

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: \_\_\_\_\_

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December 17, 1999

Federal Communications Commission  
International Bureau Telecommunications Division  
P.O. Box 358115  
Pittsburgh, PA 15251-5115

Re: **Application of Deutsche Telekom, Inc. for Authority Pursuant to Section 214  
of the Communications Act of 1934, as Amended, to Operate as a Resale  
Carrier and as a Facilities-Based Carrier Between the U.S. and Various  
International Points**

To Whom It May Concern:

Deutsche Telekom, Inc., by its attorneys, hereby submits for filing an original and five (5) copies of its above-captioned application. Enclosed is a duplicate of this filing and a return envelope. Please date-stamp the duplicate upon receipt and return it in the envelope provided. Also enclosed is a check in the amount of \$780.00 for the filing fee.

Please do not hesitate to call me at the above referenced number if you should have any questions regarding this matter.

Sincerely,



Joan M. Griffin  
Its Attorney

JG:mr

Enclosures



countries lack market power and thus that the Commission's effective competitive opportunities test is inapplicable. As such, grant of authority to DTI to provide service to all these countries is appropriate under the rules and policies established by the Commission in its *Foreign Participation Order*.<sup>1</sup>

DTI requests that the Commission classify DTI as a non-dominant carrier in its provision of service to all countries for which authority is requested in this Application except Hungary. With the exception of Hungary, in all countries for which authority is requested and in which DTI has a foreign affiliate, DTI qualifies for a presumption of non-dominant treatment under Section 63.10(a)(3), as shown in Attachment C. DTI will accept dominant carrier treatment in its provision of service on the U.S. – Hungary route.

DTI also asks that the Commission process this Application in accordance with its streamlined processing procedures. Streamlined processing is appropriate under Section 63.12(a) of the Commission's Rules for service to countries in which DTI has no affiliate. For service to those countries in which DTI has an affiliate, streamlined processing is appropriate under Section 63.12(c)(1) of the Commission's Rules because either DTI qualifies for a presumption of non-dominant treatment under Section 63.10(a)(3), as shown in Attachment C, or the country is a member of the WTO and DTI accepts dominant carrier treatment.

Pursuant to Section 63.18 of the Commission's Rules, DTI sets forth the following information in support of this Application:

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<sup>1</sup> *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market*, IB Docket Nos. 97-142 and 95-22, Report and Order on Reconsideration, 12 FCC Rcd 23, 891 (1997) ("*Foreign Participation Order*").

- (a) The name and address of the Applicant is:

Deutsche Telekom, Inc.  
1020 – 19<sup>th</sup> Street, Suite 850  
Washington, D.C. 20036  
Phone: (202) 452-9100

- (b) DTI is a corporation organized and existing under the laws of the state of Delaware.

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

Andreas Tegge  
Managing Director  
Deutsche Telekom, Inc.  
1020 – 19<sup>th</sup> Street, N.W., Suite 850  
Washington, D.C. 20036  
Phone: 202-452-9100  
Fax: 202-452-9555

With copy to:

Robert J. Aamoth  
Joan M. Griffin  
Kelley Drye & Warren LLP  
1200 19th Street, N.W.  
Suite 500  
Washington, DC 20036  
Phone: 202-955-9600  
Fax: 202-955-9792

- (d) DTI has not previously received authority under Section 214 of the Act.

- (e) DTI is applying for authority to operate as a resale carrier and as a facilities-based carrier for the provision of service to all international points *except* those locations listed in Attachment A. DTI seeks this authority pursuant to Section 63.18(e)(4) of the Commission's Rules for service to the countries listed in Attachment C. With respect to these countries, DTI specifically seeks authority to provide services and use facilities as generally described in Sections 63.22 and 63.23 of the Commission's Rules. With respect to all other countries, DTI seeks authority pursuant to Sections 63.18(e)(1) and (2) of the Commission's Rules.

As evidenced by the certification provided in Attachment D, DTI certifies that it will comply with the terms and conditions of Sections 63.21, 63.22 and 63.23 of the Commission's Rules.

- (f) No response required.
- (g) DTI will use previously authorized facilities in providing its facilities-based services and thus this Application is categorically excluded from environmental processing under Section 1.1306 of the Commission's Rules.
- (h) As noted previously, DTI is a wholly-owned subsidiary of DTAG. DTAG is a corporation organized under the laws of Germany and the primary provider of telecommunications services in Germany.<sup>2</sup> The only 10 percent or greater shareholders of DTAG are the Federal Republic of Germany (the "Federal Republic"), which holds approximately 43.7 percent of the stock, and the Kreditanstalt für Wiederaufbau ("KfW"), which holds approximately 21.6 percent of the stock. KfW is a corporation organized under the laws of Germany whose principal business is development banking.<sup>3</sup> The only 10 percent or greater shareholders of KfW are the Federal Republic (80 percent) and the German state governments (20 percent). The following individual is an interlocking director of DTI: Paul Grosse.
- (i) As evidenced by the certification provided in Attachment D, DTI certifies that it is affiliated with entities that may or may not be considered foreign carriers that operate in the countries listed in Attachment D.
- (j) As evidenced by the certification provided in Attachment D, DTI's parent company, DTAG, controls or is deemed to control entities that may or may not be considered foreign carriers in the countries listed in Attachment B.
- (k) With the exception of Russia and Taiwan, all of the countries listed in (j) above are members of the WTO. With respect to Russia and Taiwan, DTI demonstrates in Attachment C that its foreign carrier affiliates in these countries lack market power.
- (l) and
- (m) With the exception of Hungary, for every country in which DTI is affiliated with a foreign carrier and for which DTI requests authority in this Application, DTI provides the necessary showing in satisfaction of Section 63.10(a)(3) of the Commission's Rules in Attachment C to this Application. For Hungary, DTI will file the quarterly traffic reports required by Section 43.61(c) of the Commission's Rules.
- (n) As evidenced by the certification provided in Attachment D, DTI certifies that it has not agreed to accept special concessions directly or indirectly from any

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<sup>2</sup> The postal address of DTAG is Postfach 20 00, 53105 Bonn, Germany.

<sup>3</sup> The address of KfW is Palmgartenstrasse 5-9, 60325 Frankfurt, Germany.

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 will not enter into such agreements in the future.

- (o) As evidenced by the certification provided in Attachment D, DTI 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.
- (p) Streamlined processing is appropriate for this Application under Section 63.12 of the Commission's Rules because, for every country for which authority is requested in this Application, either 1) DTI has no foreign affiliate; 2) DTI has a foreign affiliate, but DTI qualifies for a presumption of non-dominant treatment under Section 63.10(a)(3), as shown in Attachment C; or 3) DTI has a foreign affiliate, but the affiliate is from a WTO member country and DTI will accept dominant carrier treatment.

For the reasons stated herein, the Commission should grant the authority requested in this Application.

Respectfully Submitted,

**DEUTSCHE TELEKOM, INC.**

By: \_\_\_\_\_

*Andreas Tegge*  
Andreas Tegge  
Managing Director

*Bradley Shingleton*  
Bradley Shingleton  
Legal Counsel

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Its Attorneys

Date: 12/16/99



Attachment A

**COUNTRIES FOR WHICH *no authority* IS REQUESTED**

Germany  
Uzbekistan  
Croatia

**COUNTRIES FOR WHICH AUTHORITY IS REQUESTED  
AND IN WHICH DEUTSCHE TELEKOM AG  
CONTROLS OR IS DEMED TO CONTROL  
ENTITIES THAT MAY OR  
MAY NOT BE CONSIDERED FOREIGN CARRIERS**

Argentina	
Australia	
Austria	
Belgium	
Brazil	
Canada	
Chile	
Colombia	
Czech Republic	
Denmark	
El Salvador	
Finland	
France	
Greece	
Guatemala	
Hong Kong	
Hungary	
India	
Ireland	
Italy	
	Japan
	Korea
	Luxembourg
	Mexico
	New Zealand
	Netherlands
	Portugal
	Russia
	Singapore
	South Africa
	Spain
	Sweden
	Switzerland
	Taiwan
	United Kingdom
	Venezuela

**DTI FOREIGN AFFILIATIONS AND REGULATORY TREATMENT**  
**where authority is requested**

Deutsche Telekom, Inc. (“DTI”) is affiliated with foreign carriers in the following

countries for which authority is requested in this Application:

Argentina	Greece	New Zealand
Australia	Guatemala	Poland
Austria	Hong Kong	Portugal
Belgium	Hungary	Russia
Brazil	India	Singapore
Canada	Indonesia	South Africa
Chile	Ireland	Spain
Colombia	Italy	Sweden
Czech Republic	Japan	Switzerland
Denmark	Korea	Taiwan
El Salvador	Luxembourg	United Kingdom
Finland	Mexico	Venezuela
France	Netherlands	

For service to Hungary, DTI will accept dominant carrier treatment. On all other routes,

DTI qualifies for a presumption of non-dominant treatment under Section 63.10(a)(3) for the following reasons:

Austria: DTI’s parent company, Deutsche Telekom AG (“DTAG”), indirectly holds an ownership interest in max.mobil Telekomunikation Service GmbH (“max.mobil”), a mobile service provider in Austria, in excess of 70 percent. The market share of max.mobil in the cellular communications market in Austria is approximately 38 percent. Max.mobil also provides fixed line voice and data services on a resale basis to business customers in Austria. Max.mobil has only recently entered this market and thus its market share is substantially less than one (1) percent. *See also* discussion of Global One affiliations, *infra*.

France: In France, DTAG has agreed to purchase SIRIS S.A.S. (“SIRIS”) and may close the transaction before the end of 1999. SIRIS is the second largest alternative telecommunications operator in France, providing voice, data, and IP services on its own nationwide network. SIRIS’ share of the telecommunications market in France is approximately 2 percent.

Indonesia: PT Satelit Palapa Indonesia (“Satelindo”) is a joint venture in which DTAG indirectly holds a 25 percent ownership share. Satelindo provides mobile, satellite, and international gateway facilities in Indonesia. Its share of the relevant market is approximately 13 percent.

Italy: Under DTI’s understanding of the ownership attribution rules as set forth in Note 2 to Section 63.09, DTAG is deemed to hold a 49 percent ownership interest in Wind Telecomunicazioni S.p.A. (“Wind”), an alternative infrastructure provider in Italy. While Wind owns and operates its own facilities in Italy for the provision of fixed voice and data services, it only recently (March 1999) commenced providing service and thus its market share is negligible. *See also* discussion of Global One affiliations, *infra*.

Japan: Deutsche Telekom Tokyo (“DT Tokyo”) is a wholly-owned subsidiary of DTAG. As the holder of Type II license in Japan, DT Tokyo is a reseller providing a variety of communications services including international leased line services and corporate network services. Its share of the relevant markets is well under 1 percent. *See also* discussion of Global One affiliations, *infra*.

Czech Republic: Under the Commission’s ownership attribution rules, DTAG is deemed to hold a 41.5 percent interest in RadioMobil, a mobile service provider in the Czech Republic. RadioMobil provides a variety of mobile services on a nationwide basis including voice, data, and enhanced services. Its share of the mobile services market in the Czech Republic is approximately 43 percent. In the Czech Republic, Eurotel is dominant in the provision of mobile services.

Poland: DTAG indirectly holds a 22.5 percent ownership interest in Polska Telefonia Cyfrowa Sp.z.o.o (“PTC”), a mobile service provider in Poland. DTAG will acquire an additional 22.5 percent ownership interest in this company in early 2000. PTC provides various mobile telephony services in Poland on a nationwide basis using GSM900 and other technologies. Its share of the mobile services market in Poland is 40 percent. Polkomtel, a major competitor, controls approximately 38 percent of the market.

Russia: MTS, CJSC Mobile TeleSystems (“MTS”) is a mobile services provider in Russia in which DTAG holds a 46 percent ownership interest indirectly. MTS’ share of the total mobile services market in Russia is approximately 30 percent. Rostelecom is the dominant provider of national long distance and international services in Russia. Approximately 80 local service providers control the local service and access market on a region-by-region basis. *See also* discussion of Global One affiliations, *infra*.

Switzerland: DTAG holds a 50 percent ownership interest in Multilink SA (“Multilink”), an alternative infrastructure provider in Switzerland. Multilink is in the start-up phase and thus its share of the fixed voice and data market in Switzerland is under 1 percent. *See also* discussion of Global One affiliations, *infra*.

Canada: DTI’s wholly-owned affiliate, Deutsche Telecom (Canada) Inc. (“DT Canada”), holds an international resale license in Canada. DT Canada is a start-up company and thus its market share is negligible. *See also* discussion of Global One affiliations, *infra*.

UK: Deutsche Telekom Ltd. (“DT Ltd.”) is a wholly-owned subsidiary of DTAG that resells leased lines pursuant to a class license. Its market share is negligible. DTAG also owns One2One, which provides mobile communications services in the U.K. One2One’s share of the UK mobile services market is approximately 15 percent. *See also* discussion of Global One affiliations, *infra*.

All remaining countries, plus Austria, Italy, Japan, Russia, Switzerland, Canada, and the U.K.: In these countries, DTI is affiliated with a Global One company that may or may not hold a license and/or provide a basic telecommunications service such that the Global One company would be considered a foreign carrier. Atlas Telecommunications S.A. (“Atlas”), a 50/50 joint venture between DTAG and France Telecom, holds ownership interests in the Global One companies that give Atlas, at a minimum, negative control. Licenses held and/or services provided by the Global One companies may include frame relay, dedicated access lines, international facilities, private networks, internet services, value-added networks, value-added services, virtual private networks, and wireless local loops, depending on the country. However, in all cases (1) the Global One company operates as a start-up company and thus its market share in any market is well under 10 percent, and (2) any licenses held by the Global One company are for competitively provided facilities and/or services.

**CERTIFICATION**

The undersigned hereby certifies, on behalf of Deutsche Telekom, Inc. ("DTI")


and with respect to the foregoing application of DTI, that:

1. DTI is affiliated with entities that may or may not be considered foreign carriers that operate in the countries listed in Annex 1 to this Certification.
2. DTI will comply with the terms and conditions of Sections 63.21, 63.22, and 63.23 of the Commission's Rules.
3. DTI's parent company, Deutsche Telekom AG, controls or is deemed to control entities that may or may not be considered foreign carriers in the countries listed in Attachment B to the application.
4. DTI 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 will not enter into such agreements in the future.
5. 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.

DEUTSCHE TELEKOM, INC.

By: \_\_\_\_\_

Andreas Tegge  
Managing Director

  
Bradley Shingleton  
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Date: \_\_\_\_\_

Annex 1 to Attachment D

**COUNTRIES IN WHICH DEUTSCHE TELEKOM AG  
POSSESSES 25 PERCENT OR GREATER COMMON  
DIRECT OR INDIRECT OWNERSHIP IN AN ENTITY  
THAT MAY OR MAY NOT BE CONSIDERED A FOREIGN CARRIER**

Argentina	
Australia	
Austria	
Belgium	
Brazil	
Canada	
Chile	
Colombia	
Croatia	
Czech Republic	
Denmark	
El Salvador	
Finland	
France	
Germany	
Greece	
Guatemala	
Hong Kong	
Hungary	
India	
Indonesia	
	Ireland
	Italy
	Japan
	Korea
	Luxembourg
	Mexico
	New Zealand
	Netherlands
	Poland
	Portugal
	Russia
	Singapore
	South Africa
	Spain
	Sweden
	Switzerland
	Taiwan
	United Kingdom
	Uzbekistan
	Venezuela





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MEMO Chg. 018147.0001

MP

*Henry E. Adams*

Seven Hundred Eighty And No/100-----  
DOLLARS

Federal Communications Commission  
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\$ 780.00

Dec. 6, 1999

68-122/540 00480

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