

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

- LIMITED/GLOBAL RESALE SERVICE
- LIMITED/GLOBAL FACILITIES-BASED SERVICE
- LIMITED/GLOBAL FACILITIES-BASED/RESALE SERVICE
- INDIVIDUAL FACILITIES-BASED SERVICE
- INTERCONNECTED PRIVATE LINE RESALE SERVICE
- INMARSAT AND MOBILE SATELLITE SERVICE
- INTERNATIONAL SPECIAL PROJECT
- SWITCHED RESALE SERVICE
- TRANSFER OF CONTROL
- ASSIGNMENT OF LICENSE
- PRO FORMA TRANSFER/ASSIGNMENT
- SPECIAL TEMPORARY AUTHORITY
- SUBMARINE CABLE LANDING LICENSE

Description of Application: _____

CI Services, Inc.

6560 Rock Spring Drive
Bethesda, Maryland 20817
(301) 214-3000

DUPLICATE ORIGINAL

STAMP AND RETURN

October 12, 1999

FCG/MELLON

OCT 12 1999

Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: Application of CI Services, Inc. for Authority Pursuant to Section 214
of the Communications Act of 1934, as amended, For Authority to
Operate as an International Resale Carrier

Dear Ms. Salas:

Pursuant to Section 214 of the Communications Act of 1934, as amended, and Section 63.18 of the Commission's rules, CI Services, Inc. files herewith an original and five copies of its Application for Authority to provide international resale services between the United States and international points. The filing fee of \$780 is also enclosed.

An additional copy is also enclosed. Please date stamp this copy and return it in the enclosed envelope. Please direct any questions to the undersigned at (301) 214-3347.

Yours truly,



Bruce A. Henoch
Attorney for CI Services, Inc.

Enclosures

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

In the Matter of

CI SERVICES, INC.

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Application for Authority Pursuant
to Section 214 of the Communications
Act of 1934, as amended, For Authority
to Operate as an International Resale Carrier)
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)
)

File No. _____

Application for Authority

CI Services, Inc. (“CI Services”) hereby requests authority, pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. Section 214, and Section 63.18 of the Commission’s rules, 47 CFR Section 63.18, to provide international resale services between the United States and international points as described herein. This application qualifies for streamlined processing procedures pursuant to Section 63.12 of the Commission’s rules.

CI Services, which is organized and incorporated in the State of Delaware, is a wholly-owned subsidiary of COMSAT International, Inc. (“COMSAT International” or “CI”), which in turn is a wholly-owned subsidiary of COMSAT Corporation (“COMSAT”), which currently holds carrier authorizations through its various other business units.¹

CI Services, through its parent corporation CI, is affiliated with CI’s 12 international subsidiaries, all of which are located in countries that CI Services may serve pursuant to the authority requested herein. These affiliates are all relatively new companies whose principal

¹ COMSAT business units that hold 214 authorizations are COMSAT World Systems, COMSAT Mobile Communications, and COMSAT General Corporation.

business is to provide private networking services for corporate clients in their respective markets, and none of them currently provides local or long-distance services directly to the general public. Each of these affiliated entities has less than a five percent share of the relevant market in its respective country, so none of these affiliates has sufficient market power to adversely affect competition in the U.S. market. Thus, pursuant to Section 63.10(a)(3) of the Commission's rules, 47 CFR Section 63.10(a)(3), CI Services should presumptively be considered a non-dominant carrier for service to each of these countries.

CI Services is also affiliated, through COMSAT, with COMSAT World Systems ("CWS"), which distributes INTELSAT space segment. Pursuant to a 1998 Commission Order, CWS is regulated as a non-dominant carrier except on certain designated routes where it is still regulated as dominant (the "thin routes").² CI Services may, pursuant to the authority requested herein, resell services obtained from CWS, but CI Services agrees to be regulated as dominant to the extent that it resells CWS services to those countries for which CWS is regulated as a dominant carrier.³

By granting this application, the Commission will serve the public interest, convenience, and necessity by increasing competition in the international service market. Competition will

² *In the Matter of COMSAT Corporation Petition Pursuant to Section 10(c) of the Communications Act of 1934, as amended, for Forbearance from Dominant Carrier Regulation and for Reclassification as a Non-Dominant Carrier*, Order and Notice of Proposed Rulemaking, 13 FCC Rcd 14083 (1998) ("Non-Dominance Order").

³ The list of countries for which CWS is still regulated as a dominant carrier for switched services can be found in Appendix A of the Non-Dominance Order, 13 FCC Rcd at 14176. The list of countries for which CWS is still regulated as a dominant carrier for occasional-use video services can be found in Appendix B of that Order, 13 FCC Rcd at 14178. These appendices are attached to this Application.

benefit U.S. consumers by increasing service options and lowering prices. Thus, the public interest will be served by the grant of Section 214 authority to CI Services as requested herein.

The following information is submitted, as required by Section 63.18 of the

Commission's rules, 47 CFR Section 63.18, in support of CI Services' request for authorization.

(a) The name, address, and telephone number of the applicant are as follows:

CI Services, Inc.
6560 Rock Spring Drive
Bethesda, Maryland 20817
(301) 214-3000

(b) CI Services, Inc., is a corporation organized under the laws of the State of Delaware.

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

Bruce A. Henoch
General Attorney
CI Services, Inc.
6560 Rock Spring Drive
Bethesda, Maryland 20817
(301) 214-3347

(d) CI Services, Inc. has not received authority previously under Section 214 of the Communications Act.

(e) CI Services requests Section 214 authority to operate as a resale carrier pursuant to the terms and conditions of Section 63.18(e)(2). CI Services requests authority to provide such resale services on a global basis, except that it does not seek authority pursuant to Section 63.18(e)(2) to resell services obtained from CWS to those countries listed on the Commission's list of "thin route" countries for which CWS is regulated as a dominant carrier, in accordance with Section 63.18(e)(2)(ii).⁴ In addition, while CI Services is affiliated with COMSAT International's

⁴ As stated above, the list of "thin route" countries is found in the Non-Dominance Order. The list of countries is attached to this application.

foreign carrier subsidiaries in several countries as discussed below, each of these carriers has less than a five percent share of the relevant markets in its respective country. Thus, none of these affiliate carriers has sufficient market power in the destination market to affect competition adversely in the U.S. market. CI Services certifies that it will comply with the terms and conditions contained in Sections 63.21 and 63.23 of the Commission's rules.

(f) Pursuant to Section 63.18(e)(4), CI Services also seeks specific authority to resell the services of CWS to those markets for which CWS is still regulated as a dominant carrier. CI Services agrees to be regulated as a dominant carrier to the extent that it resells CWS services to countries for which CWS is regulated as dominant.⁵ CI Services certifies that it will comply with the terms and conditions contained in Sections 63.21 and 63.22 and/or 63.23 of the Commission's rules, as appropriate.

(g) Not applicable.

(h) CI Services is a wholly-owned subsidiary of COMSAT International, which in turn is a wholly-owned subsidiary of COMSAT Corporation, a publicly-held U.S. company incorporated and organized under the laws of the District of Columbia. Both COMSAT Corporation and COMSAT International have their principal place of business at:

6560 Rock Spring Drive
Bethesda, Maryland 20817

⁵ As stated above, the list of "thin route" countries is found in the Non-Dominance Order. The list of countries is attached to this application.

Approximately 49 percent of the outstanding shares of COMSAT Corporation are owned by

COMSAT Government Systems, Inc. ("CGSI"), with a principal place of business at:

22001 COMSAT Drive
Clarksburg, Maryland 20871

CGSI is a wholly-owned subsidiary of Lockheed Martin Corporation, with a principal place of

business at:

6801 Rockledge Drive
Bethesda, MD 20817

(i) CI Services, as a wholly-owned subsidiary of COMSAT International, is affiliated with the following foreign carrier subsidiaries of COMSAT International:

- 1) COMSAT Argentina, S.A.
Carlos Pellegrini 1363-PISO 6
(1011) Buenos Aires, Argentina
- 2) COMSAT Brasil, Ltda.
R. Sansao Alves dos Santos, 76-12 Andar
CEP 04571-090 Sao Paulo, SP, Brasil
- 3) COMSAT TTS (GZ)
Rm 11-14, 23/F Metro Plaza
No. 183, Tian He Road North
Guangzhou, Peoples Republic of China, 510620
- 4) Comunicaciones Satelitales de Colombia S.A.
Carrera 15 No. 101A-77
Santa Fe de Bogota
Colombia
- 5) COMSAT de Guatemala, S.A.
6a Avenida 7-39 Zona 10
Edificio Las Brisas - 3er nivel
Ciudad de Guatemala
Guatemala

- 6) COMSAT Max Limited
507/508 Madhva Building
Bandra Kurla Complex
Bandra East
Mumbai, India 400051
- 7) COMSAT Mexico
Avenida Renato Leduc 321
Col. Toriello Guerra, Tlalpan
C.P. 10450, Mexico, D.F.
- 8) COMSAT Peru
Martir Olaya 129 Of. 1901
Centro Empresarial Jose Pardo
Miraflores, Lima 18
Peru
- 9) BelCom, Inc.
Shluzovaya Naberezhnaya #6-3
Moscow, Russia 113114
- 10) COMSAT Dijital Hizmetleri Ticaret A.S.
Cedidiye Sokak No. 11
80700 Yildiz
Istanbul, Turkey
- 11) COMSAT Iletisim Hizmetleri Ticaret A.S.
Cedidiye Sokak No. 11
80700 Yildiz
Istanbul, Turkey
- 12) COMSAT Venezuela, C.A.
Av. Eco de Miranda, Edif. Parque Cristal
Torre Este, Mezzanina 2, Local 28
Caracas -- DF, Venezuela

(j) CI Services seeks authority to provide international resale services to each of the countries listed in paragraph (i) above.

(k) Each of the affiliates listed in paragraph (i) above is a relatively new company providing a limited range of services in their respective countries. These affiliates primarily provide private networking services to corporate clients and do not currently provide local and long distance

services directly to the general public. Each of these affiliates has a relevant market share of less than five percent in its respective country, so these affiliated foreign carriers lack sufficient market power in their respective countries. Thus, applicant satisfies Section 63.18(k)(2).

(l) Each of the affiliates listed in paragraph (i) above has a market share of less than five percent in its respective country, so these affiliated foreign carriers lack sufficient market power in their respective countries to affect competition adversely in the U.S. market. Thus, because the foreign affiliates lack 50 percent market shares in the international transport and the local access markets in their respective countries, the criteria in Section 63.10(a)(3) are satisfied.

(m) The foreign affiliates listed in paragraph (i) each have less than a five percent market share in their respective countries, so they each lack a 50 percent market share in the international transport and the local access markets in their respective countries. Thus, CI Services shall presumptively be classified as non-dominant.

(n) CI Services 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 market power on the foreign end of the route and will not enter into such agreements in the future.

(o) CI Services certifies pursuant to Sections 1.2001 through 1.2003 of the Commission's rules that no party to this application has been denied federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

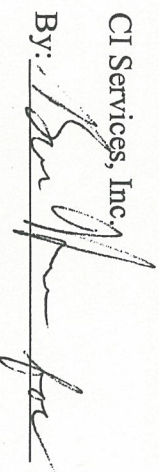
(p) This application qualifies for streamlined processing pursuant to Section 63.12 of the Commission's rules. Although the applicant is affiliated with a number of foreign carriers as described above, it qualifies for a presumption of non-dominance in the relevant markets under Section 63.10(a)(3) because each of the foreign affiliates lacks 50 percent market share in the

international transport and the local access markets on the foreign end of the routes. In addition, although the applicant is affiliated with a carrier, CWS, that is regulated as dominant on a number of routes, applicant agrees to itself be regulated as a dominant carrier to the extent that it resells CWS services to countries for which CWS is regulated as a dominant carrier. Thus, pursuant to Section 63.12(c)(1)(ii) and Section 63.12(c)(2), this application qualifies for streamlined processing.

Conclusion: In conclusion, CI Services certifies that all of the information in this application is accurate and correct.

For these reasons, CI Services respectfully requests that the Commission grant this application. Respectfully submitted,

CI Services, Inc.

By: 

James J. Welch, President
CI Services, Inc.
6560 Rock Spring Drive
Bethesda, Maryland 20817
(301) 214-3000

October 12, 1999

APPENDIX A

List of Thin Route Market Countries

1. Algeria
2. American Samoa
3. Angola
4. Armenia
5. Azerbaijan
6. Benin
7. Bolivia
8. Bosnia & Herzegovina
9. Botswana
10. Burkina
11. Cameroon
12. Cape Verde
13. Central African Republic
14. Chad
15. Congo
16. Cote d'Ivoire
17. Estonia
18. Ethiopia
19. French Polynesia
20. Gabon
21. Ghana
22. Guinea,
23. Iran
24. Iraq
25. Jordan
26. Kenya
27. Lesotho
28. Libya
29. Lithuania
30. Malawi
31. Mali
32. Maritime -Atlantic
33. Maritime -Pacific
34. Mauritania
35. Mauritius
36. Micronesia, Federated States of
37. Midway Atoll
38. Moldova
39. Mozambique
40. Namibia
41. Nauru

APPENDIX A cont.

42. New Caledonia
43. Nicaragua
44. Niger
45. Northern Mariana Islands
46. Pacific Islands (Palau)
47. Paraguay
48. Rwanda
49. Saint Helena
50. Senegal
51. Sierra Leone
52. Somalia
53. Sudan
54. Suriname
55. Swaziland
56. Tanzania
57. Togo
58. Tonga
59. Turks and Caicos Islands
60. Uganda
61. Western Samoa
62. Zaire
63. Zambia

APPENDIX B

List of Occasional-Use Video Single Carrier Market Countries

South America

**Central America/
Caribbean**

Saint Kitts & Nevis
Saint Lucia
Saint Vincent
Turks & Caicos

Western Europe

Cyprus
Greenland
Iceland
Malta
Norway

Eastern Europe

Albania
Belarus
Bulgaria
Czech Republic
Estonia
Lithuania
Macedonia
Moldova
Russia
Serbia
Slovenia

Appendix B cont.

Middle East

Bahrain
Iran
Israel
Jordan
Kuwait
Lebanon
Oman
Qatar
Saudi Arabia
Syria
United Arab Emirates
Yemen

Columbia
French Guiana
Guyana
Paraguay
Suriname
Trinidad & Tobago

Central America/
Caribbean

Anguilla
Antigua
Aruba
Bahamas
Belize
Bermuda
British Virgin Islands
Cayman Islands
Chagos Archipelago
Costa Rica
Dominica

Appendix B cont.

Dominican Republic
El Salvador
Gibraltar
Grenada
Guadeloupe
Guatemala
Haiti
Honduras
Martinique
Montserrat
Netherlands Antilles
Panama

Africa

Algeria
Angola
Benin
Botswana
Burkina Faso
Cameroon
Cape Verde
Central African Republic
Chad
Congo
Cote d'Ivoire
Dem. Rep Congo
Djibouti
Egypt
Ethiopia
Gabon
Gambia
Ghana
Guinea
Guinea Bissau
Kenya
Lesotho

Appendix B cont.

Liberia
Libya
Malawi
Mali
Mauritania
Mauritius

Africa (continued)

Morocco
Mozambique
Namibia
Niger
Nigeria
Rwanda
Saint Helena
Senegal
Sierra Leone
Somalia
South Africa
Sudan
Swaziland
Tanzania
Togo
Tunisia
Uganda
Zaire
Zambia
Zimbabwe

Central Asia

Armenia
Azerbaijan
Georgia
Kazakhstan

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Appendix B cont.

Kyrgyzstan
Mongola
Uzbekistan

South Asia

Bangladesh
India
Maldives
Nepal
Pakistan
Sri Lanka

Far East

Brunei
Cambodia
Malaysia
South Korea
Thailand
Vietnam

Pacific Rim

American Samoa
Fiji
French Polynesia
Macau
Marshall Islands
Micronesia
Midway Island
Nauru
New Caledonia
New Zealand
Palau
Papua New Guinea
Tonga

COMSAT FCC FILING FEES

1620

COMSAT CORPORATION
6560 ROCK SPRING DRIVE
BETHESDA, MD. 20817

DATE Oct. 12, 1999

65-270
550

PAY
TO THE
ORDER OF

Seven Hundred Eighty and 00/100
CRESTAR
Crestar Bank
Bethesda, Maryland

DOLLARS

 Security Features
Details on back

FOR STA-CUT (BH-CI Sov.)

Kent W. Ferguson

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MP