.
Rockefeller Center, Suite 2212
1270 Avenue of the Americas
New York, N.Y. 10020
212/246-1818

- (b) KPN Development is a corporation organized under the laws of the State of Delaware.

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

Adam L. Kupetsky
Swidler Berlin Shereff Friedman, LLP
3000 K Street, N.W., Suite 300
Washington, D.C. 20007
202/424-7500 (Telephone)
202/424-7645 (Facsimile)

with a copy to:

Sharon Bywater
KPN International Development, Inc.
12026 Hamden Court
Oakton, VA 22124

- (d) KPN Development has not previously received Section 214 authorization from the Commission. KPN Development's affiliate, KPN International Network Services, Inc. ("KPN INS"), has previously received Section 214 authorization from the Commission.^{1/} KPN Development is presently classified as a dominant carrier on the U.S.-Netherlands route only.^{2/}

- (e) KPN Development requests Section 214 authority to operate as a facilities-based carrier pursuant to the terms and conditions of Section 63.18(e)(1) of the Commission's Rules and to operate as a resale carrier pursuant to the terms and conditions of Section 63.18(e)(2). Specifically, KPN Development requests: (1) global facilities-based authority pursuant to 63.18(e)(1) of the FCC's Rules, 47 C.F.R. § 63.18(e)(1), to acquire interests 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

^{1/} KPN US Inc., *Order, Authorization and Certificate*, 13 FCC Rcd 2345, FCC Docket No. ITC-97-82 (effective Jan. 30, 1998) (authority to provide facilities-based and resold services between the U.S. and The Netherlands); FCC Docket No. ITC-997-301, DA-997-1509 (effective July 7, 1997) (limited global facilities-based authority to all points except The Netherlands, Indonesia, and Hungary); FCC Docket No. ITC-T/C-19980911-0063, DA No. 98-2025 (effective Oct. 2, 1998) (approval of *pro forma* transfer of license from KPN US Inc. to KPN INS)

^{2/} See Application of KPN US Inc., *Order, Authorization and Certificate*, 13 FCC Rcd 2345, FCC Docket No. ITC-97-82, ¶¶ 37 and 41 (effective Jan. 30, 1998) (finding competitive opportunities exist for U.S. carriers in The Netherlands, but deeming KPN US dominant on U.S.-Netherlands route).

excluded by the Exclusion List; (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 authorized 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 at one or both ends to provide international switched services on all international routes on which the Commission permits such services to be provided now and in the future.

(f) KPN Development 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, therefore, is not attached.

(h)(1) KPN Development certifies that certain of its affiliates own or control facilities in destination countries covered by this application. However, except as stated in this application, KPN Development's affiliates do not have market share greater than 50% in any relevant market in any destination country included in this application. Pursuant to Section 63.18(h)(1) of the Commission's Rules, 47 C.F.R. § 63.18(h)(1), KPN Development states that it is affiliated, within the meaning of Section 63.18(h)(1)(i) of the Commission's Rules, with entities that are, or may be argued to be, "foreign carriers" under Section 63.18(h)(1)(ii), in the following countries:

- *The Netherlands (WTO Member):* KPN Telecom BV provides facilities-based basic telecommunications services in the Netherlands. KPN Telecom BV also owns 18.7% of Infonet Services Corporation Inc, a provider of data communications services. Unisource Business Networks BV, a wholly owned subsidiary of Unisource N.V., of which KPN Telecom BV owns 33%, owns 100% of Unisource Business Networks Netherlands BV, which provides data transmission and other services.
- *Germany (WTO Member):* Unisource N.V. owns 80% of TMG GmbH Germany, which provides data transmission and other services.
- *Spain (WTO Member):* Unisource N.V. owns 100% of Unisource Espana SA, which provides data transmission and other services.

- *Switzerland (WTO Member)*: Unisource N.V. owns 100% of (i) Unisource Business Networks Schweiz AG and (ii) Unisource Carrier Services AG, which provide data transmission and other services.
- *Sweden (WTO Member)*: Unisource N.V. owns 100% of Unisource Carrier Services Northern Europe AB, which provides data transmission and other services. Unisource Business Networks BV owns 100% of Unisource Business Networks Sverige AB, which provides data transmission and other services.
- *France (WTO Member)*: Unisource Business Networks BV, a wholly-owned subsidiary of Unisource N.V., owns 100% of SIRIS SAS, which provides data transmission and other services.
- *Italy (WTO Member)*: Unisource Business Networks BV, a wholly-owned subsidiary of Unisource N.V., owns 100% of Unisource Italia SpA, which provides data transmission and other services.
- *United Kingdom (WTO Member)*: Unisource Business Networks BV, a wholly-owned subsidiary of Unisource N.V., owns 100% of Unisource Holding (UK) Limited, which holds resale and facilities-based licenses and provides international telecommunications services.
- *Belgium (WTO Member)*: KPN Telecom BV owns 100% of Unisource Belgium NV, which provides data transmission and other services.
- *Hungary (WTO Member)*: KPN Telecom BV owns 50% of Jasz-Tel Ltd. Telecommunicacios, a provider of local telecommunications service in the region of Jaszag, Hungary and 30% of Pannon GSM, a competitive provider of mobile telephony services. KPN Telecom BV also owns 49% of Pantel, a provider of value-added data and business telecommunications services throughout Hungary. Pantel is not permitted to compete with MATAV, the incumbent provider of basic public voice services in Hungary.
- *Luxembourg (WTO Member)*: KPN Telecom BV owns 49.8% of Unisource Business Networks Luxembourg S.a.r.l, which provides data transmission and other services.
- *Czech Republic (WTO Member)*: KPN Telecom BV owns 20.3% of SPT Telecom s.r.o., which provides telecommunications services in the Czech Republic.

After KPN Development becomes a wholly-owned subsidiary of KPNQwest, KPN Development will also be affiliated, within the meaning of Section 63.18(h)(1)(i) of the Commission's Rules, with entities that are, or may be argued to be, "foreign carriers" under Section 63.18(h)(1)(ii), in the following countries:

- *United Kingdom (WTO Member):* Qwest Communications International Ltd. is authorized provides international telecommunications services in the United Kingdom.

Except as described below, KPN Development affiliates in each of these countries do not have the ability to discriminate against unaffiliated U.S. international carriers through bottleneck services or otherwise to exercise market power in any destination country covered by this application. For purposes of this application, KPN Development agrees to be regulated as dominant on the U.S.-Netherlands route.

(h)(2) Prior to KPN Development becoming a wholly-owned subsidiary of KPNQwest, the following entities hold a ten percent (10%) or greater direct or indirect ownership interest in KPN Development:

- (i) Name: KPN International Development BV
Address: P.O. Box 30000
2500 GD
The Hague
Netherlands
Telephone Number: 212/246-1818
Facsimile Number: 212/246-1905
Citizenship: Netherlands
Principal Business: Holding company

(ii) Name: KPN Telecom BV
Address: P.O. Box 30150/AB 6th Floor
2500 GD The Hague
The Netherlands
Telephone Number: 31 70 343 4343
Citizenship: The Netherlands
Principal Business: Telecommunications

(iii) Name: KPN NV
Address: P.O. Box 15000
9700 CD Groningen
The Netherlands
Telephone Number: 31 70 332 3232
Facsimile Number: 31 70 332 2888
Citizenship: The Netherlands
Principal Business: Holding Company

(iv) Name: The State of The Netherlands
Citizenship: The Netherlands
Principal Business: Government

After KPN Development becomes a wholly-owned subsidiary of KPNQwest, the following entities will also hold a ten percent (10%) or greater direct or indirect ownership interest in KPN Development:

(i) Name: KPNQwest ^{2/}
Address: Prinses Beatrixlan 9
The Netherlands
Telephone Number: 31 70 343 4151
Facsimile Number: 31 70 332 9955
Citizenship: The Netherlands
Principal Business: Telecommunications

^{2/} KPN International Development BV will not hold any interest in KPN Development after KPN Development becomes a subsidiary of KPNQwest.

- (ii) Name: Qwest Communications Corporation
Address: 555 17th Street
Denver, Colorado 80202
Telephone Number: 303/291-1400
Facsimile Number: 303/992-1723
Citizenship: Delaware
Principal Business: Telecommunications
- (iii) Name: Qwest Corporation
Address: 555 17th Street
Denver, Colorado 80202
Telephone Number: 303/291-1400
Facsimile Number: 303/992-1723
Citizenship: Colorado
Principal Business: Telecommunications
- (iv) Name: Qwest Communications International Inc.
Address: 555 17th Street
Denver, Colorado 80202
Telephone Number: 303/291-1400
Facsimile Number: 303/992-1723
Citizenship: Delaware
Principal Business: Telecommunications
- (v) Name: Anschutz Corporation
Address: 555 17th Street
Denver, Colorado 80202
Telephone Number: 303/298-1000
Facsimile Number: 303/298-8881
Citizenship: Delaware
Principal Business: Transportation, telecommunications, natural resources, real estate and sports entertainment
- (vi) Name: Phillip F. Anschutz
Address: 555 17th Street
Denver, Colorado 80202
Telephone Number: 303/298-1000
Facsimile Number: 303/298-8881
Citizenship: United States
Principal Business: Transportation, telecommunications, natural resources, real estate, and sports entertainment

Interlocking directorates: KPN Development has no interlocking directorates.

(h)(3) KPN Development certifies that it is not affiliated with any U.S. carriers whose facilities-based services it proposes to resell.

(h)(7) Except as indicated below, KPN Development's foreign affiliates lack a 50% market share in the international transport and local access markets on the foreign end of the route(s) and, thus, lack sufficient market power on these routes to affect competition adversely in the U.S. market. For purposes of this application, KPN Development assumes that its affiliate in The Netherlands, KPN Telecom BV, has a greater than 50% market share in one or more relevant markets in The Netherlands and that KPN Development's affiliate in Hungary, Jasz-Tel Ltd., has a greater than 50% market share in one local access market in Hungary. For the reasons specified below, KPN Development will abide by dominant carrier requirements on the Netherlands route.

(h)(8) KPN Development accedes, at this time, to be treated as dominant on the U.S.-Netherlands route. KPN seeks non-dominant treatment on all other routes, including the U.S.-Hungary route. KPN's affiliate, KPN Telecom BV, is selling its interest in Jasz-Tel Ltd.⁴ Accordingly, KPN will no longer be affiliated with an entity with a greater than 50% market share on any route in Hungary.

(i) By the attached certification, KPN Development certifies that it has not agreed to accept nor shall it accept in the future any special concessions, as defined in Section 63.14(b) of 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 effect competition adversely in the United States market.

(j) By the attached certification, KPN Development certifies that no party to this application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

IV. CONCLUSION

For the reasons stated above, KPN International Development, Inc. respectfully submits that the public interest, convenience, and necessity would be furthered by grant of this Section 214 Application and that KPN International Development, Inc. should be classified as non-dominant for

⁴ See *Mattel buys Hungary local telephone firm JaszTel*, REUTERS [WN] Feb. 26, 1999.

the provision of the services authorized under the Section 214 authority requested herein, except as specified herein.

Respectfully submitted,

KPN INTERNATIONAL DEVELOPMENT, INC.

By:



Adam L. Kupetsky
SWIDLER BERLIN SHERER ~~FR~~ FRIEDMAN, LLP
3000 K Street, N.W., Suite 300
Washington, D.C. 20007
202/424-7500

Its Counsel

Dated: March 2, 1999

CERTIFICATION OF APPLICANT

On behalf of KPN International Development, 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 U.S.C. § 853a. I also hereby certify that the statements in the foregoing application for Section 214 authorization are true, complete, and correct to the best of my knowledge and are made in good faith.

KPN International Development, Inc. has not agreed 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.

KPN INTERNATIONAL DEVELOPMENT, INC.

By: President / CEO

Name: Robert J. Harsen, Jr.

Title: _____

Date: 19.02.1999



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

April 20, 1999

VIA HAND DELIVERY

Susan O'Connell, Esquire
International Bureau
Federal Communications Commission
The Portals
445 12th Street, S. W.
TW-A325
Washington, D.C. 20554

Re: KPN International Development, Inc., 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

Dear Susan:

On behalf of KPN International Development, Inc. ("KPN Development"), we are submitting this letter to amend the pending application referenced above. Pursuant to discussions with International Bureau staff, we hereby amend the application as described below.

- (1) KPN Development is owned and will continue to be owned 100% by KPN International Development B.V. Please disregard all references to ownership of KPN Development by KPNQwest and Qwest Communications Corporation and its subsidiaries, as well as all discussion of KPN Development as an affiliate of Qwest Communications Corporation and its subsidiaries. Should the ownership of KPN Development change, KPN Development will file an appropriate application to transfer control of the company.
- (2) KPN Development agrees to be treated as dominant on the route between the United States and the Jaszag region of Hungary in which Jasztel arguably has market power for local access services, until KPN Telecom B.V. divests its interest in Jasztel. KPN Development will notify the Commission once KPN Telecom B.V. fully divests its interest in Jasztel, at which time KPN Development will no longer agree to be treated as dominant on this route.

Susan O'Connell, Esquire
April 20, 1999
Page 2

Please let us know if you require additional information.

Respectfully submitted,



Adam L. Kupetsky
Counsel for KPN International Development, Inc.

Enclosure

cc: Rebecca Arbogast
Troy Tanner
Sharon Bywater (via facsimile)
Lucien Roelofs (via facsimile)