

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: _____

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

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

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 Israel 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) Israel is a WTO member country.
- 2) On April 28, 1999 AT&T filed for an International Settlements Policy Modification of the Accounting Rate for International Message Telephone Service with Israel. In that filing, AT&T notified the Commission that the accounting rate for IMTS service between AT&T and Golden Lines (hereinafter "Golden Lines") would decrease from U.S. \$0.59 to U.S. \$ 0.30, 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) On April 28, 1999, AT&T filed for an International Settlements Policy Modification of the Accounting Rate for International Message Telephone Service with Israel. In that filing, AT&T notified the Commission that the accounting rate for IMTS service between AT&T and Barak the International Telecommunication Corp. (hereinafter "Barak") would decrease from U.S. \$0.59 to U.S. \$ 0.30, effective as of January 1, 1999.
- 4) On April 28, 1999, AT&T filed for an International Settlements Policy Modification of the Accounting Rate for International Message Telephone Service with Israel. In that filing, AT&T notified the Commission that the U.S. \$ 0.30 accounting rate for IMTS service between AT&T and Bezeq International Ltd. (hereinafter "Bezeq") would be extended, effective as of April 1, 1999.
- 5) The settlement rates stated in paragraphs 2,3 and 4 above are at the prescribed U.S. \$0.15 benchmark settlement rate established for Israel in the Commission's 1997 *Benchmark Order*³.
- 6) Pursuant to the Commission's International Settlement Rules, the accounting rates agreed to between AT&T and Golden Lines, and AT&T and Barak, and AT&T and Bezeq must be made

³ *International Settlement Rates*, 12 FCC Rcd. 19806 (1997) ("*International Settlement Rate Order*")

available to all U.S. carriers on a non-discriminatory basis. On information and belief, all three Israeli carriers Golden Lines, Barak and Bezeq 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.-Israel route. The acceptance by MCIWorldCom and Sprint of the accounting rate offered by all three Israeli carriers Golden Lines, Barak and Bezeq will result in more than fifty percent (50%) of the U.S. billed traffic being settled at the prescribed U.S. \$0.15 benchmark settlement rate for Israel 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) Per 63.18(a) AT&T states that: the names and addresses 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
AIG Building, Suite 904
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) Per 63.18(b) - AT&T states that: 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) Per 63.18(c) - AT&T states that: correspondence concerning this Application should be addressed to:

Martha Marcus
AT&T
Room 3251F2
295 North Maple Avenue
Basking Ridge, NJ 07920
phone: 908-221-2134

- 4) Per 63.18(d) - AT&T states that: 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) Per 63.18(e) (3) - AT&T states that: as indicated above, as from January 1, 1999, the accounting rate for more than 50 percent of the U.S. billed traffic to Israel via Bezeq, Barak and Golden Lines will be settled at U.S. \$ 0.30, which is at the prescribed US \$0.15 benchmark settlement rate for Israel.

6) Per 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:

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|-----------------|---|
| 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) Per 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) Per 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 application⁴.
- 9) Per 63.18(i) - AT&T states that: Consistent with the Commission's *Foreign Participation Order* concerning special concessions⁵, 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) Per 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.

⁴ 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)

⁵ *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*, Israel satisfies the Commission's criteria for approving ISR to Israel. Accordingly, AT&T respectfully requests the Commission's approval to provide switched services over international private lines between the U.S. and Israel 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
Lawrence J. Lafaro
Dorota M. Szewc-Peczak
Its Attorneys

295 N. Maple Ave.
Room 3247G3
Basking Ridge, NJ 07920

Dated: May 3, 1999

CERTIFICATE OF SERVICE

I, Margaret Brue, do hereby certify that on this 3rd day of May, 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/ Margaret Brue
Margaret Brue

SERVICE LIST

| | |
|--|--|
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