

KELLEY DRYE & WARREN LLP

A LIMITED LIABILITY PARTNERSHIP

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September 27, 2002

Streamlined
T-Systems, Inc.

ITC-214-20020927-00514

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

Re: T-Systems, Inc. Application for Application for Authority Under Section 214 of the Communications Act of 1934, as Amended, to Operate as a Resale Carrier and as a Facilities-Based Carrier Between the U.S. and Various International Points

To the Commission:

T-Systems, Inc., by its attorneys, hereby submits for filing an original and five (5) copies of its above-captioned application. Form 159 (Remittance Advice) and a check in the amount of \$860 to cover the filing fee for this application are appended.

Enclosed as well is a duplicate of this filing. Please date-stamp the duplicate upon receipt and return it to the delivering courier.

If there are any questions regarding this application, please do not hesitate to call Joan Griffin at (703) 918-2320. Thank you in advance for your assistance.

Sincerely,

Winifred Brantl

Winifred Brantl

Enclosures

RECEIVED

Before the

FEDERAL COMMUNICATIONS COMMISSION

Washington, D.C. 20554

FEB 10 2002

Policy Division
International Bureau

In the Matter of

T-SYSTEMS INC.

File No. ITC - _____

Application for Authority Under
Section 214 of the Communications
Act of 1934, as Amended, to Operate
as a Resale Carrier and as a Facilities-
Based Carrier Between the U.S. and
Various International Points

APPLICATION

T-Systems Inc. ("T-Systems" or "Applicant"), by its attorneys and pursuant to Section 214 of the Communications Act of 1934, as amended ("the Act") and Sections 63.18(e)(1), (2) and (4) of the Commission's Rules, 47 C.F.R. §§ 63.18(e)(1), (2) and (4), hereby requests authority to operate as a resale carrier and as a facilities-based carrier between the U.S. and all international points *except* those countries listed in Attachment A.

For those countries for which authority is requested in this Application and which are listed in Attachment B, T-Systems's parent company, Deutsche Telekom AG ("DTAG"), is a foreign carrier, or controls or is deemed to control entities that may or may not be considered foreign carriers. With the exception of Russia and Belarus, each of these countries is a Member of the World Trade Organization ("WTO"). With respect to Russia and Belarus, T-Systems demonstrates in Attachment C that its foreign carrier

affiliates in each of these countries lack market power and thus that the Commission's effective competitive opportunities test is inapplicable. As such, grant of authority to T-Systems to provide service to all these countries is appropriate under the rules and policies established by the Commission in its *Foreign Participation Order*.¹

T-Systems requests that the Commission classify T-Systems as a non-dominant carrier in its provision of service to all countries for which authority is requested in this Application except Germany, Slovakia, and Hungary. With the exception of Germany, Slovakia, and Hungary, in all countries for which authority is requested and in which T-Systems has a foreign affiliate, T-Systems qualifies for a presumption of non-dominant treatment under Section 63.10(a)(3), as shown in Attachment C. T-Systems will accept dominant carrier treatment in its provision of service on the Hungary, Slovakia, and Germany routes.

T-Systems also asks that the Commission process this Application in accordance with its streamlined processing procedures. Streamlined processing is appropriate under Section 63.12(a) of the Commission's Rules for service to countries in which T-Systems has no affiliate. For service to those countries in which T-Systems has an affiliate, streamlined processing is appropriate under Section 63.12(c)(1) of the Commission's Rules because either T-Systems qualifies for a presumption of non-dominant treatment under Section 63.10(a)(3), as shown in Attachment C, or the country is a member of the WTO and T-Systems accepts dominant carrier treatment.

¹ *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market*, IB Docket Nos. 97-142 and 95-22, Report and Order on Reconsideration, 12 FCC Rcd 23, 891 (1997) ("*Foreign Participation Order*").

Pursuant to Section 63.18 of the Commission's Rules, T-Systems sets forth the

following information in support of this Application:

- (a) The name and address of the Applicant is:

T-Systems Inc.
701 Warrenville Road
Lisle, IL 60532
Phone: 630-493-6100

- (b) T-Systems is a corporation organized and existing under the laws of the state of Delaware.

- (c) Correspondence concerning this Application should be sent to:

Joseph B. Brennan, Esq.
Corporate Counsel
T-Systems Inc.
701 Warrenville Road
Lisle, IL 60532
Phone: 630-493-6183

With copy to:

Robert J. Aarnoth
Kelley Drye & Warren LLP
1200 19th Street, N.W.
Suite 500
Washington, DC 20036
Phone: 202-955-9600
Fax: 202-955-9792

- (d) T-Systems has not previously received authority under Section 214 of the Act.
- (e) T-Systems is applying for authority to operate as a resale carrier and as a facilities-based carrier for the provision of service to all international points *except* those locations listed in Attachment A. T-Systems seeks this authority pursuant to Section 63.18(e)(4) of the Commission's Rules for service to the countries listed in Attachment C. With respect to these countries, T-Systems specifically seeks authority to provide services and use facilities as generally described in Sections 63.22 and 63.23 of the Commission's Rules. With respect to all other countries, T-Systems seeks authority pursuant to Sections 63.18(e)(1) and (2) of the Commission's Rules.

As evidenced by the certification provided in Attachment D, T-Systems certifies that it will comply with the terms and conditions of Sections 63.21, 63.22 and 63.23 of the Commission's Rules.

- (f) No response required.
- (g) T-Systems will use previously authorized facilities in providing its facilities-based services and thus this Application is categorically excluded from environmental processing under Section 1.1306 of the Commission's Rules.
- (h) T-Systems is a wholly owned, indirect subsidiary of DTAG. DTAG is a corporation organized under the laws of Germany and is the primary provider of telecommunications services in Germany.² The only 10 percent or greater shareholders of DTAG are the Federal Republic of Germany (the "Federal Republic"), which holds approximately 31 percent of DTAG's stock, and the Kreditanstalt für Wiederaufbau ("KfW"), which holds approximately 12 percent of the stock. KfW is a corporation organized under the laws of Germany whose principal business is development banking.³ The only 10 percent or greater shareholders of KfW are the Federal Republic (80 percent) and the German state governments (20 percent). No other shareholders in DTAG hold 10 percent or more of T-Systems under the FCC's ownership attribution rules. There are no interlocking directorates.

(i) As evidenced by the certification provided in Attachment D, T-Systems certifies that it is affiliated with entities that may or may not be considered foreign carriers that operate in the countries listed in Annex 1 to Attachment D.

(j) As evidenced by the certification provided in Attachment D, one of T-Systems's parent companies, DTAG, is a foreign carrier or controls or is deemed to control entities that may or may not be considered foreign carriers in the countries listed in Annex 1 to Attachment D.

(k) With the exception of Russia and Belarus, all of the countries listed in (j) above are members of the WTO. With respect to Russia and Belarus, T-Systems demonstrates in Attachment C that its foreign carrier affiliates in these countries lack market power.

(l) and

(m) With the exception of Germany, Slovakia, and Hungary, for every country in which T-Systems is affiliated with a foreign carrier and for which T-Systems

² The postal address of DTAG is Postfach 20 00, 53105 Bonn, Germany.

³ The address of KfW is Palmgartenstrasse 5-9, 60325 Frankfurt, Germany.

requests authority in this Application, T-Systems provides the necessary showing in satisfaction of Section 63.10(a)(3) of the Commission's Rules in Attachment C to this Application. For Germany, Slovakia, and Hungary, T-Systems will file the quarterly traffic reports required by Section 43.61(c) of the Commission's Rules.

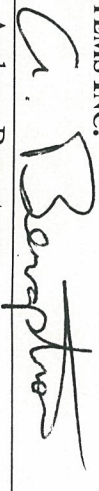
- (n) As evidenced by the certification provided in Attachment D, T-Systems certifies that it has not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses sufficient market power on the foreign end of the route to affect competition adversely in the U.S. market and will not enter into such agreements in the future.
- (o) As evidenced by the certification provided in Attachment D, T-Systems certifies 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.
- (p) Streamlined processing is appropriate for this Application under Section 63.12 of the Commission's Rules because, for every country for which authority is requested in this Application, either 1) T-Systems has no foreign affiliate; 2) T-Systems has a foreign affiliate, but T-Systems qualifies for a presumption of non-dominant treatment under Section 63.10(a)(3), as shown in Attachment C; or 3) T-Systems has a foreign affiliate, but the affiliate is from a WTO member country and T-Systems will accept dominant carrier treatment.

For the reasons stated herein, the Commission should grant the authority requested in this Application.

Respectfully Submitted,

T-SYSTEMS INC.

By:



Andrew Borgstrom
Chief Executive Officer
T-Systems Inc.
701 Warrenville Road
Lisle, IL 60532
(630) 493-6100

Robert J. Aamoth
Kelley Drye & Warren LLP
1200 19TH Street, N.W.
Suite 500
Washington, D.C. 20036
(202) 955-9600

Joan M. Griffin
Kelley Drye & Warren LLP
8000 Towers Crescent Drive
Suite 1200
Vienna, VA 22182
(703) 918-2300

Its Attorneys

Date:

9/26/02

Attachment A

COUNTRIES FOR WHICH *no authority* IS REQUESTED

Macedonia
Croatia

**COUNTRIES FOR WHICH AUTHORITY IS REQUESTED
AND IN WHICH DEUTSCHE TELEKOM AG
IS A FOREIGN CARRIER OR
CONTROLS OR IS DEEMED TO CONTROL
ENTITIES THAT MAY OR
MAY NOT BE CONSIDERED FOREIGN CARRIERS**

Austria
Belarus
Canada
Czech Republic
France
Germany
Hong Kong
Hungary
Japan

Netherlands
Philippines
Poland
Russia
Singapore
Slovakia
Spain
Switzerland
United Kingdom

T-SYSTEMS FOREIGN AFFILIATIONS AND REGULATORY TREATMENT
where authority is requested

T-Systems Inc. (“T-Systems”) is affiliated with foreign carriers in the following countries for which authority is requested in this Application:

Austria	Hungary	Slovakia
Belarus	Japan	Spain
Canada	Netherlands	Switzerland
Czech Republic	Philippines	United Kingdom
France	Poland	
Germany	Russia	
Hong Kong	Singapore	

In Germany, T-Systems’s parent company, Deutsche Telekom AG (“DTAG”), is the primary provider of telecommunications services. DTAG also holds a controlling interest in the primary providers of telecommunications services in Slovakia and Hungary (Slovak Telekom and MATAV, respectively). For service to Germany, Hungary, and Slovakia, T-Systems will accept dominant carrier treatment. On all other routes, T-

Systems qualifies for a presumption of non-dominant treatment under Section 63.10(a)(3) for the following reasons:

Austria: T-Mobile, Telekommunikation Service GMBH (“T-Mobile Austria,” formerly known as max.mobil.Telekommunikation Service GmbH), is an indirect wholly-owned subsidiary of DTAG. T-Mobile Austria is a mobile service provider in Austria. The market share of T-Mobile Austria in the cellular communications market in Austria is approximately 37 percent. T-Mobile Austria also provides fixed line voice and data services on a resale basis to business customers in Austria. T-Mobile Austria has only recently entered this market and thus its market share is substantially less than one (1) percent. In Austria, T-Systems is also affiliated with T-Systems Austria (debis Systemhaus Österreich GmbH) (“T-Systems Austria”). T-Systems Austria was granted a license to provide fixed telecommunication network services in Austria in January, 2002. Since this license was granted to T-Systems Austria only recently, its market share is negligible at best.

Belarus: In Belarus, T-Systems is affiliated with MTS, CJSC Mobile TeleSystems (“MTS”). MTS holds a GSM license and commenced providing mobile services in Belarus in April 2002. Its market share is negligible.

Canada: T-Systems’s affiliate, Deutsche Telecom (Canada) Inc. (“DT Canada”), holds an international resale license in Canada. The market share of DT Canada is negligible. DT Canada is a wholly-owned subsidiary of DTAG.

Czech Republic: Under the Commission’s ownership attribution rules, DTAG is deemed to hold a 55.9 percent interest in T-Mobile Czech Republic (formerly known as RadioMobil), a mobile service provider in the Czech Republic. T-Mobile Czech Republic provides a variety of mobile services on a nationwide basis including voice, data, and enhanced services. Its share of the mobile services market in the Czech Republic is approximately 42 percent. In the Czech Republic, Eurotel is dominant in the provision of mobile services. DTAG also owns a 51 percent interest in PragoNet, a provider of data and network services in the Czech Republic. PragoNet is a start-up company and thus its market share is negligible.

France: SIRIS S.A.S., now T-systems SIRIS S.A.S., (“SIRIS”), is a wholly-owned subsidiary of DTAG. SIRIS is the second largest alternative telecommunications operator in France, providing voice, data and IP services on its own network. SIRIS’ share of the telecommunications market in France is 2 percent.

Hong Kong: DTAG owns 100 percent of Deutsche Telekom Asia (“DTA”), which is authorized in Hong Kong to provide voice and data services. DTA’s share of the Hong Kong market for local access and international transport is estimated to be less than 1 percent.

Japan: Deutsche Telekom Tokyo (“DT Tokyo”) is a wholly-owned subsidiary of DTAG. As the holder of Type I and II licenses in Japan, DT Tokyo is a reseller providing a variety of communications services including international leased line services and corporate network services. Its share of the relevant markets is well under 1 percent.

Netherlands: DTAG holds a 50 percent stake (less one share) in Ben Nederlands B.V. (“Ben”), which provides mobile telecommunications services in the Netherlands. Ben’s share of the mobile phone market in the Netherlands is approximately 8 percent. In addition, T-Systems is affiliated in the Netherlands with Debis IT Services B.V., a wholly-owned subsidiary of DTAG. This company has held a license for the provision of public telecommunication services and networks in Holland since January 7, 2002. Since it only recently acquired this license, it has no market share.

Philippines: In the Philippines, T-Systems is affiliated with Globe Telecom and its wholly-owned subsidiary, Islacom. Globe Telecom and Islacom provide

mobile and fixed line services; Globe Telecom provides data communications services as well. DTAG holds a 26.3 percent ownership interest in Globe Telecom and its subsidiary. Of the international transport and local access market in the Philippines, the market share of Globe Telecom and Islacom is 10 percent or less.

Poland: DTAG indirectly holds a 45 percent ownership interest in Polska Telefonia Cyfrowa Sp.z.o.o (“PTC”), a mobile service provider in Poland. PTC provides various mobile telephony services in Poland on a nationwide basis using GSM900 and other technologies. Its share of the mobile services market in Poland is 42.45 percent. Polkomtel, a major competitor, controls approximately 38 percent of the market.

Russia: MTS, CJSC Mobile TeleSystems (“MTS”) is a mobile services provider in Russia in which DTAG (under the Commission’s ownership attribution rules) holds a 40.1 percent ownership interest. MTS has merged with its wholly owned subsidiary, RTC CJSC, to form Mobile TeleSystems Open Joint Stock Company (“MTS OJSC”). MTS is one of three major carriers offering mobile services in Russia, and MTS OJSC’s current share of the mobile services market is estimated to be approximately 37 percent. In May 2001, MTS acquired Telecom XXI, a GSM operator in St. Petersburg. Rostelecom is the dominant provider of national long distance and international services in Russia. Approximately 80 local service providers control the local service and access market on a region-by-region basis.

Singapore: DTAG owns 100 percent of Deutsche Telekom Asia (“DTA”), which is authorized in Singapore to provide voice and data services. In Singapore, DTA provides these services solely as a reseller. DTA’s share of the Singapore market for local access and international transport is estimated to be less than 1 percent.

Spain: T-Systems ELTEC, S.A. is a wholly-owned subsidiary of DTAG and the holder of a type A1 license in Spain. This license allows T-Systems ELTEC to provide public telephone services. T-Systems ELTEC was granted this license in June 2002 and thus its market share at this time is negligible.

Switzerland: T-Systems Multilink SA (“Multilink”), an alternative infrastructure provider in Switzerland, is a wholly-owned subsidiary of DTAG. Multilink is a young company and thus its share of the fixed voice and data market in Switzerland is under 1 percent.

UK: In the UK, T-Systems is affiliated with three carriers, all of which are wholly-owned subsidiaries of DTAG. Deutsche Telekom Ltd. (DT Ltd.) resells leased lines pursuant to a class license. Its market share is negligible. T-Systems Ltd. holds a PTO license granted April 8, 2002. Since T-Systems Ltd. was only recently granted this license, it has no discernible market share. DTAG also owns T-Mobile UK (formerly known as One2One), which provides mobile

communications services in the U.K. T-Mobile UK's share of the UK mobile services market is approximately 20 percent.

T-Systems notes that the Commission has previously recognized that many of these foreign affiliates are non-dominant in connection with applications or notifications filed by T-Systems USA, Inc. (formerly known as Deutsche Telekom, Inc.). See File Nos. FCN-20010321-00008 (Netherlands, Russia, Hong Kong, and Singapore); Foreign Carrier Affiliation Notification of Deutsche Telekom, Inc., dated December 17, 2001 (Philippines); and ITC-214-19991217-00787 (all other countries except Belarus and Spain).

CERTIFICATION

The undersigned hereby certifies, on behalf of T-Systems Inc. ("T-Systems") and with respect to the foregoing application of T-Systems, that:

1. T-Systems is affiliated with entities that may or may not be considered foreign carriers that operate in the countries listed in Annex 1 to this Certification.
2. T-Systems will comply with the terms and conditions of Sections 63.21, 63.22, and 63.23 of the Commission's Rules.
3. T-Systems's parent company, Deutsche Telekom AG, is a foreign carrier or controls or is deemed to control entities that may or may not be considered foreign carriers in the countries listed in Attachment B to the application.
4. T-Systems has not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses sufficient market power on the foreign end of the route to affect competition adversely in the U.S. market and will not enter into such agreements in the future.
5. 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.

By:



Andrew Borstrom
Chief Executive Officer
T-Systems Inc.
701 Warrenville Road
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(630) 493-6100

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(202) 955-9600

Joan M. Griffin
Kelley Drye & Warren LLP
8000 Towers Crescent Drive
Suite 1200
Vienna, VA 22182
(703) 918-2300

Date:

9/26/02

Annex 1 to Attachment D

**COUNTRIES FOR WHICH AUTHORITY IS REQUESTED
AND IN WHICH DEUTSCHE TELEKOM AG
IS A FOREIGN CARRIER OR
CONTROLS OR IS DEMED TO CONTROL
ENTITIES THAT MAY OR
MAY NOT BE CONSIDERED FOREIGN CARRIERS**

Austria
Belarus
Canada
Czech Republic
France
Germany
Hong Kong
Hungary
Japan

Netherlands
Philippines
Poland
Russia
Singapore
Slovakia
Spain
Switzerland
United Kingdom

READ INSTRUCTIONS CAREFULLY
BEFORE PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE

Approved by OMB
3060-0589
Page No 1 of 1

(1) LOCKBOX # 358115

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FCC USE ONLY

SECTION A - PAYER INFORMATION

(2) PAYER NAME (if paying by credit card, enter name exactly as it appears on your card)
Kelley Drive & Warren LLP

(3) TOTAL AMOUNT PAID (U.S. Dollars and cents)
\$860.00

(4) STREET ADDRESS LINE NO. 1
8000 Towers Crescent Drive

(5) STREET ADDRESS LINE NO. 2
Suite 1200

(6) CITY
Vienna

(7) STATE
VA

(8) ZIP CODE
22182

(9) DAYTIME TELEPHONE NUMBER (include area code)
(703) 918-2320

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

(11) PAYER (FRN)

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

0006-5547-78

(12) PAYER (TIN)
0135335107

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

(13) APPLICANT NAME
T-Systems, Inc.

(14) STREET ADDRESS LINE NO. 1
701 Warrentville Road

(15) STREET ADDRESS LINE NO. 2

(16) CITY
Listle

(17) STATE
IL

(18) ZIP CODE
60532

(19) DAYTIME TELEPHONE NUMBER (include area code)
(630) 493-6183

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

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

(21) APPLICANT (FRN)

(22) APPLICANT (TIN)

0007728553

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

(23A) CALL SIGN/OTHER ID

(24A) PAYMENT TYPE CODE
CUT

(25A) QUANTITY
1

(26A) FEE DUE FOR (PTC)
\$860.00

(27A) TOTAL FEE

FCC USE ONLY
\$860.00

(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, WINIFRED R. SMITH, 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 Winifred R. Smith DATE 9/29/02

SECTION E - CREDIT CARD PAYMENT INFORMATION

(31)

MASTERCARD/VISA ACCOUNT NUMBER:

MASTERCARD

EXPIRATION
DATE:

VISA

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

SIGNATURE _____

DATE _____

DATE	DESCRIPTION	AMOUNT
9/26/02	Filing fee - T-Systems, Inc. Section 214 application 018147-0012 Exp. Code 000208 W. Brantl (04086)	\$860.00

DETACH AND RETAIN THIS STATEMENT
 THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW. IF NOT CORRECT PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESIRED.
KELLEY DRYE & WARREN LLP

KELLEY DRYE & WARREN LLP
 8000 TOWERS CRESCENT DR STE 1200
 VIENNA, VA 22182

PAY TO THE ORDER OF
 Federal Communications Commission

Eight hundred sixty and no/100

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DATE September 26, 2002
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\$ 860.00