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July 13, 2001

Streamlined
VERIZON SELECT SERVICES INC.

ITC-214-20010713-00381

FCC/MELLON JUL 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: Verizon Select Services Inc.
Application for Section 214 Authority**

Dear Ms. Salas:

Enclosed please find an original and five copies of an application by Verizon Select Services Inc. 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

COPY

This check is GREEN

WILEY REIN & FIELDING LLP

139880

1776 K Street, N.W.
Washington, DC
Operating Account

Date
07/12/2001

Amount
*****815.00

Pay Eight Hundred Fifteen and 00/100 Dollars ONLY

*To the
Order of* **FEDERAL COMMUNICATIONS COMMISSION**

Bank of America, N.A.
Washington, DC


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

⑈139880⑈ ⑆054001204⑆ ⑈000003702987⑈

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

No. 139880

FEDERAL COMMUNICATIONS COMMISSION

Check Date 07/12/2001

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

Remittance Advice
Detach before depositing

WILEY REIN & FIELDING LLP
Operating Account

RECEIVED

JUL 18 2001

Telecom Division
International Bureau

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of)	
)	
Verizon Select Services Inc.)	
)	
Application for Authority Pursuant to)	File No. _____
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

Verizon Select Services Inc. ("VSSI") 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 VSSI:

- (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 VSSI's affiliates, Bell Atlantic Communications, Inc., d/b/a Verizon Long Distance ("VLD"), NYNEX Long Distance Company d/b/a Verizon Enterprise Solutions ("VES"), and Verizon Global Solutions Inc. ("VGSF") 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 VSSI (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, VSSI 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, VSSI certifies that it will comply with the Commission's dominant carrier regulations. However, VSSI 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 VSSI 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 VSSI's ability to offer customers in Pennsylvania a full complement of interLATA services, VSSI 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, VSSI requests prompt action on the instant application.

Description of Applicant

VSSI 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. VSSI is currently authorized to provide resold and facilities-based international telecommunications services originating in Massachusetts,⁵ New York,⁶ and in out-of-region states.⁷ As noted above, VSSI 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 *International Bureau Telecommunications Division Grants Verizon International Section 214 Authority for Massachusetts*, Public Notice, DA 01-813 (Apr. 16, 2001) ("Massachusetts Public Notice").

⁶ *See 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").

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 Merger Order*, 15 FCC Rcd at 14234-235.

Verizon, VSSI'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, VSSI 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

VSSI 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. VSSI 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, VSSI plainly qualifies as a non-dominant carrier for resale authority to or from all countries except Gibraltar, the Dominican Republic, and Venezuela. VSSI 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 VSSI 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

⁸ 47 C.F.R. § 63.10(e).

routes.⁹ Accordingly, VSSI 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

Public Interest

Grant of this application will serve the public interest, convenience, and necessity by enabling VSSI 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 VSSI 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 VSSI 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.

Because this application is a companion to a separate application filed by VSSI and certain of its affiliates pursuant to section 271 of the Act, 47 U.S.C. § 271, the Commission has

⁹ *Merger Order*, 15 FCC Rcd at 14234-235; *Massachusetts Public Notice*.

¹⁰ VSSI 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*.

additional cause to find that this application is in the public interest. In order not to delay VSSI's ability to offer customers in Pennsylvania a full complement of interLATA services, VSSI 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, VSSI 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:

Verizon Select Services Inc.
6665 N. MacArthur Blvd.
Irving, TX 75039
(972) 465-4000
- (b) VSSI is incorporated under the laws of the State of Delaware.
- (c) Correspondence concerning this application should be addressed to:

Paul Fuglie
Vice President, Regulatory Affairs
Verizon Select Services Inc.
600 Hidden Ridge, HQE01H21
Irving, TX 75038
Telephone: (972) 718-7948

with copies to:

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

(d) VSSI 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, VSSI 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.¹³ In addition, except for the U.S.-Gibraltar, U.S.-Venezuela, and U.S.-Dominican Republic routes (on which it is regulated as a dominant, facilities-based carrier), VSSI is authorized, as a non-dominant carrier, to provide facilities-based international services from New York and all out-of-region states to all international points except countries listed on the Commission's exclusion list, and from Massachusetts to all international points except Gibraltar.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), VSSI 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

¹² See *Merger Order*, 15 FCC Rcd at 14234-235; see also *Massachusetts Public Notice*.

¹³ *Massachusetts Public Notice*.

¹⁴ *Merger Order*, 15 FCC Rcd at 14234-235; see also *Massachusetts Public Notice*.

¹⁵ VSSI 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.

- (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.

VSSI 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) VSSI 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. VSSI also certifies that it has no directors in common with any foreign carrier.

(i) VSSI 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 Canada; it thus lacks the ability to discriminate against unaffiliated U.S. carriers terminating traffic in Canada. The Commission has previously found that VSSI 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

¹⁶ *Merger Order*, 15 FCC Rcd at 14219-220.

¹⁷ *Massachusetts Public Notice*.

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, VSSI has agreed to be regulated as dominant on the U.S.-Dominican Republic route. Nevertheless, VSSI 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,

VSSI has agreed to be regulated as dominant on the U.S.-Venezuela route. However, VSSI 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, VSSI should continue to be regulated as non-dominant on the U.S.-Argentina route. 47 C.F.R. §63.12(c)(1)(iii).

¹⁸

Merger Order, 15 FCC Rcd at 14221-222.

(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 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, VSSI 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

¹⁹

See Merger Order, 15 FCC Rcd at 14223; *see also Massachusetts Public Notice*.

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 British Telecom, an entity the FCC has classified as a dominant carrier in the United Kingdom. VSSI 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

²⁰

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. VSSI 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 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. VSSI 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. VSSI will thus 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. VSSI will thus 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

(i) VSSI certifies that:

(1), (2) It does not seek to provide international telecommunications services to any destination country in which VSSI is a foreign carrier or controls a foreign carrier.

(3) No foreign carriers own more than 25 percent of VSSI; however, VSSI seeks to serve certain destination countries in which Verizon, VSSI’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-

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

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 VSSI.

(k) All of the countries listed in paragraph (j)(3) above are treated as members of the World Trade Organization.²³

(l), (m) VSSI 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-dominant on all other U.S.-international routes. VSSI'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 VSSI 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

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.

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

in Japan, has a tiny market share in Japan, and competes with KDD and NTT (carriers the Commission has classified as dominant), VSSI should be treated as non-dominant on the U.S.-Japan route. In addition, because VSSI'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), VSSI lacks the ability to discriminate against U.S. international carriers terminating traffic in those countries. Therefore, VSSI is entitled to non-dominant treatment on the U.S.-U.K. and U.S.-Germany routes. Moreover, because VSSI's affiliates control no bottleneck facilities in Belgium or the Netherlands, VSSI 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 rules, VSSI 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.

VSSI's affiliated carriers in the Dominican Republic (CODETEL), Gibraltar (Gibraltar NYNEX), and Venezuela (CANTV) have not yet been declared non-dominant. Accordingly, VSSI 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.

Finally, as stated above, VSSI plainly qualifies as a non-dominant carrier for resale authority to or from all countries except Gibraltar, the Dominican Republic, and Venezuela. VSSI 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) VSSI 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) VSSI 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, VSSI respectfully urges the Commission to grant this application no later than the date of its pending section 271 application for Pennsylvania.

Respectfully submitted,



Paul Fuglie
Verizon Select Services Inc.
600 Hidden Ridge
Irving, TX 75038
Telephone: (972) 718-7948

Dated: July 13, 2001