

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

In the Matter of)
)
012 GOLDEN LINES, LTD.) File No. _____
)
Application for Authority Under)
Section 214 of the Communications)
Act of 1934, As Amended, for Global Authority)
to Offer Facilities-Based and Resale Service)
Between All Domestic Points)
and All Eligible International Points)

To: Chief, International Bureau

APPLICATION

I. PREAMBLE

Applicant 012 Golden Lines, Ltd. (“Golden Lines” or “Applicant”), formerly known as Golden Lines International Communications Services, Ltd., hereby requests authority from the Federal Communications Commission (“FCC” or “Commission”), pursuant to Section 214 of the Communications Act of 1934 (“the Act”), as amended, 47 U.S.C. § 214, and Sections 63.18(e)(1) and 63.18(e)(2) of the Commission’s Rules, 47 C.F.R. §§ 63.18(e)(1), (e)(2), to operate as a facilities-based and resale carrier of international services from all U.S. points to all eligible international points. Golden Lines’ primary business is the provision of telecommunications services.

Golden Lines International Communications Services, Ltd., was granted authorization pursuant to Section 214 in file no. ITC-214-19991020-00668 on November 17, 1999. Subsequent to the grant of the authorization, Golden Lines International Communications

Services, Ltd., changed its name to 012 Golden Lines, Ltd. Excluded from that authorization was the right to provide services from the states of Arkansas, California, Illinois, Indiana, Kansas, Michigan, Missouri, Nevada, Ohio, Oklahoma, Texas, and Wisconsin, due to the indirect ownership by SBC Communications Inc. (“SBC”) of more than 10% of Golden Lines. Since that time, SBC has divested itself of its indirect holdings in Golden Lines. As a result, Golden Lines now requests global Section 214 authority without the restrictions necessitated by SBC’s previous holdings in Golden Lines.

Applicant also requests that the Commission streamline the processing of this application pursuant to Section 63.12. Grant of this Application will serve the public interest, convenience and necessity by introducing new competition to the international services market.

Pursuant to Section 63.18 of the Commission’s Rules, Applicant sets forth the following information in support of its request for authorization:

II. SECTION 63.18 INFORMATION

(a) The name, address and telephone numbers of Applicant are:

012 Golden Lines, Ltd.
25 Ha’sivim St., Kiryat Matalon
Petach Tikva 49170, ISRAEL
Tel: (011) 972-3-927-2111

(b) Applicant is a corporation organized and existing under the laws of the State of Israel.

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

Ms. Aniella Ben-Yair
Senior Analyst
012 Golden Lines, Ltd.
25 Ha’sivim St., Kiryat Matalon
Petach Tikva 49170, ISRAEL
Tel: (011) 972-3-927-4501
Fax: (011) 972-3-927-2090

with a copy to:

Joel S. Winnik
 Douglas A. Klein
 Hogan & Hartson L.L.P.
 555 Thirteenth Street, N.W.
 Washington, D.C. 20004-1109
 Tel: (202) 637-5600
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- (d) Applicant previously received authority under Section 214 of the Communications Act in file no. ITC-214-19991020-00668. *See* Public Notice Report No. TEL-00159, DA 99-2566 (released Nov. 18, 1999). The authorization allowed Golden Lines to provide facilities-based and resold services to all international points and from all U.S. points except the states of Arkansas, California, Illinois, Indiana, Kansas, Michigan, Missouri, Nevada, Ohio, Oklahoma, Texas, and Wisconsin. Golden Lines agreed to comply with dominant-carrier regulation on the U.S.–Italy route.
- (e) (1) (i) Applicant is requesting Section 214 authority to operate as a facilities-based carrier pursuant to the terms and conditions of § 63.18(e)(1).
- (ii) Applicant seeks authority to provide service from all U.S. points to all foreign countries.
- (iii) Applicant certifies that it will comply with the terms and conditions contained in §§ 63.21 and 63.22.
- (2) (i) Applicant is requesting Section 214 authority to operate as a resale carrier pursuant to the terms and conditions of § 63.18(e)(2).
- (ii) Applicant seeks authority to provide service from all U.S. points to all foreign countries.
- (iii) Applicant certifies that it will comply with the terms and conditions contained in §§ 63.21 and 63.23.
- (3) Applicant does not seek authority for a transfer of control or a transfer of Section 214 authority, so this paragraph is not applicable.
- (4) Applicant does not seek authority to acquire facilities or to provide services not covered by paragraphs (e)(1) through (e)(3), so this paragraph is not applicable.

(f) No response required.

(g) Applicant does not seek facilities-based authority under § 63.18(e)(4).

(h) The following companies and other entities directly own at least 10 percent of the equity of Applicant:

Name	Address	State of Incorporation	Principal Business	%
Aurec Local Information Services Ltd.	16 Abba Hillel Silver Rd., Ramat Gan 52506, Israel	Israel	Holding Company	35.1
Globscom Holdings (2000) Ltd.	38 Ben Gurion Street, Ramat Gan, Israel	Israel	Holding Company	22.08
K.M. Group's Assets Ltd.	16 Abba Hillel Silver Rd., Ramat Gan 52506, Israel	Israel	Holding Company	16.42
Golden Netherlands N.V.	1077 XX Amsterdam Strawnskylaan 6 th Floor, Netherlands	Netherlands	Holding Company	26.4
Total				100

The following persons and other entities indirectly own at least 10 percent of the equity of Applicant (a matrix graphically demonstrating these ownership relationships is contained in Appendix A):

Name	Address	Citizenship/ State of Incorporation	Principal Business	%
Globes Publishers News (1983)	53 Ha'etzel Street, Rishon LeZion, Israel	Israel	Media	19.87
Monitin Newspapers Ltd.	53 Ha'etzel Street, Rishon LeZion, Israel	Israel	Media	19.87
Yezoka Ltd.	12 Zlotziski St., Tel-Aviv 62994, Israel	Israel	Holding Company	10.60
Zvi Meitar	16 Abba Hillel Silver Rd., Ramat Gan 52506, Israel	Israel	Attorney	10.60

Meizarim Ltd.	16 Abba Hillel Silver Rd., Ramat Gan 52506, Israel	Israel	Holding Company	12.99
Shmuel Meitar	16 Abba Hillel Silver Rd., Ramat Gan 52506, Israel	Israel	Businessman	12.99
Reslo Ltd.	16 Abba Hillel Silver Rd., Ramat Gan 52506, Israel	Israel	Holding Company	27.28
Moris Kahn	16 Abba Hillel Silver Rd., Ramat Gan 52506, Israel	Israel	Businessman	27.28
S.M. Holdings Ltd.	16 Abba Hillel Silver Rd., Ramat Gan 52506, Israel	Israel	Holding Company	17.55
D.M.S.L. Holdings Ltd.	16 Abba Hillel Silver Rd., Ramat Gan 52506, Israel	Israel	Holding Company	12.99
Telecom Italia S.P.A.	Via Bertola S.PA 19 122 Tolino	Italy	Telecommunications	25.08
Tecnost S.P.A.	Corso M. D'azegle 69 115 Ivsea	Italy	Information Technology	13.42

Interlocking Directorates. The following individuals are the directors of the Applicant, which is a foreign carrier: Giovanni Barontini, Archimede Del-Vecio, Ami Even, Eliezer Fishman, Roberto Girardi, Moshe Kleinman, and Israel Tchetchik.

To the best of our knowledge, none of the individuals listed above concurrently serves as director of another foreign carrier.

- (i) Applicant hereby certifies that it is, or is affiliated with, foreign carriers in Israel and Italy.
- (j) Applicant hereby certifies that it seeks to provide international telecommunications services to countries in which it has the following relationships with foreign carriers:

Name of foreign carrier	Relationship to Applicant	Licensed Countries
012 Golden Lines, Ltd.	Applicant	Israel
Telecom Italia S.P.A.	Indirectly owns more than 25% of Applicant	Italy

- (k) (1) Israel is a member of the World Trade Organization, and Applicant and its affiliate foreign carriers lack market power in Israel.
- (2) Italy is a member of the World Trade Organization.
- (l) (1) Applicant lacks 50 percent market share in the international transport and the local access markets in Israel. Although the Commission has stated that the International Bureau's list is not conclusive of this issue, the Bureau has recognized that Bezeq is the dominant carrier in Israel. See http://www.fcc.gov/Bureaus/International/Public_Notices/1999/da990809.txt. Applicant asks the Commission to take official notice that Golden Lines is a new entrant with small amounts of traffic that lacks 50 percent market share in the international transport and local access markets in Israel.
- (2) Applicant will file the quarterly traffic reports required by § 43.61(c) of this chapter with respect to its international telecommunications service to Italy.
- (m) (1) Applicant seeks to be regulated as non-dominant with respect to its service to Israel. Non-dominant status is warranted because Applicant and its affiliates lack 50 percent market share in the international transport and local access markets in Israel.
- (2) Applicant agrees to be classified as a dominant carrier with respect to its international telecommunications service to Italy under § 63.10, without prejudice to its right to petition for reclassification at a later date.
- (n) Applicant 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 that it will not enter into such agreements in the future.
- (o) Applicant hereby certifies that no party to this application, as defined in 47 C.F.R. § 1.2002(b), is subject to denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 853(a).
- (p) The Application qualifies for streamlined pursuant to Section 63.12 because:
- (1) Israel is a WTO Member country and the Applicant and its affiliates qualify for a presumption of non-dominance under § 63.10(a)(4) because they lack 50 percent market share in the international transport and local access markets in Israel; and

(2) Italy is a WTO Member country and the Applicant agrees to be classified as a dominant carrier with respect to its international telecommunications service to Italy under § 63.10, without prejudice to its right to petition for reclassification at a later date.

III. CONCLUSION

Accordingly, Applicant respectfully requests that the Commission grant this Application.

Respectfully submitted

012 GOLDEN LINES, LTD.

By: _____
Stella Handler
Vice-President Business Development
012 Golden Lines, Ltd.
25 Ha'sivim St., Kiryat Matalon
Petach Tikva 49170, ISRAEL

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Its Attorneys

Dated: September 6, 2000