

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: _____

See AT&T op to FBI??

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

In the Matter of

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))
AT&T Corp., AT&T Alascom, Inc. AT&T of))
Puerto Rico, Inc., and AT&T of the U.S.))
Virgin Islands, Inc.))
File No.
I-T-C-No. 99-

Application for Authorization Pursuant
to Section 214 of the Communications Act
of 1934, As Amended, to Provide Switched
Services via International Private Lines
Interconnected to the Public Switched
Network at One or Both Ends between the
United States and Finland
)

APPLICATION

AT&T Corp. ("AT&T Corp."), on behalf of itself and its affiliated companies AT&T Alascom, Inc. ("AT&T Alascom"), AT&T of Puerto Rico, Inc. ("AT&T-PR") and AT&T of the U.S. Virgin Islands, Inc. ("AT&T-VI"), (hereinafter collectively referred to as "AT&T") hereby apply for authorizations pursuant to Section 214 of the Communications Act of 1934, as amended, and Section 63.18 (e) (4) of the Commission's Rules, 47 C.F.R. § 63.18 (e) (4), to provide switched services between the United States ("U.S.") and Finland interconnected with the public switched network at one or both ends ("ISR").

I. The Commission's *Foreign Participation Order*¹, which became effective February 9, 1998, sets forth the current 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 *Benchmark 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 US Billed traffic on the route or routes in question are at or below the relevant benchmark adopted in that *Order*².

AT&T hereby submits the following information to demonstrate that the above stated test has been met:

- 1) Finland is a WTO member country.
- 2) On February 22, 1999 AT&T filed for an International Settlements Policy Modification of the Accounting Rate for International Message Telephone Service with Finland. In that filing, AT&T notified the Commission that the accounting rate for IMTS service between AT&T and Finnnet International, Ltd. (hereinafter "Finnnet") would decrease from 0.226 SDR to 0.21 SDR, effective as of January 1, 1999.

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

² *Id.* at ¶ 79.

- 3) Employing an exchange rate of 1 SDR = U.S. \$1.3572, the SDR/U.S. Dollar exchange rate in effect on April 20, 1999³, on a 0.21 SDR accounting rate equates to an accounting rate of U.S. \$0.285 and a settlement rate of U.S. \$0.1425.
- 4) On March 16, 1999 AT&T filed for an International Settlements Policy Modification of the Accounting Rate for International Message Telephone Service with Finland. In that filing, AT&T notified the Commission that the accounting rate for IMTS service between AT&T and Sonera Corporation (hereinafter "Sonera") would decrease from 0.23 SDR to 0.20 SDR, effective as of January 1, 1999.
- 5) Employing an exchange rate of 1 SDR = U.S. \$1.3572, the SDR/U.S. Dollar exchange rate in effect on April 20, 1999⁴, on a 0.20 SDR accounting rate equates to an accounting rate of U.S. \$0.271 and a settlement rate of U.S. \$0.135.
- 6) The settlement rates stated in paragraphs 3 and 5 above are below the prescribed U.S. \$0.15 benchmark settlement rate established for Finland in the Commission's 1997 Benchmark Order⁵.

³ Wall Street Journal, April 21, 1999, Currency Trading/Exchange Rates, P. C17.
⁴ Id.

⁵ International Settlement Rates, 12 FCC Rcd. 19806 (1997) ("International Settlement Rate Order")

7) Pursuant to the Commission's International Settlement Rules, the accounting rates agreed to between AT&T and Finnet and AT&T and Sonera must be made available to all U.S. carriers on a non-discriminatory basis. On information and belief, both Finnet and Sonera have offered the accounting rates, agreed to with AT&T, to other U.S. carriers including MCIWorldCom and Sprint. Further, based on 1997 43.61 data, AT&T, MCIWorldCom, and Sprint collectively handle more than fifty percent (50%) of the U.S. billed traffic on the U.S.-Finland route. The acceptance by MCIWorldCom and Sprint of the accounting rate offered by both Finnet and Sonera will result in more than fifty percent (50%) of the U.S. billed traffic being settled at below the prescribed U.S. \$0.15 benchmark settlement rate for Finland as of January 1, 1999.

II. In accordance with Section 63.18 of the Commission's Rules and Regulations, 47 CFR 63.18, and in support of this Application, AT&T states the following:

1) 63.18(a) - The name and address of the applicants are:

AT&T Corp.
295 North Maple Avenue
Basking Ridge, New Jersey 07920
908 221-2000

AT&T Alascom, Inc.
210 E. Bluff Drive
Anchorage, Alaska 99501
907 264-7661

AT&T of Puerto Rico, Inc.
250 Munoz Rivera Avenue
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Hato Rey, Puerto Rico 00918
809 729-6201

AT&T of the U.S. Virgin Islands, Inc.
Suite No. 211B
Buccanneer Mall
St. Thomas, VI 00802
809 776-6000

- 2) 63.18(b)- AT&T Corp. is a corporation organized and existing under the laws of the State of New York. AT&T Alascom is a corporation organized and existing under the laws of the State of Alaska. AT&T-PR is a corporation organized and existing under the laws of the State of New York. AT&T-VI is a corporation organized and existing under the laws of the State of Delaware.

- 3) 63.18(c) - Correspondence concerning this Application should be addressed to:

Dorota M. Szewc-Peczak
Senior Attorney
AT&T
Room 3247G3
295 North Maple Avenue
Basking Ridge, NJ 07920

- 4) 63.18(d) - AT&T Corp., AT&T Alascom, AT&T-PR and AT&T-VI are engaged in the business of furnishing interstate and foreign telecommunications services. Each is a common carrier subject to the Communications Act of 1934, as amended, and each is an "authorized carrier" as defined in Section 103 (7) of the Communications Satellite Act of 1962.

5) 63.18(e) (3) - As indicated above, as from January 1, 1999, the accounting rate for more than 50 percent of the U.S. billed traffic to Finland via Finnet will be settled at 0.21 SDR and to Finland via Sonera will be settled at 0.20 SDR. These rates translate to a settlement rate of U.S. \$0.1425 and U.S. \$0.135, respectively, which is below the prescribed US \$0.15 benchmark settlement rate for Finland.

6) 63.18(h) (1) - AT&T hereby certifies that it is affiliated with the following foreign carriers which are authorized to engage in the provision of international telecommunications services offered to the public in their respective countries:

- Canada: AT&T Canada Corp.
- Chile: AT&T Servicios de Comunicaciones Chile
- Germany: ACC Telekommunikations GMBH
- Guatemala: AT&T Servicios de Comunicacion de Guatemala, S.A.
- Mexico: Alestra, S. de R.L. de C.V.
- Netherlands: AT&T Communications Services Netherlands B.V.
- Philippines: Subic Telecommunications Company, Inc.
- United Kingdom: AT&T Communications(UK) Ltd.
- United Kingdom: ACC Long Distance UK Ltd.

7) 63.18(h) (2) - AT&T hereby certifies that it does not have a ten percent (10%) or greater shareholder or other equity holder. AT&T has no interlocking directorates.

- 8) 63.18(h) (8) - AT&T hereby certifies that it has been found to be non-dominant on all of its international routes and requests non-dominant treatment for purposes of this application⁶.
- 9) 63.18(i) - Consistent with the Commission's *Foreign Participation Order* concerning special concessions⁷, AT&T further certifies that it has not agreed to accept special concessions directly or indirectly from any foreign carrier 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 AT&T has not agreed to enter into such agreements in the future.
- 10) 63.18(j) - AT&T hereby certifies that it is not subject to a denial of Federal benefits that include FCC benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

⁶ See, *AT&T Corp. Declared Non-Dominant for International Service*, CC Docket No. 79-252, FCC 98-253, FCC 96-209 (rel. May 14, 1996), reaff'd CC Docket No. 79-252, (rel. Oct. 5, 1998)

⁷ *Foreign Participation Order* at ¶¶ 156-157.

CONCLUSION

Based on the foregoing, AT&T respectfully submits that pursuant to the requirements of the *Foreign Participation Order*, Finland satisfies the Commission's criteria for approving ISR to Finland. Accordingly, AT&T respectfully requests the Commission's approval to provide switched services over international private lines between the U.S. and Finland interconnected to the public switched network at one or both ends.

Respectfully submitted,

AT&T CORP.

By: /s/ Dorota M. Szewc-Peczak
Dorota M. Szewc-Peczak

Mark C. Rosenblum
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Its Attorneys

295 N. Maple Ave.
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Dated: April 22, 1999

CERTIFICATE OF SERVICE

I, Tracy Rudnicki, do hereby certify that on this 22nd day of April, 1999 a copy of the foregoing "Application for Section 214 Authorization" was mailed by U.S. First Class Mail, postage prepaid, upon the parties on the attached service list:

/s/Tracy Rudnicki
Tracy Rudnicki

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