

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: \_\_\_\_\_

---

---

---

---

---

---

---

---



**BEFORE THE FEDERAL COMMUNICATIONS COMMISSION**

**WASHINGTON, D.C. 20554**

**FCC/MELLON DEC 13 1999**

In the matter of Soft-Tronik Corporation.

Application for authority pursuant to Section 214 of the Communications Act of 1934, as amended, for global authority to operate as an international facilities-based and resale carrier.

File No. \_\_\_\_\_

**APPLICATION**

USA Soft-Tronik Corporation ("Applicant") hereby requests authority, pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214 (1982), and Section 63.18 of the Federal Communications Commission ("FCC") Rules, 47 C.F.R. § 63.18 et seq., to provide global international facilities-based and resale services between the United States and international points, including specific authority pursuant to 47 C.F.R. § 63.18 (e)(4) to provide such services to Ukraine, where Applicant's affiliate operates as a non-dominant carrier. Applicant further requests that this Application be granted according to the streamlined processing procedures set forth in 47 C.F.R. § 63.12.

Applicant is a U.S. corporation organized to conduct any lawful business including the provision of telecommunication services. As noted above Applicant is affiliated with a foreign carrier operating in Ukraine. However, as shown below, Applicant's affiliate qualifies for a finding of non-dominance under Section 63.10(a)

By granting this Application, the Commission will serve the public interest, convenience and necessity by promoting competition in the international services market.

Competition will 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 Applicant.

Applicant submits the following information in support of its request for authorization pursuant to 47 C.F.R. §63.18:

(a) USA Soft-Tronik Corporation  
One Sansome Street, 20<sup>th</sup> Floor  
San Francisco, California 94104  
Tel: 415-951-4611

(b) Applicant is organized as a corporation under the laws of the State of California.

(c) Correspondence concerning this Application should be sent to:  
  
John L. Clark  
GOODIN, MACBRIDE, SQUERI, SCHLOTZ & RITCHIE, LLP  
505 Sansome Street, 9th Floor  
San Francisco, California 94111  
Telephone: (415) 765-8443  
Fax: (415)-765-8443

(d) Applicant has not previously sought or received authority under Section 214 of the Communications Act.

(e) Applicant requests global facilities-based and resale authority pursuant to 47 C.F.R. §§ 63.18(e) (1) and 63.18(e)(2).

In addition, Applicant requests specific authority pursuant to 47 C.F.R. § 63.18(e)(4) to provide facilities based, resold switched service, and switched or private line service over resold private lines to Ukraine, where Applicant's affiliate operates as a non-dominant carrier.

Applicant certifies that it will comply with 47 C.F.R. §§ 63.21, 63.22, and 63.23.

(g) The authorizations requested under 47. C.F.R. § 63.18(e)(4) are

categorically excluded pursuant to 47. C.F.R. § 1.1306 from environmental assessment requirements.

(h) The following persons or entities own a ten percent or more equity interest in Applicant:

Name and Address	Citizenship	Business	Percent Ownership
Grigori Dzekon 601 Van Ness Avenue, Apt. 1029 San Francisco, California 94102	Ukraine	Businessman (Applicant's President)	51%
Eugene Zimin 402 8 <sup>th</sup> Avenue, Apt. 402 San Francisco, California 94118	Ukraine	Businessman (Applicant's Chief Executive Technical Officer)	25%
Yuri Lissetskii 7 Revodskogo Street, Apt. 11 Kiev 252091, Ukraine	Ukraine	Businessman (Applicant's Chief Financial Officer)	19%

Each person identified above is also an officer and director of Applicant's affiliate, Kiev onLine Ltd., which is wholly-owned by Applicant. Kiev onLine Ltd. operates as a non-dominant carrier in Ukraine. In addition, the following person is also an officer and a director of both Applicant and Kiev onLine Ltd.:

Name and Address	Citizenship	Business	Percent Ownership
Val Shidlovsky 402 8 <sup>th</sup> Avenue, Apt. 402 San Francisco, California	USA	Businessman (Applicant's Secretary)	5%

(i) Applicant certifies that it is affiliated with one foreign carrier, Kiev onLine Ltd., which is wholly-owned by Applicant and operates as a non-dominant carrier in Ukraine.

(i) Applicant certifies that it seeks authority to provide international



telecommunications services to Ukraine, where Applicant's wholly-owned subsidiary, Kiev onLine Ltd. operates as a non-dominant carrier.

(k) Ukraine has applied for membership in the World Trade Organization, but is not yet a member. Applicant's wholly-owned subsidiary, Kiev onLine Ltd., owns a competitive fiber optic network in Kiev, Ukraine. This network, which Kiev onLine Ltd. began constructing in 1997, now consists of a number of rings totaling approximately 85 km in length and is one of several competing fiber optic networks in Kiev. Kiev onLine Ltd. does not own or operate any international transport facilities.

Telecommunications services in Ukraine are dominated by two state-controlled carriers. Ukrtelecom, a state-owned company, administers the national wireline infrastructure and has a local switched services monopoly in Kiev, which is operated under the name Kievelectrosvyaz. UTEL, which is owned in part by private foreign companies but is controlled by Ukrtelecom through a 51% ownership share, dominates the long-distance and international markets.

Applicant does not have access to information that would enable it to establish the precise local access market share enjoyed by Kiev onLine, Ltd.; however, Applicant estimates that its share of the local access market is less than 0.1%. Moreover, Kiev onLine, Ltd. neither owns nor controls any bottleneck or monopoly facilities. Quite clearly, Kiev onLine, Ltd. has no ability to exercise market power in any aspect of its operations.

(l) Applicant's foreign carrier subsidiary, Kiev onLine Ltd., does not hold market power in any aspect of its operations as is demonstrated by its holding substantially less than a 50% market share in the local access and international transport markets in Kiev.

Therefore, Kiev onLine Ltd. satisfies the showing for non-dominant status required under 47

C.F.R. § 63.10(a)(3).

(m) As shown above, Applicant's foreign carrier subsidiary, Kiev online Ltd., is presumptively non-dominant pursuant to the provisions of 47 C.F.R. § 63.10(a)(3).

(n) Applicant certifies that it has not agreed and will not agree 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.

(o) Applicant certifies that no party to the application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1998.

(p) This application qualifies for streamlined processing under 47 C.F.R. § 63.12 because it seeks authorizations only under 47 C.F.R. § 63.18 and none of the exceptions to streamlined processing set forth in 47 C.F.R. § 63.12(c) apply.

#### CONCLUSION

As demonstrated in this application, USA Soft-Tronik Corporation is qualified to provide the services for which it requests authority. For the reasons stated above, USA Soft-Tronik Corporation submits that the public interest, convenience and necessity would be furthered by a grant of application. The requested authorization should therefore be issued to USA Soft-Tronik Corporation to provide global international facilities-based and resale services between the United States and international points, including specific authority pursuant to 47 C.F.R. § 63.18 (e)(4) to provide such services to Ukraine.

California.

Respectfully submitted this 8th day of December 1999 at San Francisco,

GOODIN, MACBRIDE, SQUERI,  
RITCHIE & DAY, LLP

John L. Clark  
505 Sansome Street, Suite 900  
San Francisco, California 94111  
Telephone: (415) 392-7900  
Facsimile: (415) 398-4321

By



John L. Clark

Attorneys for Applicant USA Soft-Tronik  
Corporation

CERTIFICATION OF APPLICANT

I hereby certify that the statements in the foregoing Application for Section 214 authority are true, complete, and correct to the best of my knowledge and are made in good faith.

USA SOFT-TRONIK CORPORATION

By: VAL S

Name: Val Shidlovsky

Title: Secretary

Date: December 8, 1999