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November 21, 2000

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Telecom Division
International Bureau

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
The Portals
445 Twelfth Street, S.W.
Washington, DC 20554


Re: Correction to Section 214 Application

Dear Ms. Salas:

Attached please find an original and five copies of a corrected version of an application for section 214 authority, which was filed yesterday on behalf of Verizon Enterprise Solutions ("VES"). This erratum is necessary because VES's description of its affiliate NYNEX Gibraltar Ltd. ("NYNEX Gibraltar") at page 13 of the application stated that NYNEX Gibraltar provided domestic wireline service in Gibraltar, but did not mention that NYNEX Gibraltar is authorized to provide international service between Gibraltar and Spain. In addition, we have corrected the name of the Bell Atlantic subsidiary that holds an interest in FLAG.

Please do not hesitate to contact the undersigned should you have any questions.

Sincerely,


John F. Papandrea

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Telecom Division
International Bureau

FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

FEDERAL COMMUNICATIONS COMMISSION
GEORGE W. BUSH, SECRETARY

In the Matter of

NYNEX LONG DISTANCE COMPANY)
D/B/A VERIZON ENTERPRISE SOLUTIONS)

Non-Streamlined ITC-214-20001121-00681
NYNEX LONG DISTANCE COMPANY
VERIZON ENTERPRISE SOLUTIONS

Application for Authority Pursuant to)
Section 214 of the Communications Act of 1934,)
as Amended, For Authority to Operate as an)
International Facilities-Based and Resale)
Carrier)

APPLICATION FOR SECTION 214 AUTHORITY

NYNEX Long Distance Company, d/b/a Verizon Enterprise Solutions (“VES”)¹ hereby requests authority, pursuant to section 214 of the Communications Act of 1934, as amended (the “Act”), 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) and 63.18(e)(2), to provide international facilities-based and resale services between all points in Massachusetts and international points. Specifically, this application requests authority for VES:

- (1) to provide global international facilities-based service between all points in Massachusetts and all international points, except Gibraltar and countries listed on the Commission’s exclusion list;²

¹ VES’s affiliates, Bell Atlantic Communications, Inc., d/b/a Verizon Long Distance (“VLD”), Verizon Select Services Inc. (“VSSI”), and Verizon Global Services Inc. (“VGS”) are filing separate applications for similar authority.

² Compania Anonima Nacional Telefonos de Venezuela (“CANTV”), a carrier in Venezuela, is affiliated with VES’s parent company Verizon Communications Inc. (formerly known as Bell Atlantic Corporation) as that term is defined in section 63.09(e) of the

- (2) to resell international services of all authorized U.S. carriers between all points in Massachusetts and all international points.

The requested authority is similar to that granted to Bell Atlantic Communications, Inc. (“BACF”) and NYNEX Long Distance Company (“NYNEX-LD”) contemporaneously with approval of Bell Atlantic’s section 271 application for New York.

Pursuant to section 63.10 of the Commission’s rules, 47 C.F.R. § 63.10, VES is entitled to non-dominant treatment for all of the above services, except for facilities-based and resale services to or from Venezuela and the Dominican Republic and resale services to or from Gibraltar. On routes to or from Gibraltar, the Dominican Republic, and Venezuela, VES certifies that it will comply with the Commission’s dominant carrier regulations. VES also is entitled to non-dominant treatment on the U.S.-Gibraltar, U.S.-Dominican Republic, and U.S.-Venezuela routes to the extent that it serves those routes by reselling the international switched services of unaffiliated U.S. facilities-based carriers.³

This application is integrally related to the pending application of VES to provide in-region, interLATA services in Massachusetts, pursuant to section 271 of the Act, 47 C.F.R. § 271.⁴ That application was filed on September 22, 2000 and must be acted upon by December

Commission’s rules, 47 C.F.R. § 63.09(e). The current settlement rates that CANTV charges U.S. international carriers to terminate traffic in Venezuela are not below the Commission’s relevant benchmarks adopted in IB Docket No. 96-261, but will meet the benchmark on January 1, 2001. Accordingly, VES requests that the present request automatically extend to facilities-based service between the United States and Venezuela once CANTV’s settlement rates meet the relevant benchmark.

³ 47 C.F.R. § 63.10(a)(4).

⁴ *Application by Verizon New England Inc., Bell Atlantic Communications, Inc. (d/b/a Verizon Long Distance), NYNEX Long Distance (d/b/a Verizon Enterprise Solutions), and*

21, 2000. In order not to delay VES's ability to offer customers in Massachusetts a full complement of interLATA services, VES must obtain authority to provide the requested international services no later than the date of approval of its pending section 271 application for Massachusetts.⁵ Accordingly, VES requests prompt action on the instant application.

Description of Applicant

VES is an indirect, wholly-owned subsidiary of Verizon Communications Inc. (formerly known as Bell Atlantic Corporation) ("Verizon") and is a corporation organized under the laws of the State of Delaware. VES is currently authorized to provide resold and facilities-based international telecommunications services originating in the State of New York⁶ and in out-of-region states.⁷

Verizon Global Networks Inc., for Authorization to Provide In-Region, InterLATA Services in Massachusetts, CC Docket No. 00-176 (filed Sept. 22, 2000).

⁵ Issues relating to whether Verizon should receive interLATA authority are not relevant to this application, but will be considered in proceedings dealing with section 271 applications filed by Verizon's local operating companies.

⁶ *Application by Bell Atlantic New York for Authorization Under Section 271 of the Communications Act To Provide In-Region, InterLATA Service in the State of New York*, 1999 FCC LEXIS 6564 (rel. Dec. 22, 1999) ("*New York 214 Order*").

⁷ Verizon's "in-region" states are the states formerly served by Bell Atlantic's local operating telephone companies. These states are Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York, New Jersey, Pennsylvania, Delaware, Maryland, the District of Columbia, Virginia, and West Virginia. *See* 47 U.S.C. § 271(f); *see also Bell Atlantic Communications, Inc. Application for Global Authority to Provide Facilities-based Switched, Private Line, and Data Services between the United States and International Points*, 12 FCC Rcd 1880 (1997) ("*Facilities Order*"); *NYNEX Long Distance Company Application for Authority to Provide International Services from Certain Points within the United States to Gibraltar through the Resale of International Switched Services*, Order, Authorization and Certificate, File No. I-T-C-96-447, DA 97-504, (rel. Mar. 12, 1997) ("*NYNEX Gibraltar Order*"); *NYNEX Long Distance Company Application for Authority to Provide International Services from Certain Parts of the United States to International Points through the Resale of International Switched Services*, 11 FCC Rcd 8685 (1996) ("*Resale Order*").

Verizon, VES's parent company, has ownership interests in several foreign carriers, as the term "foreign carrier" is defined in section 63.09(d) of the Commission's rules, 47 C.F.R. § 63.09(d). Through some of these interests, VES is "affiliated" with foreign carriers within the meaning of section 63.09(e) of the Commission's rules, 47 C.F.R. § 63.09(e). These entities are described fully in the response to section 63.18(i) below.

Eligibility for Non-Dominant Treatment

VES is entitled to non-dominant treatment for all facilities-based authority applied for herein, except U.S.-Venezuela and U.S.-Dominican Republic routes. VES agrees to accept regulation as a dominant carrier on the routes between the United States and Venezuela and the Dominican Republic, and is not seeking to serve Gibraltar on a facilities basis.⁸

In addition, VES plainly qualifies as a non-dominant carrier for resale authority to or from all countries except Gibraltar, the Dominican Republic, and Venezuela. VES requests authority to resell international services of all authorized U.S. carriers, between all points in Massachusetts and all international points, except those countries on the Commission's exclusion list. The Commission already has classified VES as non-dominant in the provision of international services originating in the State of New York as well as in out-of-region states on all routes except U.S.-Dominican Republic, U.S. - Gibraltar, and U.S.-Venezuela. This reflects the fact that the agency has classified BOC interLATA affiliates as non-dominant in the provision of in-region, international services.⁹ Accordingly, VES should be classified as a non-dominant reseller for its services on all routes except U.S.-Gibraltar, U.S.-Dominican Republic, and U.S.-Venezuela.¹⁰

⁸ 47 C.F.R. § 63.10(e).

⁹ *Regulatory Treatment of LEC Provision of Interexchange Services Originating in the LEC's Local Exchange Area and Policy and Rules Concerning the Interstate, Interexchange*

Public Interest

Grant of this application will serve the public interest, convenience, and necessity by enabling VES to offer to customers in Massachusetts international switched, private line, business, data, and all other authorized services, along with domestic interstate and intrastate long distance services, in competition with incumbent long distance carriers. The entry of VES into the Massachusetts international services market will benefit consumers in that state by increasing competition, lowering prices, expanding available service options, and promoting more efficient use of existing international facilities.

The instant application requests section 214 authority similar to that granted to Bell Atlantic Communications, Inc. (“BACI”) and NYNEX Long Distance Company (“NYNEX-LD”) contemporaneously with approval of Bell Atlantic’s section 271 application for New York. The Commission found those requests to be in the public interest and granted section 214 authority.¹¹ Given the similarity of these filings to the instant application, the same result is plainly warranted here.

Because this application is a companion to a separate application filed by VES pursuant to section 271 of the Act, 47 U.S.C. § 271, the Commission has additional cause to find that this

Marketplace, 7 Comm. Reg. (P&F) 768 (1997). The Commission withheld non-dominant classification from BOC interLATA affiliates that are affiliated with foreign carriers, as defined in Commission rules, that have the ability to discriminate against competitors through control of bottleneck facilities or services in foreign destination markets.

¹⁰ VES notes that it is not subject to dominant carrier obligations on the U.S.-Gibraltar, U.S.-Dominican Republic, and U.S.-Venezuela routes to the extent that it serves those routes by reselling the international switched services of unaffiliated U.S. facilities-based carriers. 47 C.F.R. § 63.10(a)(4).

¹¹ See *New York 214 Order* at ¶ 2.

application is in the public interest. In order not to delay VES's ability to offer customers in Massachusetts a full complement of interLATA services, VES must obtain authority to provide the requested international services no later than the date of approval of its pending section 271 application. Any other outcome would deny consumers the full benefits of competition set forth above, and thus would clearly *not* serve the public interest.

Section 63.18 Information

In support of this application, VES submits the following information in accordance with section 63.18 of the Commission's rules:

- (a) The name, address and telephone number of the applicant is:

NYNEX Long Distance Company d/b/a Verizon Enterprise Solutions
200 Park Avenue
17th Floor
New York, NY 10166
(212) 983-2024
- (b) VES is incorporated under the laws of the State of Delaware.
- (c) Correspondence concerning this application should be addressed to:

Anthony P. Gillman
General Counsel
Verizon Enterprise Solutions
201 North Franklin Street
P. O. Box 110
Tampa, FL 33601
Telephone: (813) 483-2615
Facsimile: (813) 204-8870

with copies to:

John D. Broten
Verizon Enterprise Solutions
1320 N. Courthouse Road, 9th Floor
Arlington, VA 22201
Telephone: (703) 526-3044
Facsimile: (703) 526-3624

Nancy J. Victory
Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, DC 20006
Telephone: (202) 719-7388
Facsimile: (202) 719-7049

(d) VES is authorized to resell basic international switched services originating from the State of New York and all other out-of-region states to all international points.¹² In addition, VES is authorized to provide facilities-based international switched, private line, and data services from the State of New York and all out-of-region states to all international points except Gibraltar, and countries listed on the Commission's exclusion list.¹³

(e) Pursuant to the terms and conditions of section 63.18(e)(1) and 63.18(e)(2) of the Commission's rules, 47 C.F.R. § 63.18(e)(1) and 63.18(e)(2), VES requests authority:

- (1) to provide global international facilities-based service between all points in Massachusetts and all international points, except Gibraltar and countries listed on the Commission's exclusion list;¹⁴ and

¹² In the Order approving the Bell Atlantic/GTE merger, the Commission imposed dominant carrier regulation of VES on the U.S.-Gibraltar, U.S.-Dominican Republic, and U.S.-Venezuela routes. *Application of GTE CORPORATION, Transferor, and BELL ATLANTIC CORPORATION, Transferee For Consent to Transfer Control of Domestic and International Sections 214 and 310 Authorizations and Application to Transfer Control of a Submarine Cable Landing License*, FCC 00-221 (June 16, 2000), CC Docket No. 98-184 ("Merger Order").

¹³ *Resale Order, Facilities Order, NYNEX Gibraltar Order*. In the Order approving the Bell Atlantic/GTE merger, the Commission imposed dominant carrier regulation of VES on the U.S.-Gibraltar, U.S.-Dominican Republic, and U.S.-Venezuela routes. *See Merger Order*.

¹⁴ VES requests authority to offer switched services over private lines to and from those markets for which the Commission has already approved or later approves such services. In addition, as stated above, because the current settlement rates that CANTV charges U.S. international carriers to terminate traffic in Venezuela are not below the Commission's relevant benchmarks adopted in IB Docket No. 96-261, VES requests that the present request

- (2) to resell international services of all authorized U.S. carriers between all points in Massachusetts and all international points, except those countries on the Commission's exclusion list.

VES certifies that it will comply with the terms and conditions contained in section 63.21, 63.22, and 63.23 of the Commission's rules, 47 U.S.C. § 63.21, 63.22, and 63.23.

- (f) Not applicable.
(g) Not applicable.

(h) VES certifies that it is an indirect, wholly-owned subsidiary of Verizon Communications Inc. (formerly known as Bell Atlantic Corporation) ("Verizon"), a Delaware corporation with offices at 1095 Avenue of the Americas, New York, New York 10036. Verizon's principal business is the provision of telecommunications services to the public. No single shareholder holds more than 10 percent of Verizon's equity.

VES certifies that Eduardo R. Menasce serves as a director of VES and as an alternate director of CTL.

(i) VES is affiliated, as that term is defined in section 63.09 of the Commission's rules, 47 C.F.R. § 63.09, with the following foreign carriers:

- (1) Iusacell: Verizon also indirectly owns approximately 37% of Grupo Iusacell, S.A. de C.V., which, through subsidiaries, provides domestic cellular telecommunications and international telecommunications services in Mexico ("Iusacell"). Iusacell itself owns no international facilities and holds a small share of the international switched services resale market in Mexico. Its domestic

automatically extend to facilities-based service between the United States and Venezuela as of January 1, 2001, when CANTV's settlement rates meet the relevant benchmark.

cellular facilities and international services are offered in addition to the existing facilities and services of other providers. The Commission already has ruled that Iusacell does not control bottleneck services or facilities and that, therefore, Iusacell lacks the ability to discriminate against unaffiliated U.S. carriers terminating traffic in Mexico.¹⁵

- (2) TELUUS Corporation, Quebec Telephone, and Clearnet Communications Inc.: Through its subsidiary GTE, Verizon owns 26.7% of TELUS Corporation (“TELUUS”), which provides telecommunications services within its certificated territory in the Provinces of Alberta and British Columbia, and 48.85% of Quebec Telephone (“Quebec Tel”) which provides telecommunications service within its certificated territory in the Province of Quebec. The agency already has found that GTE is non-dominant on the U.S.-Canada route.¹⁶

TELUUS recently acquired a 98% stake in Clearnet Communications Inc. (“Clearnet”), a nationwide cellular operator in Canada. Because Clearnet only controls mobile facilities in Canada, it lacks the ability to discriminate against unaffiliated U.S. carriers terminating traffic in Canada. Thus, VES should continue to be regulated as non-dominant on the U.S.-Canada route.¹⁷

- (3) CODETEL: Through GTE, Verizon owns 100% of the Compania Dominicana de Telefonos (“CODETEL”), which provides domestic and international

¹⁵ *Facilities Order*, 12 FCC Rcd at 1889.

¹⁶ *See, e.g., Merger Order* at ¶ 418; *Petition of GTE Hawaiian Telephone Company, Inc. for Reclassification as a Non-dominant IMTS Carrier*, 11 FCC Rcd 20354, ¶ 63 (1996).

¹⁷ *Cf.* 47 C.F.R. § 63.12(c)(1)(iii).

telecommunications services in the Dominican Republic. The current rates CODETEL charges U.S. international carriers to terminate traffic are at or below the Commission's relevant benchmark adopted in IB Docket No. 96-261. However, the Commission has classified CODETEL as dominant on the U.S.-Dominican Republic route.¹⁸ Therefore, with respect to facilities-based and resale service, VES agrees to be regulated as dominant on the U.S.-Dominican Republic route. However, VES is entitled to be regulated as a non-dominant carrier on this route to the extent that it resells the international switched services of unaffiliated U.S. facilities-based carriers. 47 C.F.R. § 63.10(a)(4).

- (4) CANTV: Through GTE, Verizon owns 28.04% of Compania Anonima Nacional Telefonos de Venezuela ("CANTV") which provides domestic and international telecommunications services in Venezuela. The current settlement rates CANTV charges U.S. international carriers to terminate traffic are not below the Commission's relevant benchmark adopted in IB Docket No. 96-261, but will meet the benchmark on January 1, 2001. The Commission has classified CANTV as dominant on the U.S.-Venezuela route. Therefore, with respect to facilities-based and resale service, VES agrees to be regulated as dominant on the U.S.-

¹⁸ In a previously-granted application, Bell Atlantic Global Network & Transport Solutions, Inc. ("GNTS"), now known as Verizon Global Solutions, Inc., requested global authority to provide facilities-based and resale services originating in New York and in out-of-region states and terminating at all international points. In that application, GNTS agreed to be regulated as a dominant carrier on the U.S.-Dominican Republic, U.S.-Gibraltar, and U.S.-Venezuela routes. However, to the extent VES provides service on these routes through resale of international switched services of unaffiliated U.S. facilities-based carriers, it qualifies for non-dominant treatment. See *International Authorizations Granted*, Aug. 24, 2000 (ITC-214-20000720-00450); *Resale Order*.

Venezuela route. However, VES is entitled to be regulated as a non-dominant carrier on this route to the extent that it resells the international switched services of unaffiliated U.S. facilities-based carriers. 47 C.F.R. § 63.10(a)(4).

- (5) CTI: Through GTE, Verizon owns 58.95% of CTI Compania de Telefonos del Interior S.A. and CTI Norte Compania de Telefonos del Interior S.A. (collectively “CTP”) which provide mobile telecommunications services in Argentina. Because CTI controls only mobile wireless facilities in Argentina, it lacks the ability to discriminate against unaffiliated U.S. carriers terminating traffic in Argentina.

Thus, VES should continue to be classified as non-dominant on the U.S.-Argentina route.¹⁹

- (6) FLAG Telecom Holdings Limited: Through its subsidiary, Bell Atlantic Network Systems Company, Verizon holds a 29.41% interest in FLAG Telecom Holdings Limited (“FLAG”). FLAG has licenses and authorizations in numerous countries, such as:

(i) France: A FLAG subsidiary, FLAG Atlantic France (“FAF”), holds an infrastructure license (L 33.1) that authorizes it to install and operate a network in six regions of France (Bretagne, Basse Normandie, Haute Normandie, Ile de France, Nord-Pas de Calais, and Picardie). FAF has a trivial market share in France and competes directly with France Telecom, which the Commission has classified as a dominant carrier in France. Thus, VES lacks the ability to

¹⁹ Cf. 47 C.F.R. § 63.12(c)(1)(iii).

discriminate against unaffiliated U.S. carriers terminating traffic in France and should, therefore, be regulated as non-dominant on the U.S.-France route.

(ii) Italy: FLAG's subsidiary, FLAG Telecom Ireland Limited ("FTIL"), has a resale authorization in Italy. FTIL controls no facilities, has a tiny market share, and competes with Telecom Italia, which the Commission has previously classified as a dominant carrier in Italy. Thus, VES lacks the ability to discriminate against unaffiliated U.S. carriers terminating traffic in Italy and should, therefore, be regulated as non-dominant on the U.S.-Italy route.

(iii) Japan: FLAG holds a Type I (infrastructure and service) license in Japan. FLAG is one of many Type I licensees, and its market share in Japan is extremely small. Moreover, it controls no bottleneck facilities and it competes directly with Kokusai Denshin Denwa Co., Ltd. ("KDD") and Nippon Telegraph & Telephone Corporation ("NTT"), both of which the Commission classifies as dominant carriers. Thus, VES lacks the ability to discriminate against unaffiliated U.S. carriers terminating traffic in Japan and should, therefore, be regulated as non-dominant on the U.S.-Japan route.

(iv) Netherlands: FTIL holds a reseller license in the Netherlands. However, FTIL's market share in the Netherlands is tiny, and the company controls no facilities. Moreover, it competes directly with KPN Telecom NV, an entity the Commission has previously classified as a dominant carrier in the Netherlands. Thus, VES lacks the ability to discriminate against unaffiliated U.S. carriers terminating traffic in the Netherlands and should, therefore, be regulated as non-dominant on the U.S.-Netherlands route.

(v) Singapore: A FLAG subsidiary, FLAG Telecom Singapore (“FTS”), holds a facilities-based operator license in Singapore. However, because FTS has an extremely small market share and competes directly with Singapore Telecom, VES lacks the ability to discriminate against unaffiliated U.S. carriers terminating traffic in Singapore and should, therefore, be regulated as non-dominant on the U.S.-Singapore route.

(vi) United Kingdom: FTIL holds a public telecommunications operator (infrastructure and service) license in the United Kingdom. However, because FTIL has an extremely small market share in the UK and competes directly with British Telecom, VES lacks the ability to discriminate against unaffiliated U.S. carriers terminating traffic in the United Kingdom and should, therefore, be regulated as non-dominant on the U.S.-UK route.

(7) GTEFE: Through Verizon Hawaii Inc. (“VHI”), Verizon is affiliated with GTE Far East (Services) Limited (“GTEFE”), a wholly-owned subsidiary of VHI. GTEFE is one of the hundreds of entities that have Special Type II licenses in Japan. GTEFE has a tiny market share in Japan and competes with KDD and NTT, both of which the Commission classifies as dominant carriers. The Commission has determined that GTEFE lacks market power in Japan.²⁰ Therefore, VES plainly lacks the ability to discriminate against unaffiliated U.S. carriers terminating traffic in Japan and should, therefore, be regulated as non-dominant on the U.S.-Japan route.

²⁰ *Merger Order* at ¶ 421.

- (8) Gibraltar NYNEX Communications Ltd. (“Gibraltar NYNEX”): VES is affiliated with Gibraltar NYNEX, a Verizon subsidiary that is authorized to provide domestic wireline communications in Gibraltar and international services between Gibraltar and Spain. The Commission previously determined that Gibraltar NYNEX was a dominant carrier in Gibraltar.²¹ VES does not seek to serve Gibraltar on a facilities basis.
- (j) VES certifies that:
- (1) it does not seek to provide international telecommunications services to any destination country in which VES is a foreign carrier or controls a foreign carrier;
- (2) no foreign carriers own more than 25 percent of VES;
- (3) it seeks to serve certain destination countries in which Verizon, VES’s parent corporation, controls foreign carriers. These foreign carriers and destination countries are: Iusacell (Mexico); TELUS, Quebec Tel, and Clearnet (Canada); CODETEL (Dominican Republic); CANTV (Venezuela); CTI (Argentina); FLAG (France, Italy, Japan, Netherlands, Singapore, and the United Kingdom); STEFF (Japan); and Gibraltar NYNEX (Gibraltar).
- (4) other than Verizon (*see* paragraph (j)(3) above), no foreign carrier, and no party that controls a foreign carrier, controls more than 25 percent of VES.
- (k) All of the countries listed in paragraph (j)(3) above are treated as members of the World Trade Organization.²²

²¹ *Id.* at ¶ 415.

²² The U.S. Department of State has concluded that the 1994 Marrakesh Agreement Establishing the World Trade Organization applies to Gibraltar. *See Merger Order* at ¶ 412.

(l), (m) VES is eligible for non-dominant treatment on all routes except U.S.-Dominican Republic, U.S.-Gibraltar, and U.S.-Venezuela. VES's affiliated foreign carriers in Mexico (Iusacell), Canada (TELUS, Quebec Tel, and Clearnet), Argentina (CTI), France (FLAG), Italy (FLAG), Japan (GTEFE and FLAG), Netherlands (FLAG), Singapore (FLAG), and the United Kingdom (FLAG) lack market power in those destination markets. As stated above, the Commission has already determined that Iusacell lacks market power in Mexico. Moreover, the Commission has previously determined that Verizon was entitled to non-dominant treatment on the U.S.-Canada route.²³ Because CTI controls only mobile wireless facilities in Argentina, it also lacks the ability to discriminate against unaffiliated U.S. carriers terminating traffic in Argentina and should be classified as non-dominant on the U.S.-Argentina route.²⁴ Furthermore, because GTEFE and FLAG are just two of many Special Type II and Type I licensees in Japan, have tiny market shares in Japan, and compete with KDD and NTT (carriers the Commission has classified as dominant), VES should be treated as non-dominant on the U.S.-Japan route. In addition, because VES's foreign affiliates in France, Singapore, and the United Kingdom have trivial market shares and compete directly with carriers the Commission has previously classified as dominant (France Telecom, British Telecom, and Singapore Telecom, respectively), VES lacks the ability to discriminate against U.S. international carriers terminating traffic in those countries. Therefore, VES is entitled to non-dominant treatment on the U.S.-France, U.S.-Singapore, and

²³ Although TELUS has acquired a 98% interest in Clearnet since the Commission's determination that Verizon was entitled to non-dominant treatment on the U.S.-Canada route, VES is still entitled to a presumption of non-dominance on that route because Clearnet only controls mobile facilities in Canada. Therefore, Clearnet lacks the ability to discriminate against U.S. carriers terminating traffic in Canada. *Cf.* 47 C.F.R. § 63.12(c)(1)(iii).

²⁴ *Id.*

U.S.-UK routes. Moreover, because VES's affiliates control no facilities in Italy or the Netherlands, VES should be regulated as a non-dominant carrier on the U.S.-Italy and the U.S.-Netherlands routes. Accordingly, pursuant to section 63.10(a)(3) of the Commission's rules, VES is entitled to non-dominant status on each of the following affiliated routes: U.S.-Mexico, U.S.-Canada, U.S.-Argentina, U.S.-France, U.S.-Italy, U.S.-Japan, U.S.-Netherlands, U.S.-Singapore, and U.S.-UK.

VES's affiliated carriers in the Dominican Republic (CODETEL), Gibraltar (Gibraltar NYNEX), and Venezuela (CANTV) have not yet been declared non-dominant. Accordingly, VES certifies that it will comply with the Commission's dominant carrier regulations (including the requirements of sections 63.10 and 43.61 of the Commission's rules) with respect to its provision of facilities-based services along each of the following affiliated routes: U.S.-Dominican Republic and U.S.-Venezuela. VES does not seek to serve Gibraltar on a facilities basis.

Finally, as stated above, VES plainly qualifies as a non-dominant carrier for resale authority to or from all countries except Gibraltar, the Dominican Republic, and Venezuela. VES notes that it is not subject to dominant carrier obligations on the U.S.-Gibraltar, U.S.-Dominican Republic, and U.S.-Venezuela routes to the extent that it serves those routes by reselling the international switched services of unaffiliated U.S. facilities-based carriers, but will comply with the dominant carrier regulations on these routes to the extent it serves these routes by reselling the international switched services of unaffiliated U.S. facilities-based carriers.

(n) VES hereby certifies that it has not agreed to accept special concessions, as defined in section 63.14 of the Commission's rules, 47 C.F.R. § 63.14(b), directly or indirectly from any foreign carrier where the foreign carrier possesses market power on the foreign end of

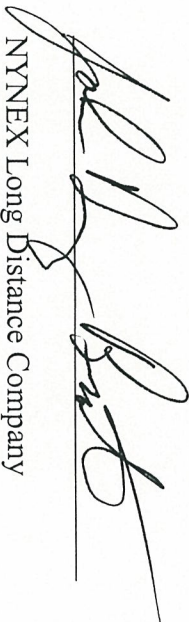
the route and will not enter into such agreements in the future, except as permitted by section 63.14.

(o) VES certifies, pursuant to sections 1.2001 and 1.2003 of the Commission's rules, 47 C.F.R. §§ 1.2001-2003, 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.

CONCLUSION

For the reasons stated above, VES respectfully urges the Commission to grant this application no later than the date of its pending section 271 application for Massachusetts.

Respectfully submitted,



NYNEX Long Distance Company
d/b/a Verizon Enterprise Solutions
200 Park Avenue
17th Floor
New York, NY 10166
(212) 983-2024

Dated: November 21, 2000