

**APPLICATION OF DAVNET, INC.
TO PROVIDE INTERNATIONAL TELECOMMUNICATIONS SERVICES AS A
FACILITIES-BASED AND RESALE CARRIER**

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

FCC/MELLON **SEP 18 2000**

In the Matter of
DAVNET, INC.

Streamlined
DAVNET, INC.

ITC-214-20000918-00554

FILE NO. ITC-

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

APPLICATION

Davnet, Inc. ("Davnet") hereby requests authority, pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214 (the "Act"), and Section 63.18 of the Commission's Rules, 47 C.F.R. § 63.18, to provide global international facilities-based and resale services between the United States and international points.

Davnet is a United States company organized to provide telecommunications services, including international telecommunications services on a facilities-based and resale basis. Davnet has affiliations with foreign telecommunications carriers, but no such carriers are dominant in any market. Davnet seeks to serve business customers throughout the United States.

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 United States consumers by increasing service options and lowering prices. Thus, the public interest will be served by the grant of Section 214 authority to Davnet.

SECTION 63.18 INFORMATION

The information provided below is submitted, as required by Section 63.18 of the Commission's Rules, in support of Davnet's request for authorization. The information is organized by the subsection of Section 63.18 to which it pertains.

§ 63.18(a)- Davnet, Inc.

Sears Tower, Suite 4620
233 South Wacker Drive
Chicago, Illinois 60606
(312) 377-4620

§ 63.18(b)-

Davnet is incorporated under the laws of Delaware.

§ 63.18(c)- Catherine Urmston
Vice President- Administration/Public Relations/Legal
Davnet, Inc.
Sears Tower, Suite 4620
233 South Wacker Drive
Chicago, Illinois 60606
(312) 377-4620

and

Dale E. Thomas
Brian A. McAleenan
Sidley & Austin
Bank One Plaza
10 S. Dearborn
Chicago, Illinois 60603
(312) 853-7787

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

§§ 63.18(e)(1)
& 63.18(e)(2)-Davnet: (1) requests Section 214 authority to operate as a facilities-based carrier pursuant to Section 63.18(e)(1) of the Commission's Rules; (2) requests Section 214 authority to operate as a resale carrier pursuant to Section 63.18(e)(2) of the Commission's Rules; (3) requests authorization to provide facilities-based and resale service to all countries; and (4) certifies that it will comply with the terms and conditions contained in Sections 63.21, 63.22 and 63.23 of the Commission's Rules.

§ 63.18(g) Not Applicable.

§ 63.18(h)- Davnet is wholly-owned by Davnet Ltd., a publicly-owned Australian corporation located at Level 50, Rialto Towers, 525 Collins Street, VICTORIA 3000, Australia.

The only entity directly or indirectly owning 10% or more of the equity of Davnet Ltd. is Clever Country Software Pty Ltd., Level 6, 100 Albert Road, South Melbourne, VICTORIA 3205, which owns 15% of the equity of Davnet Ltd.
Clever Country Software Pty. Ltd. is wholly-owned by the individual named below:

Stephen L. Moignard
Managing Director and CEO of Davnet Ltd.
Level 50, Rialto Towers
525 Collins Street, VICTORIA 3000
Australia
Citizenship- Australia

Mr. Moignard therefore indirectly owns 15% of Davnet.

Described below are Davnet's interlocking directorates with foreign carriers:

Davnet's Board of Directors has two members -- Mr. Moignard and R. Harold Turner. Mr. Moignard is also a member of the Board of Directors of Davnet's foreign carrier affiliate in Hong Kong, which has nine members in total, and is a member of the Board of Directors of Davnet's foreign carrier affiliate in Singapore, which has three members in total. Mr. Moignard is not a director of Davnet's foreign carrier affiliate in Australia. Mr. Turner is also a member of the Board of Directors of Davnet's foreign carrier affiliate in Australia, which has eight total members. The name of each of Davnet's foreign carrier affiliates is listed below in § 63.18(j). Applicant has no other interlocking directorates with foreign carriers.

§ 63.18(i) Davnet certifies that it is not a foreign carrier. Davnet certifies that it is affiliated with foreign carriers in the following countries:

- (1) Australia
- (2) Hong Kong
- (3) Singapore

§ 63.18(j) Davnet certifies that, in the destination countries listed below (which are among those to which Davnet seeks to provide international telecommunications services), its parent company, Davnet Ltd., controls each foreign carrier listed below:

<u>Destination Country</u>	<u>Carrier</u>
(1) Australia	Davnet Telecommunications Pty Ltd.
(2) Hong Kong	Davnet Digital Hong Kong Ltd.
(3) Singapore	Davnet Singapore Pty Ltd.

Davnet certifies that:

- (1) Davnet is not a foreign carrier in any country;
- (2) Davnet does not control a foreign carrier in any country; and
- (3) Davnet is wholly-owned by its parent company, Davnet Ltd., and therefore no two foreign carriers (or parties that control foreign carriers) together own more than 25% of Davnet.

§ 63.18(k) Each of the countries listed above in response to § 63.18(j) is a member of the World Trade Organization.

§ 63.18(l) With respect to each entity with which Davnet is affiliated that operates as a telecommunications carrier in the destination countries listed in §§ 63.18(i) and 63.18(j) above, Davnet certifies that, although precise market share cannot be

determined, none of its affiliated carriers possesses 50% or greater market share (whether measured by the number of access lines or customers) in the destination market, and upon information and belief possesses less than 10% market share in the destination market, and therefore each such carrier satisfies the requirements for non-dominance pursuant to § 63.10(a)(3).

§ 63.18(m)

Davnet desires to be regulated as non-dominant with respect to all international services that it intends to offer. Davnet qualifies for non-dominant regulation pursuant to § 63.10 because Davnet is not a foreign carrier and, as shown above in the response to § 63.18(l), none of the foreign carriers affiliated with Davnet possesses market share of 50% or greater. Davnet therefore qualifies for non-dominant regulation pursuant to § 63.10(a)(3).

§ 63.18(n)

Davnet certifies that:

- (1) it has not entered into any agreements 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
- (2) it will not enter into any agreements referred to in part (1) above in the future.

§ 63.18(o)

Davnet certifies, pursuant to Sections 1.2001 through 1.2003 of the Commission's Rules, 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, 21 U.S.C. § 853a.

§ 63.18(p)

Davnet requests streamlined processing of this application pursuant to Section 63.12 of the Commission's Rules. Davnet qualifies for streamlined processing because:

- (1) as demonstrated above, Davnet qualifies for a presumption of non-dominance under § 63.10(a)(3);
- (2) Davnet has no affiliation with a dominant U.S. carrier; and
- (3) Davnet does not seek authority to provide switched basic services over private lines to a country for which the Commission has not previously authorized such services.

CONCLUSION

In conclusion, Davnet certifies that all of the information in this application is current and correct.

For these reasons, Davnet respectfully requests that the Commission grant this application.

Respectfully submitted,

DAVNET, INC.

By: 

Title: VP. Legal & HR

Davnet, Inc.
Sears Tower, Suite 4620
233 South Wacker Drive
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Date: 15 September 2000