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Wiley Rein & Fielding LLP

FCC/MELLON

JUL 13 2001

COPY

Streamlined ITC-214-20010713-00379
NYNEX LONG DISTANCE COMPANY
VERIZON ENTERPRISE SOLUTIONS

July 13, 2001

BY HAND

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

RECEIVED

JUL 18 2001

Telecom Division
International Bureau

**Re: NYNEX Long Distance Company, d/b/a Verizon Enterprise Solutions
Application for Section 214 Authority**

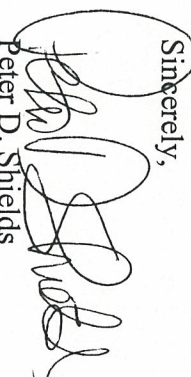
Dear Ms. Salas:

Enclosed please find an original and five copies of an application by NYNEX Long Distance Company, d/b/a Verizon Enterprise Solutions for authority, pursuant to section 214 of the Communications Act of 1934, as amended, to provide international facilities-based and resale services between all points in Pennsylvania and international points.

Also enclosed is a completed FCC Form 159 remittance advice and a check in the amount of \$815.00 to cover the requisite filing fee under section 1.1107 of the Commission's rules.

If further information is required in connection with this submission, please direct inquiries and correspondence to the undersigned.

Sincerely,


Peter D. Shields

Enclosures

READ INSTRUCTIONS CAREFULLY
BEFORE PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE

Approved by OMB
3060-0589
Page No 1 of 1

(1) LOCKBOX #

358115

SECTION A - PAYER INFORMATION

(2) PAYER NAME (if paying by credit card, enter name exactly as it appears on your card)
Wiley Rein & Fielding LLP

(3) TOTAL AMOUNT PAID (U.S. Dollars and
\$815.00

(4) STREET ADDRESS LINE NO.1
1776 K Street, N.W.

(5) STREET ADDRESS LINE NO.2

(6) CITY
Washington

(7) STATE
DC

(8) ZIP CODE
20006

(9) DAYTIME TELEPHONE NUMBER (include area code)
(202) 719-7000

(10) COUNTRY CODE (if not in U.S.A.)

FCC REGISTRATION NUMBER (FRN) AND TAX IDENTIFICATION NUMBER (TIN) REQUIRED

(11) PAYER (FRN)
0002-1517-44

(12) PAYER (TIN)
0521289988

IF PAYER NAME AND THE APPLICANT NAME ARE DIFFERENT, COMPLETE SECTION B
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C) RECEIVED

(13) APPLICANT NAME
Verizon Enterprise Solutions

MIL 18 2001

(14) STREET ADDRESS LINE NO.1
200 Park Avenue

(15) STREET ADDRESS LINE NO.2
17th Floor

Telecom Division
International Bureau

(16) CITY
New York

(17) STATE
NY

(18) ZIP CODE
10166

(19) DAYTIME TELEPHONE NUMBER (include area code)
(212) 983-2024

(20) COUNTRY CODE (if not in U.S.A.)

FCC REGISTRATION NUMBER (FRN) AND TAX IDENTIFICATION NUMBER (TIN) REQUIRED

(21) APPLICANT (FRN)
0133871399

(22) APPLICANT (TIN)

COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET

(23A) CALL SIGN/OTHER ID
CUT

(24A) PAYMENT TYPE CODE
1

(25A) QUANTITY

(26A) FEE DUE FOR (PTC)
\$815.00

(27A) TOTAL FEE
\$815.00

FCC USE ONLY

(28A) FCC CODE 1

(29A) FCC CODE 2

(23B) CALL SIGN/OTHER ID

(24B) PAYMENT TYPE CODE

(25B) QUANTITY

(26B) FEE DUE FOR (PTC)

(27B) TOTAL FEE

FCC USE ONLY

(28B) FCC CODE 1

(29B) FCC CODE 2

SECTION D - CERTIFICATION

(30) CERTIFICATION STATEMENT
I, Heather Dixon, certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief.

SIGNATURE

Heather Dixon

DATE 7/13/2001

SECTION E - CREDIT CARD PAYMENT INFORMATION

(31)

☐ MASTERCARD

MASTERCARD/VISA ACCOUNT NUMBER:

EXPIRATION

☐ VISA

I hereby authorize the FCC to charge my VISA or MASTERCARD for the service(s)/authorization herein described.

SIGNATURE

DATE

This check is GREEN

139878

WILEY REIN & FIELDING LLP
1776 K Street, N.W.
Washington, DC
Operating Account

Date	Amount
07/12/2001	*****815.00

Pay Eight Hundred Fifteen and 00/100 Dollars ONLY

To the **FEDERAL COMMUNICATIONS COMMISSION**
Order of

Bank of America, N.A.
Washington, DC


(Two Signatures Required For Amounts Over \$1,000.00)

⑈ 139878⑈ ⑆054001204⑆ ⑈000003702987⑈

Attached is our check in full settlement of items shown herein. If not correct, please return with explanation or call us at (202)719-7512.

NO. 139878

FEDERAL COMMUNICATIONS COMMISSION Check Date 07/12/2001

Description	Date	Invoice No.	Amount of Invoice	Discount	Net
VERIZON ENTERPRISE SOLUTI	07/12/2001		815.00	.00	815.00
Total					815.00

Remittance Advice
Detach before depositing

WILEY REIN & FIELDING LLP
Operating Account

RECEIVED

Before the

FEDERAL COMMUNICATIONS COMMISSION

Washington, DC 20554

JUL 18 2001

Telecom Division
International Bureau

In the Matter of

NYNEX LONG DISTANCE COMPANY
D/B/A 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

File No. _____

APPLICATION FOR SECTION 214 AUTHORITY

NYNEX Long Distance Company, d/b/a Verizon Enterprise Solutions ("VES") 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 Pennsylvania and international points.¹ Specifically, this application requests authority for VES:

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

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

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

The requested authority is similar to that granted to Bell Atlantic Communications, Inc. and NYNEX Long Distance Company contemporaneously with approval of Bell Atlantic's section 271 application for New York, and more recently granted to VES (and other Verizon subsidiaries) in connection with Verizon's section 271 application for Massachusetts. Verizon is seeking similar authority in connection with its section 271 application for Connecticut.

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. However, VES 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.²

This application is integrally related to the pending application of VES and certain of its affiliates to provide in-region, interLATA services in Pennsylvania, pursuant to section 271 of

² 47 C.F.R. § 63.10(a)(4).

the Act, 47 U.S.C. § 271.³ That application was filed on June 21, 2001 and must be acted upon by September 19, 2001. In order not to delay VES's ability to offer customers in Pennsylvania 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 Pennsylvania.⁴ 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 New York,⁵ Massachusetts,⁶ and in out-of-region states.⁷ As noted above, VES is seeking authority to provide similar services originating in Connecticut.

³ *Application by Verizon Pennsylvania Inc. Pursuant to Section 271 of the Telecommunications Act of 1996 for Authorization To Provide In-Region, InterLATA Services in Pennsylvania*, CC Docket No. 01-138 (June 21, 2001).

⁴ Issues relating to whether Verizon should receive interLATA authority are not relevant to this application, but will be considered in the section 271 proceeding referenced above.

⁵ *Bell Atlantic Communications, Inc. and NYNEX Long Distance Company: Applications for Global Authority Pursuant to Section 214 of the Communications Act of 1934, as Amended, to Provide All Authorized Facilities-Based Services Between the United States and All International Points Except Gibraltar*; Order, Authorization and Certificate, 15 FCC Rcd 21838, 21849-850 (1999) ("New York 214 Order").

⁶ *International Bureau Telecommunications Division Grants Verizon International Section 214 Authority for Massachusetts*, Public Notice, DA 01-813 (Apr. 16, 2001) ("Massachusetts Public Notice").

⁷ Verizon's "in-region states" are those 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(i); see also *New York 214 Order*, 15 FCC Rcd at 21849.

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 on the 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 Pennsylvania 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 New York and Massachusetts as well as in out-of-region states on all routes except the U.S.-Dominican Republic, U.S.-Gibraltar, and U.S.-Venezuela routes. 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

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 Marketplace*, Second Report and Order in CC Docket No. 96-149 and Third Report and Order in (Continued...)

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

Public Interest

Grant of this application will serve the public interest, convenience, and necessity by enabling VES to offer to customers in Pennsylvania 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 Pennsylvania 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 VES in connection with the approval of Verizon's section 271 application for Massachusetts. The Commission found that request to be in the public interest and granted section 214 authority.¹¹

Given the close similarity of that filing to the instant application, the same result is plainly warranted here.

(...Continued)
CC Docket No. 96-161, 15 FCC Rcd 15756, 15838 (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 *Massachusetts Public Notice*.

Because this application is a companion to a separate application filed by VES and certain of its affiliates pursuant to section 271 of the Act, 47 U.S.C. § 271, the Commission has additional cause to find that this application is in the public interest. In order not to delay VES's ability to offer customers in Pennsylvania 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

Peter D. Shields
Wiley Rein & Fielding LLP
1776 K Street, N.W.
Washington, DC 20006
Telephone: (202) 719-3249
Facsimile: (202) 719-7049

(d) VES is regulated as a dominant carrier for resale of basic international switched services on the U.S.-Gibraltar, U.S.-Dominican Republic, and U.S.-Venezuela routes except to the extent it serves these routes by reselling international switched services of unaffiliated U.S. facilities-based carriers.¹² For all other routes, VES is authorized as a non-dominant carrier to resell basic international switched services originating from New York and Massachusetts and all out-of-region states, although VES does not have resale authority to Gibraltar from New York.¹³ In addition, except for the U.S.-Venezuela and U.S.-Dominican Republic routes (on which it is regulated as a dominant, facilities-based carrier), VES is authorized, as a non-dominant carrier, to provide facilities-based international switched, private line, and data services from New York,

¹² *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*, Memorandum Opinion and Order, 15 FCC Rcd 14032, 14234 (2000) (“*Merger Order*”). See also *Massachusetts Public Notice*.

¹³ *Massachusetts Public Notice*, *New York 214 Order*, 15 FCC Rcd at 21849; *NYNEX Long Distance Company Application for Authority Pursuant to Section 214 of the Communications Act of 1934, as Amended, to Provide International Services from Certain Points within the United States to Gibraltar through the Resale of International Switched Services*, Order, Authorization and Certificate, 12 FCC Rcd 24219, 24225-226 (1997) (“*NYNEX Gibraltar Order*”).

Massachusetts, and all out-of-region states to all international points except Gibraltar and countries listed on the Commission's exclusion list.¹⁴

(e) Pursuant to the terms and conditions of 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), VES requests authority:

- (1) to provide global international facilities-based service between all points in Pennsylvania and all international points, except Gibraltar and countries listed on the Commission's exclusion list;¹⁵ and
- (2) to resell international services of all authorized U.S. carriers between all points in Pennsylvania 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 sections 63.21, 63.22, and 63.23 of the Commission's rules, 47 C.F.R. §§ 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, 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 through its subsidiaries and affiliates. No single shareholder holds more than 10 percent of Verizon's equity.

¹⁴ *New York 214 Order*, 15 FCC Rcd at 21849; *Massachusetts Public Notice*.

¹⁵ 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.

VES certifies that Eduardo R. Menasce serves as a director of VES and as an alternate director of CTI (described below).

(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 indirectly owns approximately 37 percent of Grupo Iusacell, S.A. de C.V. ("Iusacell"), which, through its subsidiaries, provides domestic cellular telecommunications and international telecommunications services in Mexico. Iusacell itself owns no international facilities and holds a small share of the international switched services resale market in Mexico. 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.¹⁶

(2) TELUS Corporation, and Clearnet Communications Inc.: Verizon indirectly owns approximately 27 percent of the equity of TELUS Corporation ("TELUS"), which provides telecommunications services within its certificated territory in the Canadian Provinces of Alberta and British Columbia. TELUS owns a 98 percent stake in Clearnet Communications Inc. ("Clearnet"), a nationwide cellular operator in Canada, as well as a 67.79 percent stake in Quebec Telephone ("Quebec Tel") (discussed below). Clearnet only controls mobile facilities in

¹⁶ *Merger Order*, 15 FCC Rcd at 14219-14220.

Canada; it thus lacks the ability to discriminate against unaffiliated U.S. carriers terminating traffic in Canada. The Commission has previously found that VES is non-dominant on the U.S.-Canada route.¹⁷

(3) Quebec Telephone: Prior to July 10, 2001, Verizon held 30.21 percent of Quebec Tel through its wholly-owned subsidiaries. On that date, Verizon sold its interest in Quebec Tel to TELUS. Through its approximate 27 percent indirect investment in TELUS, Verizon continues to own an attributable 18.03 percent interest in Quebec Tel (TELUS owns 67.79 percent of Quebec Tel). However, as Verizon's current interest in Quebec Tel is not greater than 25 percent or controlling, Verizon is no longer affiliated with Quebec Tel (as defined by 47 C.F.R. § 63.09(e)).

(4) CODETEL: Verizon indirectly owns 100 percent of the Compania Dominicana de Telefonos ("CODETEL"), which provides domestic and international 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. Therefore, with respect to facilities-based and resale service, VES has agreed to be regulated as dominant on the U.S.-

¹⁷ *Massachusetts Public Notice*.

Dominican Republic route. Nevertheless, VES is entitled to non-dominant treatment on this route to the extent that it resells the international services of unaffiliated U.S. facilities-based carriers, 47 C.F.R. §63.10(a)(4).

(5) CANTV: Verizon indirectly owns 28.04 percent 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 at or below the Commission's relevant benchmark adopted in IB Docket No. 96-261. Nevertheless, the Commission has classified CANTV as dominant on the U.S.-Venezuela route. Therefore, with respect to facilities-based and resale service, VES has agreed to be regulated as dominant on the U.S.-Venezuela route. However, VES is entitled to non-dominant treatment 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).

(6) CTI: Verizon indirectly owns 58.95 percent of CTI Holdings, S.A., which in turn owns: (1) 100 percent of Compania de Telefonos del Interior S.A. ("Interior") and CTI Norte Compania de Telefonos del Interior S.A. ("Norte"); (2) 99.9 percent of CTI PCS Holdings, S.A. ("PCS Holdings"), which in turn owns 99.9 percent of CTI PCS, S.A.; and (3) 47 percent of Compania de Telecomunicaciones Integrales S.A. (collectively "CTI"). Interior, Norte, and CTI

PCS, S.A. provide mobile telecommunications services in Argentina. Compania de Telecomunicaciones Integrales S.A. ("Integrales") has a concession to provide local, national and international services in Argentina. Prior to Integrales' entry into the provision of long distance services in Argentina in October 2000, the Commission found that CTI was non-dominant on the U.S.-Argentina route.¹⁸ As a start-up entity, Integrales lacks local access market power in Argentina and provides international long distance services by delivering traffic to Entel Chile and Telecom Argentina, neither of which is affiliated with Verizon. Therefore, VES should continue to be regulated as non-dominant on the U.S.-Argentina route. 47 C.F.R. §63.12(c)(1)(iii).

(7) FLAG Telecom Holdings Limited: Prior to June 20, 2001, Verizon was affiliated with FLAG Telecom Holdings Limited ("FLAG") because it held an indirect 29.41 percent interest in FLAG. However, on June 20, 2001, Verizon's affiliation with FLAG (as defined by 47 C.F.R. § 63.09(e)) ended when it reduced its indirect interest in the company to 18.6 percent by selling 15 million of its FLAG shares to Tyco International.

(8) GTEFE: Verizon indirectly is affiliated with GTE Far East (Services) Limited ("GTEFE"), a Hong Kong corporation doing business in Japan. GTEFE is one of over 8,000 entities that holds a Special Type II license in Japan. GTEFE also is

¹⁸ *Merger Order*, 15 FCC Rcd at 14221-14222.

one of over 300 entities that has a Type I license in Japan. However, because GTEFE has a tiny market share in Japan and competes with KDD and NTT, both of which the Commission has classified as dominant carriers, VES lacks the ability to discriminate against unaffiliated U.S. carriers terminating traffic in Japan and, therefore, should continue to be regulated as non-dominant on the U.S.-Japan route.¹⁹

(9) Verizon Global Solutions Operating Affiliates: In deploying its global network, Verizon has created a number of foreign operating entities outside the United States that will secure operating licenses, interconnect with foreign carriers, and operate telecommunications systems and networks. The entities that presently hold operating licenses or operate telecommunications systems and networks are as follows:

(a) Verizon Global Solutions U.K. Ltd. ("GS-UK"): Verizon indirectly owns 100 percent of GS-UK, which was formed to provide domestic and international transport and connectivity in the United Kingdom. GS-UK holds SPL (self-provision), TSL (private line), ISVR (international simple voice resale) and PTO without Code Powers (public telecommunications operator) licenses in the United Kingdom. GS-UK commenced operations from the United Kingdom in the second quarter of 2001. GS-UK will not control bottleneck services or facilities, and it will compete directly with

¹⁹ See *Merger Order*, 15 FCC Rcd at 14223 .

British Telecom, an entity the FCC has classified as a dominant carrier in the United Kingdom. VES will thus lack the ability to discriminate against unaffiliated U.S. carriers terminating traffic in the United Kingdom, and should continue to be regulated as non-dominant on the U.S.-U.K. route.²⁰

(b) Verizon Global Solutions Netherlands B.V. ("GS-Netherlands"): Verizon indirectly owns 100 percent of GS-Netherlands, which was formed to provide domestic and international transport and connectivity in the Netherlands. GS-Netherlands holds a Public Network license in the Kingdom of the Netherlands. GS-Netherlands commenced operations from the Netherlands in the second quarter of 2001. GS-Netherlands will not control bottleneck services or facilities, and it will compete directly with KPN Telecom NV ("KPN"), an entity the FCC has classified as a dominant carrier in the Netherlands. VES will thus lack the ability to discriminate against unaffiliated U.S. carriers terminating traffic in the Netherlands, and should continue to be regulated as non-dominant on the U.S.-Netherlands route.²¹

(c) Verizon Global Solutions Belgium B.V.B.A. ("GS-Belgium"): Verizon indirectly owns 100 percent of GS-Belgium, which was formed to provide domestic and international transport and connectivity in Belgium. GS-Belgium holds a Public Network license in Belgium. GS-Belgium

²⁰ *Massachusetts Public Notice.*

²¹ *Id.*

commenced operations from Belgium in the second quarter of 2001. GS-Belgium will not control bottleneck services or facilities, and it will compete directly with Belgacom, an entity the FCC has classified as a dominant carrier in Belgium. VES will thus lack the ability to discriminate against unaffiliated U.S. carriers terminating traffic in Belgium, and should be regulated as non-dominant on the U.S.-Belgium route.

(d) Verizon Global Solutions Germany GmbH ("GS-Germany"): Verizon indirectly owns 100 percent of GS-Germany, which was formed to provide domestic and international transport and connectivity in the Federal Republic of Germany. GS-Germany holds a Type 3 Network license in Germany. GS-Germany commenced operations from Germany in the second quarter of 2001. GS-Germany will not control bottleneck services or facilities, and it will compete directly with Deutsche Telekom AG ("Deutsche Telekom"), an entity the Commission has classified as a dominant carrier in Germany. VES thus will lack the ability to discriminate against unaffiliated U.S. carriers terminating traffic in Germany, and should be regulated as non-dominant on the U.S.-Germany route.

(e) Verizon Global Solutions Ireland Limited ("GS-Ireland"): Verizon indirectly owns 100 percent of GS-Ireland, a company formed under the laws of the Republic of Ireland. GS-Ireland was created to be a reseller of

network capacity held and operated by GS-UK, GS-Germany, GS-Belgium, GS-Netherlands and other licensed operating companies established by VGSI. GS-Ireland will contract with customers throughout Europe and compete with the incumbent and other carriers by reselling the network services of the VGSI operating companies that own and operate network facilities in Europe. In most European countries, reseller carriers may operate simply by filing a declaration that they are offering services; in other countries no declaration is required for resellers to operate as carriers. GS-Ireland will commence operations coincident with the various VGSI operating companies in Europe and will expand operations into other countries as VGSI affiliates are licensed to operate in other European countries. GS-Ireland will not control or operate bottleneck facilities. VES thus will lack the ability to discriminate against unaffiliated U.S. carriers terminating traffic in any of the countries in which GS-Ireland operates.

(10) Gibraltar NYNEX Communications Ltd. ("Gibraltar NYNEX"): Verizon indirectly owns 50 percent of Gibraltar NYNEX, which is authorized to provide domestic wireline communications in Gibraltar and international telecommunications services between Gibraltar and Spain. The Commission

previously determined that Gibraltar NYNEX was a dominant carrier in

Gibraltar.²²

(j) VES certifies that:

(1), (2) 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.

(3) No foreign carriers own more than 25 percent of VES; however, VES seeks to serve certain destination countries in which Verizon, VES's parent corporation, is affiliated with foreign carriers. These foreign carriers and destination countries are: Iusacell (Mexico); TELUS, Quebec Tel, and Clearnet (Canada); CODETEL (Dominican Republic); CANTV (Venezuela); CTI (Argentina); GTEFE (Japan); GS-UK (United Kingdom); GS-Netherlands (Netherlands); GS-Belgium (Belgium); GS-Germany (Germany); GS-Ireland (United Kingdom, Belgium, Netherlands and Germany) 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.²³

(l), (m) VES is eligible for non-dominant treatment on all routes except U.S.-Dominican Republic, U.S.-Gibraltar, and U.S.-Venezuela. It should, therefore, continue to be treated as non-

²² See *Merger Order*, 15 FCC Rcd at 14220.

²³ The U.S. Department of State has concluded that the 1994 Marrakesh Agreement Establishing the World Trade Organization applies to Gibraltar. See *Merger Order*, 15 FCC Rcd at 14218-219.

dominant on all other U.S.-international routes. VES's affiliated foreign carriers in Mexico (Iusacell), Canada (TELUS, Quebec Tel, and Clearnet), Argentina (CTI), Belgium (GS-Belgium and GS-Ireland), Japan (GTEFE), Netherlands (GS-Netherlands and GS-Ireland), the United Kingdom (GS-UK and GS-Ireland) and Germany (GS-Germany and GS-Ireland) 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 VES is entitled to non-dominant treatment on the U.S.-Canada route.²⁴ The Commission has also previously determined that CTI is non-dominant on the U.S.-Argentina route.²⁵ Furthermore, because GTEFE is just one of many Special Type I and Type II licensees in Japan, has a tiny market share in Japan, and competes 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 the United Kingdom and Germany have trivial market shares and compete directly with carriers the Commission has previously classified as dominant (British Telecom and Deutsche Telekom AG, 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.-U.K. and U.S.-Germany routes. Moreover, because VES's affiliates control no bottleneck facilities in Belgium or the Netherlands, VES should be regulated as a non-dominant carrier on the U.S.-Belgium and the U.S.-Netherlands routes. Accordingly, pursuant to section 63.10(a)(3) of the Commission's

²⁴ See *Massachusetts Public Notice*.

²⁵ See *Merger Order*, 15 FCC Rcd at 14221-222. Although Integrales now provides long distance services, Integrales, as a start-up entity, lacks local access market power. Thus, it lacks the ability to discriminate against unaffiliated U.S. carriers terminating traffic in Argentina and

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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.-Belgium, U.S.-Japan, U.S.-Netherlands, U.S.-U.K. and U.S.- Germany.

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; it will comply with the dominant carrier regulations on these routes to the extent it serves these routes by reselling the international switched services of affiliated 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

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should remain classified as non-dominant on the U.S.-Argentina route.

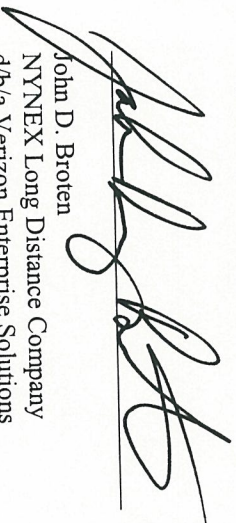
the route and will not enter into such agreements in the future, except as permitted by section 63.14.

(o) VES certifies, pursuant to sections 1.2001 through 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 Pennsylvania.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John D. Broten", is written over a horizontal line.

John D. Broten
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