



PUBLIC NOTICE

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International Bureau Policy Division Grants
Southwestern Bell Communications Services, Inc. Section 214 Authority for
Michigan and Conditional Authority for Indiana, Illinois, Ohio and Wisconsin

Pursuant to section 214 of the Communications Act of 1934, as amended (the "Act") (47 U.S.C. § 214) and section 63.18 of the Commission's rules (47 C.F.R. § 63.18), the International Bureau, Policy Division, grants the application filed by Southwestern Bell Communications Services, Inc. (SBCS or Applicant), a subsidiary of SBC Communications Inc. (SBC Communications) for authority to provide international services originating in the state of Michigan, and conditional authority to provide international services originating in the states of Indiana, Illinois, Ohio and Wisconsin. Specifically, Applicant requests authority to provide global international facilities-based and resale service between all points in the states of Michigan, Indiana, Illinois, Ohio and Wisconsin and all permissible foreign points. Applicant requests grant of this application at such time as SBC Communications receives authority to provide in-region, interLATA services in the state of Michigan pursuant to section 271 of the Communications Act of 1934, as amended, 47 U.S.C. § 271. Applicant acknowledges that grant of its request for authority to provide international services originating in Indiana, Illinois, Ohio and Wisconsin would be conditioned such that it would be effective only at such time as SBC Communications receives section 271 authority for those states (*see 2000 Biennial Regulatory Review, Amendment of Parts 43 and 63 of the Commission's Rules, Report and Order, IB Docket No. 00-231, FCC 02-154, 17 FCC Rcd 11416 (2002) ("Biennial Review Order")*).

As described above, the international section 214 application includes traffic originating in Michigan, Indiana, Illinois, Ohio and Wisconsin, which are "in-region" states of SBC Communications and its subsidiary, SBCS. The international application is a companion to the joint application of SBC Communications, Michigan Bell Telephone Company, and SBCS for authorization to provide in-region, interLATA services in the state of Michigan pursuant to section 271 of the Act. No comments were filed on the international section 214 application, which was put on public notice on February 14, 2003 (*see Non-Streamlined International Applications Accepted for Filing, FCC File No. ITC-214-20030123-00026, Public Notice, DA 03-*

434 (rel. February 14, 2003)).

On September 17, 2003, the Commission approved SBC Communications' section 271 application for the state of Michigan (*see Application By SBC Communications Inc., Michigan Bell Telephone Company, and Southwestern Bell Communications Services, Inc. for Authorization to Provide In-Region, InterLATA Services in Michigan*, WC Docket No. 03-138, Memorandum Opinion and Order, FCC 03-228, rel. September 17, 2003). Because SBC Communications has received section 271 authority to provide in-region, interLATA service in the state of Michigan, we grant SBCS authority to provide international facilities-based and resale service originating in the state of Michigan. *See* 47 C.F.R. § 63.18(e)(1)-(3). We also grant Applicant authority to provide the same international services originating in the states of Indiana, Illinois, Ohio and Wisconsin subject to the condition that such authority shall be effective for each of these in-region states only at such time as SBC Communications receives section 271 authority to provide in-region, interLATA service in that state (*see Biennial Review Order, supra*, para. 45). The Bureau finds that grant of the international section 214 application will serve the public interest by increasing competition in international services, expanding the range of new and innovative services and allowing for more efficient use of existing international telecommunications facilities.

This grant of authority is subject to Applicant's compliance with the Commission's international dominant carrier regulations as specified in section 63.10(c) and (e) of the rules on the following routes where Applicant has affiliations with foreign carriers that the Commission has not yet determined lack market power: (1) the U.S.-Belgium route, (2) the U.S.-Denmark route, and (3) the U.S.-South Africa route (except to the extent Applicant serves these routes solely by reselling the international switched services of unaffiliated U.S. facilities-based carriers).

We grant Applicant's request for non-dominant classification on all other routes where Applicant has affiliations with foreign carriers. Applicant has demonstrated that these foreign carriers lack sufficient market power on the foreign end of the routes to affect competition adversely in the U.S. market. In sum, SBCS will be classified as a non-dominant international carrier in its provision of U.S. international services on all routes, except the U.S.-Belgium route, the U.S.-Denmark route and the U.S.-South Africa route. Grant of this international section 214 application will become effective upon the effective date of the Commission Order granting authorization to SBC Communications to provide in-region, interLATA services in the state of Michigan.

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