# Before the Federal Communications Commission Washington, D.C. 20554

In the Matter of	)
T.A. Resources N.V.	) IB Docket No. 10-228
Application for International Section 214 Authorization and Determination that Aruba	) FCC File No. ITC-214-20100107-00010
Provides Effective Competitive Opportunities to	)
U.S. Carriers	)

### ORDER AND AUTHORIZATION

Adopted: November 16, 2011 Released: November 17, 2011

By the Chief, International Bureau:

#### I. INTRODUCTION

1. In this Order and Authorization, we find that a conditional grant of the application ("Application") filed by T.A. Resources N.V. ("TA Resources") for section 214 authority pursuant to section 214 of the Communications Act of 1934, as amended, and section 63.18 of the Commission's rules will serve the public interest, convenience, and necessity, subject to reporting and compliance procedures specified below. We base this finding on our conclusion that Aruba provides effective competitive opportunities for U.S. carriers under the standards established by the Commission for entry into the U.S. market by foreign carriers from non-World Trade Organization ("WTO") countries.

### II. BACKGROUND

## A. The Applicant

**2.** TA Resources is a wholly-owned subsidiary of SETAR N.V. ("SETAR"), the incumbent telecommunications provider in Aruba, which, in turn, is wholly-owned by the Government of Aruba. <sup>4</sup> TA Resources currently holds no FCC licenses or authorizations.

#### **B.** The Application

3. On January 7, 2010, TA Resources filed an Application requesting global facilities-based and resale authority to provide international facilities-based and resale services between the U.S. and

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<sup>&</sup>lt;sup>1</sup> 47 U.S.C. § 214.

<sup>&</sup>lt;sup>2</sup> 47 C.F.R. § 63.18 (e)(1), (2).

<sup>&</sup>lt;sup>3</sup> See generally Rules and Policies on Foreign Participation in the U.S. Telecommunications Market, IB Docket Nos. 97-142, 95-22, Report and Order and Order on Reconsideration, FCC 97-398, 12 FCC Rcd 23891 (1997) (Foreign Participation Order), Order on Reconsideration, FCC 00-339, 15 FCC Rcd 18158 (2000). See also Market Entry and Regulation of Foreign-Affiliated Entities, IB Docket 95-22, Report and Order, 11 FCC Rcd 3873 (1995) (Foreign Carrier Entry Order).

<sup>&</sup>lt;sup>4</sup> See Application, Attachment 2.

Aruba.<sup>5</sup> On May 12, 2010, TA Resources supplemented its Application with a request for a determination that Aruba provides effective competitive opportunities for U.S. carriers to compete in Aruba's market for resold and facilities-based international telecommunications services ("May 12, 2010 Supplemental Filing").<sup>6</sup> TA Resources acknowledges that, as defined under the Commission's rules, it is affiliated with SETAR, Aruba's incumbent local exchange carrier.<sup>7</sup> TA Resources agrees to be classified as a dominant carrier on the U.S.-Aruba route.<sup>8</sup> TA Resources also recognizes that Aruba is not currently a full WTO Member country.<sup>9</sup>

4. The International Bureau released a Public Notice on November 10, 2010 seeking comment on the Application and TA Resources' request for a finding that Aruba offers effective competitive opportunities to U.S. carriers. No comments were filed. The Bureau requested supplemental information from TA Resources. TA Resources responded to the Bureau's request on December 30, 2010 ("December 30, 2010 Supplemental Filing"). Subsequently, the Bureau requested additional information from TA Resources. TA Resources responded to the Bureau's request on August 24, 2011 ("August 24, 2011 Supplemental Filing"). The application was coordinated with Executive Branch agencies pursuant to Commission policy set out in the *Foreign Participation Order*.

## III. DISCUSSION

## A. Effective Competitive Opportunities Test (ECO Test)

5. The Commission's rules require that for applications where the applicant is affiliated with a foreign carrier with market power in the destination market, and the foreign country is not a WTO

<sup>&</sup>lt;sup>5</sup> See File No. ITC-214-20100107-00010. The application was placed on non-streamlined public notice on February 5, 2010, Public Notice, Report No. TEL-01410NS (rel. Feb. 5, 2010). No comments were filed.

<sup>&</sup>lt;sup>6</sup> See Supplement to Application for International Section 214 Authority, ITC-214-20100107-00010, filed May 12, 2010 (May 12, 2010 Supplemental Filing).

<sup>&</sup>lt;sup>7</sup> *Id.* at 1.

<sup>&</sup>lt;sup>8</sup> See Application at 1. See also 47 C.F.R. § 63.10.

<sup>&</sup>lt;sup>9</sup> Aruba is a member country of the Kingdom of the Netherlands, and in 1995 the Kingdom of the Netherlands signed the WTO treaty on behalf of Aruba. At that time, the instrument of acceptance was not accepted by the WTO Members because the Aruba schedule of services, but not goods, was received and annexed to the General Agreement on Trade in Services, which made Aruba ineligible for full membership status as a WTO Member country. *See* Letter of the Department of Economic Affairs, Commerce and Industry of Aruba to TA Resources N.V., dated February 22, 2010. The letter is attached to the May 12, 2010 Supplemental Filing as Exhibit A.

<sup>&</sup>lt;sup>10</sup> See TA Resources N.V. Seeks FCC Determination that Aruba Provides Effective Competitive Opportunities to U.S. Carriers and International Section 214 Authorization, IB Docket No. 10-228, Public Notice, DA 10-2171, 25 FCC Rcd 15910 (2010).

<sup>&</sup>lt;sup>11</sup> See email dated November 23, 2010, from James Ball, Chief, Policy Division, International Bureau, Federal Communications Commission, to Ulises R. Pin, Counsel, T.A. Resources N.V.

<sup>&</sup>lt;sup>12</sup> See Response of TA Resources to supplemental Effective Competitive Opportunities Test questions, filed December 30, 2010 (December 30, 2010 Supplemental Filing).

<sup>&</sup>lt;sup>13</sup> See email dated July 18, 2011, from James Ball, Chief, Policy Division, International Bureau, Federal Communications Commission, to Ulises R. Pin, Counsel, T.A. Resources N.V.

<sup>&</sup>lt;sup>14</sup> *See* email dated August 24, 2011, from Ulises R. Pin, Counsel, TA Resources N.V. to James Ball, Chief, Policy Division, International Bureau, Federal Communications Commission (August 24, 2011 Supplemental Filing).

 $<sup>^{15}</sup>$  See Foreign Participation Order, 12 FCC Rcd at 23919-20,  $\P\P$  61-63.

Member country, the applicant must show that there are effective competitive opportunities for U.S. carriers in the foreign country (the "ECO Test"). The Commission first adopted the ECO Test in its 1995 *Foreign Carrier Entry Order* as a basis for considering applications for foreign carrier entry into the U.S. market. At that time, the Commission decided to apply the ECO test to "all applications by foreign-affiliated carriers to operate as U.S. international carriers to foreign points where the affiliated foreign carrier has market power." In the 1997 *Foreign Participation Order*, the Commission eliminated application of the ECO Test to WTO Member countries. The Commission, however, retained the ECO Test for entry by carriers that possess market power in non-WTO Member countries, finding that circumstances that existed when it adopted the *Foreign Carrier Entry Order* have "not changed sufficiently with respect to countries that are not members of the WTO."

- 6. Under the ECO Test, an applicant must demonstrate (1) the legal ability of U.S. carriers to enter the foreign destination market to provide facilities-based and resold international services;<sup>21</sup> (2) the existence of reasonable and nondiscriminatory charges, terms, and conditions for U.S. carriers to originate and terminate international traffic in the foreign destination market;<sup>22</sup> (3) the existence of competitive safeguards in the foreign destination market;<sup>23</sup> (4) the existence of an effective regulatory framework in the foreign country to develop, implement, and enforce legal requirements, interconnection arrangements, and other safeguards;<sup>24</sup> and (5) other factors the Commission deems relevant to the ECO Test demonstration.<sup>25</sup>
- 7. As stated earlier, TA Resources is a wholly-owned subsidiary of SETAR, the incumbent telecommunications provider in Aruba. As a result, for the purposes of the ECO test, we find that TA Resources is affiliated with SETAR. SETAR, in turn, has market power in Aruba. Based on TA's affiliation with SETAR. we find that TA Resources is presumed to possess market power in Aruba, a non-WTO Member country, and is therefore subject to the ECO Test.<sup>26</sup>

<sup>&</sup>lt;sup>16</sup> See 47 C.F.R. § 63.18(k)(3). See also 47 C.F.R. § 1.767(a)(8). Under Commission rules, two entities are affiliated with each other if one of them, or an entity that controls one of them, directly or indirectly owns more than 25 percent of the capital stock of, or controls, the other one. See 47 C.F.R. § 63.09(e).

<sup>&</sup>lt;sup>17</sup> See Foreign Carrier Entry Order, 11 FCC Rcd at 3884-3888, ¶¶ 27-39.

<sup>&</sup>lt;sup>18</sup>*Id.* at 3917, ¶ 116. Under Commission rules, market power is defined as the ability to affect competition adversely in the U.S. market. *See* 47 C.F.R. § 63.09(f).

<sup>&</sup>lt;sup>19</sup> See Foreign Participation Order, 12 FCC Rcd at 23896, ¶ 9.

 $<sup>^{20}</sup>$  *Id.* at 23898, ¶ 15. The Commission stated that it had competitive concerns regarding carriers that continue to possess the ability to exercise market power in those countries and that it serves the public interest to continue to apply the ECO Test in the context of non-WTO Member countries.

<sup>&</sup>lt;sup>21</sup> 47 C.F.R. §§ 63.18(k)(3)(i), (ii).

<sup>&</sup>lt;sup>22</sup> 47 C.F.R. § 63.18(k)(3)(iii).

<sup>&</sup>lt;sup>23</sup> 47 C.F.R. § 63.18(k)(3)(iv). Competitive safeguards include the existence of cost-allocation rules in the foreign country to prevent cross-subsidization; timely and nondiscriminatory disclosure of technical information needed to use, or interconnect with, carriers' facilities; and protection of carrier and customer proprietary information.

<sup>&</sup>lt;sup>24</sup> 47 C.F.R. § 63.18(k)(3)(v).

<sup>&</sup>lt;sup>25</sup> 47 C.F.R. § 63.18(k)(3)(vi).

<sup>&</sup>lt;sup>26</sup> See List of Foreign Telecommunications Carriers that are Presumed to Possess Market Power in Foreign Telecommunications Markets, Public Notice, DA 99-809, rel. June 18, 1999, at 6.

## B. Analysis Under the ECO Test Criteria

## 1. Legal Ability of U.S. Carriers To Enter Aruba Market

- 8. In applying the ECO Test, the Commission first examines the legal, or *de jure*, ability of U.S. carriers to enter the foreign destination market and provide facilities-based and resold services.<sup>27</sup> TA Resources maintains that, under Aruba's Telecommunications Policy, <sup>28</sup> U.S. carriers have the legal ability to obtain international telecommunications services licenses for mobile telecommunications services and international telecommunications services, provided they do so through a subsidiary organized under the laws of Aruba.<sup>29</sup> Licensees of international services may provide services using their own facilities or the facilities of other international telecommunications service licensees.<sup>30</sup> TA Resources cites three foreign companies that have obtained a license to provide international service in Aruba, including one that is majority owned by a U.S. firm.<sup>31</sup>
- 9. We find that Aruba's open entry policy into facilities-based and resold international service, which allows U.S. carriers to enter the destination foreign country and provide international services, satisfies the *de jure* entry criteria of the ECO Test.<sup>32</sup> Furthermore, we note that foreign carriers are, in fact, providing service in Aruba. Several non-Aruban carriers, including a carrier that is majority owned by a U.S. firm, are operating on a facilities-based and resold basis in Aruba. We find that the presence of these facilities-based carriers in the Aruban market is an indicator of open entry.

#### 2. Interconnection Terms and Conditions

10. Next, we examine whether there exist reasonable and nondiscriminatory charges, terms, and conditions for interconnection to a foreign carrier's domestic facilities for termination and origination of international services or the provision of the relevant resale service.<sup>33</sup> We consider whether there are adequate means to monitor and enforce these conditions, such as published charges and publicly available terms and conditions for interconnection to ensure that interconnection is available on nondiscriminatory charges, terms, and conditions.<sup>34</sup>

<sup>&</sup>lt;sup>27</sup> 47 C.F.R. § 63.18(k)(3)(i),(ii). See also Foreign Participation Order, 12 FCC Rcd at 23901, ¶ 23.

<sup>&</sup>lt;sup>28</sup> See Policy Document Telecommunications of Aruba 2001-2005 of the Ministry of Transportation and Communications. TA Resources provided a translation of the policy in the Supplement, Exhibit B.

<sup>&</sup>lt;sup>29</sup> See May 12, 2010 Supplemental Filing at 4.

<sup>&</sup>lt;sup>30</sup> *Id. See also International Telecommunications Policy*, dated March 15, 2006. TA Resources provided a translation of the policy in the May 12, 2010 Supplemental Filing, Attachment C.

<sup>&</sup>lt;sup>31</sup> See May 12, 2010 Supplemental Filing at 4-5. According to TA Resources, MIO Group, Ltd. (MIO), a pan-Caribbean telecommunications operator, holds an international license and is 80% owned by Cartesian Capital Group, LLC, a U.S. private equity firm based in New York. MIO is currently operating in Aruba, as is Digicel, an international telecommunications provider. Scarlet, a wholly owned subsidiary of Belgacom (Belgium's national carrier) is, according to TA Resources, expected to begin operations in Aruba under the trade name "Rainbownet."

<sup>&</sup>lt;sup>32</sup> See, generally, Telia North America, Inc., Application for Authority, Pursuant to Section 214 of the Communications Act of 1934, as amended, to Acquire and Operate Facilities to Provide International Services Between the United States and Sweden, Order, Authorization and Certificate, 13 FCC Rcd 4061 (Int'l Bur. 1997) (Telia Order). See also Telecom New Zealand Limited, Application for Authority, Pursuant to Section 214 of the Communications Act of 1934, as amended, to Acquire and Operate Facilities to Provide International Services Between the United States and New Zealand, Order, Authorization and Certificate, 12 FCC Rcd 19379 (Int'l Bur. 1996) (New Zealand Order).

<sup>&</sup>lt;sup>33</sup> 47 C.F.R. § 63.18(k)(3)(iii).

<sup>&</sup>lt;sup>34</sup> See Foreign Carrier Entry Order, 11 FCC Rcd at 3892-3893, ¶¶ 49-50.

- 11. According to TA Resources, international licensees, including U.S. carriers seeking to originate and terminate international telecommunications service in Aruba, or to provide resale services, are subject to the State Decree of June 5, 2003 ("Interconnection Decree") <sup>35</sup> issued by the Governor of Aruba, with the advice of the Minister of General Affairs. The Interconnection Decree provides that (1) interconnection is mandatory for all telecommunications service providers in Aruba, (2) interconnection and access to networks (including SETAR's network) is an issue of major importance, (3) interconnection rates shall be equal for equal services, (4) rates shall be set in proportion to costs, and (5) parties are free to reach an interconnection agreement. <sup>36</sup> Further, under the Interconnection Decree, if an agreement between the parties cannot be reached, the Government of Aruba will intervene to resolve the dispute after the Directorate of Telecommunications Affairs has given advice. <sup>37</sup>
- 12. We find that Aruba's Interconnection Decree allows U.S. carriers the opportunity to obtain interconnection on reasonable and nondiscriminatory terms for the provision of international facilities-based and resale services. This finding is premised upon TA Resources' affiliate, SETAR, promptly providing reasonable and nondiscriminatory interconnection to their facilities in Aruba for U.S. carriers for the origination and termination of international services. We will therefore condition grant of the application on SETAR promptly providing reasonable and nondiscriminatory interconnection.
- 13. We note that an order adopted previously by the International Bureau found that the legal and regulatory framework of Sweden satisfied the interconnection element of the ECO Test.<sup>38</sup> In that case, Sweden's Telecom Act required that interconnection services be provided at rates that are "fair and reasonable in relation to cost." We note that Sweden's legal and regulatory framework that we previously found satisfied the ECO Test is similar to Aruba's current legal and regulatory framework, and further note that the Aruba Interconnection Decree, like Sweden's Telecom Act, makes it clear that rates shall be in reasonable proportion to costs.<sup>40</sup> Therefore, based upon the terms of the Interconnection Decree, we find that Aruba affords U.S. carriers sufficient opportunity to obtain interconnection on reasonable and nondiscriminatory terms for the provision of international facilities-based services.

## 3. Competitive Safeguards

14. The third factor we examine in our ECO Test analysis is whether safeguards exist in the foreign destination market to protect against anticompetitive practices. Specifically, the safeguards the Commission considers important include (1) the existence of cost-allocation rules in the foreign country to prevent cross-subsidization; <sup>41</sup> (2) timely and nondiscriminatory disclosure of technical information needed to use, or interconnect with, carriers' facilities; <sup>42</sup> and (3) protection of carrier and customer proprietary information. <sup>43</sup>

<sup>&</sup>lt;sup>35</sup> See May 12, 2010 Supplemental Filing at 5, Exhibit D. Exhibit D to the May 12, 2010 Supplemental Filing contains a translation of the "Interconnection Decree."

<sup>&</sup>lt;sup>36</sup> *Id*.

<sup>&</sup>lt;sup>37</sup> *Id* 

<sup>&</sup>lt;sup>38</sup> See Telia Order, 13 FCC Rcd at 4068,  $\P$  20. This action was taken under the 1995 Foreign Carrier Entry Order, which applied the ECO Test to all countries.

<sup>&</sup>lt;sup>39</sup> *Id*.

<sup>&</sup>lt;sup>40</sup> See Interconnection Decree at 2.

<sup>&</sup>lt;sup>41</sup> 47 C.F.R. § 63.18(k)(3)(iv)(A).

<sup>&</sup>lt;sup>42</sup> 47 C.F.R. § 63.18(k)(3)(iv)(B).

<sup>&</sup>lt;sup>43</sup> 47 C.F.R. § 63.18(k)(3)(iv)(C).

- 15. TA Resources claims that the laws of Aruba contain safeguards against anticompetitive behavior, including cost allocation rules to prevent cross-subsidization.<sup>44</sup> TA Resources asserts that under Aruba's Telecommunications Policy and Interconnection Decree, interconnection rates must be cost-based, and cost models shall be relatively simple to review both by competitors and by Aruban authorities.<sup>45</sup> While we see no specific provision in Aruba's Telecommunications Policy and Interconnection Decree that interconnection rates must be cost-based, the Interconnection Decree requires that rates shall be in "reasonable proportion" to the costs, and establishes criteria for setting rates in relation to cost.<sup>46</sup> Furthermore, the Interconnection Decree allows Aruban authorities and competitors to evaluate the "reasonable proportion" between rates and costs, and explicitly requires that the cost models for rates shall be relatively simple to review. Furthermore, the Interconnection Decree states that this review shall not result in the government and telecommunications companies incurring major expenses.<sup>47</sup>
- 16. Despite lacking an *explicit* requirement that rates be cost-based, we find that Aruba's Interconnection Decree meets the standards set out by the Commission to protect against anticompetitive practices. Importantly, we note that there are no complaints on the record submitted by any party, including competitors or prospective competitors to TA Resources concerning unfair competition or discriminatory rates, even though Aruba does not appear to have a fully developed cost-allocation model. Additionally, while we believe cost-allocation rules are important, we do not find the absence of such rules to preclude an affirmative ECO finding.<sup>48</sup>
- 17. Further, we also find that Aruba has adopted the two other safeguards the Commission considers important in protecting against anticompetitive behavior. First, TA Resources states that SETAR's interconnection agreements with each competitive carrier contain the technical information necessary to interconnect with SETAR and that SETAR's interconnection agreements strictly prohibit the use of customer information for any purpose other than network maintenance or troubleshooting.<sup>49</sup> It states that the technical information necessary for interconnection is contained in a comprehensive annex to the agreement with each competitor.<sup>50</sup> Second, TA Resources states that the "licenses of SETAR provide that it is obligated it to comply with the laws applicable in Aruba in regards to protection of *inter alia* personal customer information and that SETAR, as far as needed for such protection, has to take measures to that effect." We find no evidence in the record of SETAR denying its competitors technical information or failing to protect carrier and customer proprietary information. As a result, we are satisfied that safeguards exist in Aruba to protect against anticompetitive practices.

## 4. Aruba's Regulatory Framework

18. The fourth factor reviewed under the ECO Test analysis is whether there is an effective regulatory framework in the foreign country to develop, implement and enforce legal requirements,

<sup>&</sup>lt;sup>44</sup> See May 12, 2010 Supplemental Filing at 5-6. TA Resources also asserts that, under the International Telecommunications Policy, international traffic must be routed through at least two independent routes and that Aruban licensees must ensure that users have the ability to select their international telecommunications carrier.

<sup>&</sup>lt;sup>45</sup> *Id* at 6

<sup>&</sup>lt;sup>46</sup> See Interconnection Decree at 2.

<sup>&</sup>lt;sup>47</sup> *Id.* at 3.

 $<sup>^{48}</sup>$  See Telecom New Zealand Order, 12 FCC Rcd at 19392,  $\P$  27.

<sup>&</sup>lt;sup>49</sup> See December 30, 2010 Supplemental Filing at 3.

<sup>&</sup>lt;sup>50</sup> *Id*.

<sup>&</sup>lt;sup>51</sup> See August 24, 2011 Supplemental Filing, Response to Question 2.

interconnection arrangements, and other competitive safeguards.<sup>52</sup> In examining the regulatory framework in the destination country, the Commission's focus is on "whether there is separation between the foreign regulator and the operator of international facilities-based services, and whether there are fair and transparent regulatory procedures in the destination market."<sup>53</sup>

- 19. According to TA Resources, the Aruban government has begun a "number of initiatives, all designed to establish an effective and liberalized regulatory regime." First, TA Resources states that Aruban law currently "contemplates policies and regulations on open licensing, interconnection requirements, safeguards against anticompetitive conduct, and consumer protection." Second, it asserts that a "new package of telecommunications legislation, including further liberalization of the market and the creation of a new and more independent telecommunications regulator is currently contemplated by the Government of Aruba and is expected to be discussed in the Parliament of Aruba in the near future." Third, it claims that Aruba's current telecommunications regulator, Directie Telecommunicatie Zaken ("DTZ") has been actively involved in regulating the market. For example, TA Resources states that DTZ has taken an "important role in ruling on interconnection between Digicel as a newcomer to the market and the incumbent SETAR as the incumbent." Finally, according to TA Resources, the Aruban government has "legal authority to issue and enforce orders, make determinations and impose fines and forfeitures in the event of anticompetitive behavior."
- While it appears that the Government of Aruba is currently in transition with regard to telecommunications regulation, we are aware that the regulator, DTZ, might not be sufficiently separated from the Aruban government, which owns SETAR, to independently assert power and exert regulatory authority over Aruba's developing competition in its telecommunications market. We see no references in Aruba's Telecommunications Policies or Interconnection Decree to DTZ or to any powers conferred on DTZ by the Aruban Government. We note that DTZ was, to some extent, involved in an interconnection dispute between SETAR and Digicel. It is also clear that SETAR, the incumbent dominant carrier in Aruba, is required under the Interconnection Decree to interconnect with other carriers. Although DTZ lacks authority to resolve interconnection disputes, parties may request intervention from the Minister of General Affairs before going to the courts. Further, we find no evidence in the record that other competing telecommunications providers in Aruba have complained about Aruba's regulatory framework.
- 21. The Commission has noted that the ECO Test does not require a regulatory regime exactly patterned on that which exists in the United States.<sup>60</sup> We conclude that on balance there is sufficient regulatory oversight to protect and promote competition in the Aruba telecommunications market as evidenced by the expanding list of competitors in the Aruban international telecommunications market and the absence of any complaints documented in the record of this proceeding. We will,

<sup>56</sup> *Id*.

<sup>&</sup>lt;sup>52</sup> See 47 C.F.R. § 63.18(k)(3)(v).

<sup>&</sup>lt;sup>53</sup> See Foreign Carrier Entry Order, 11 FCC Rcd at 3894, ¶ 54.

<sup>&</sup>lt;sup>54</sup> See May 12, 2010 Supplemental Filing at 7.

<sup>&</sup>lt;sup>55</sup> *Id* 

<sup>&</sup>lt;sup>57</sup> *Id*.

<sup>&</sup>lt;sup>58</sup> *Id*.

<sup>&</sup>lt;sup>59</sup> *Id*.

<sup>&</sup>lt;sup>60</sup> See Telia Order, 13 FCC Rcd at 4075, ¶ 38; see also Telecom New Zealand Order, 12 FCC Rcd at 19394, ¶ 33.

however, condition grant of the TA Resources authorization on revisiting our findings here should competitive problems arise on the U.S.-Aruba international route and, if necessary, impose appropriate conditions pursuant to the Commission's rules.<sup>61</sup>

### 5. Additional Public Interest Factors

- 22. The additional factors that the Commission considers relevant to section 214 public interest analyses include: the general significance of the proposed entry to the promotion of competition in the U.S. communications market; any national security, law enforcement, foreign policy, or trade concerns raised by the Executive Branch; and the presence of cost-based accounting rates.<sup>62</sup>
- 23. There is no evidence on the record that the entry of TA Resources into the U.S. market will adversely affect the U.S. communications market and, in fact, we expect that the addition of a new competitor will enhance competition in U.S. international telecommunications services markets. We have coordinated the Application with the Executive Branch which has not raised any national security, law enforcement, foreign policy, trade or other concerns about the Application. Finally, although we have not evaluated whether settlement rates on the U.S.-Aruba route are cost-based, the average U.S. settlement payment on the U.S.-Aruba route is \$0.128 per minute, 63 which is below the Commission's benchmark of \$0.15 that applies on the U.S.-Aruba route.

### IV. CONCLUSION

24. Upon review of the TA Resources Application for section 214 authority pursuant to section 63.18 of the Commission's rules and section 214 of the Communications Act of 1934, as amended, and TA Resources' request that Aruba provides effective competitive opportunities for U.S. carriers, we find that Aruba offers effective competitive opportunities to U.S. carriers and we conclude that grant of the Application will serve the public interest, convenience, and necessity, subject to certain conditions and reporting and compliance procedures specified below.

### V. ORDERING CLAUSES

- 25. Accordingly, IT IS ORDERED that, pursuant to sections 4(i) and (j), 201, 202, 210, 211, and 214 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i), (j), 201, 202, 210, 211, and 214, and sections 0.51, 0.261, 43.51, 43.61, 43.82, 63.18, 63.21, 63.22 and 63.23, 47 C.F.R. §§ 0.51, 0.261, 43.51, 43.61, 43.82, 63.18, 63.21, 63.22 and 63.23, the Application filed by T.A. Resources N.V. for section 214 authority IS GRANTED to the extent specified in this Order and Authorization.
- 26. IT IS FURTHER ORDERED that T.A. Resources N.V.'s request for an affirmative finding that Aruba provides effective competitive opportunities for U.S. carriers on the U.S.-Aruba route, IS GRANTED, subject to a revisitation of this finding and potential imposition of appropriate conditions on this authorization, following prior notice to T.A. Resources, N.V., and opportunity for comment should anticompetitive problems arise on the U.S.-Aruba international route.
- 27. IT IS FURTHER ORDERED that as a condition of this grant, T.A. Resources N.V.'s affiliate, SETAR N.V., must promptly provide reasonable and nondiscriminatory interconnection to their facilities in Aruba for U.S. carriers for the origination and termination of international services.

<sup>62</sup> 47 C.F.R. § 63.18(k)(3)(vi). *See also Foreign Carrier Entry Order*, 11 FCC Rcd at 3897, ¶ 62.

<sup>&</sup>lt;sup>61</sup>47 C.F.R. 63.21(g).

<sup>&</sup>lt;sup>63</sup> FCC's 2009 Section 43.61 International Telecommunications Data, Table A1, available at http://www.fcc.gov/ib/sand/mniab/traffic/.

<sup>&</sup>lt;sup>64</sup> See generally In the Matter of International Settlement Rates, IB Docket No. 96-261, Report and Order, FCC 97-280, 12 FCC Rcd 19806 (1997) (Benchmarks Order).

- 28. IT IS FURTHER ORDERED that T.A. Resources N.V. shall be regulated as dominant on the U.S.-Aruba route pursuant to section 63.10 of the Commission's rules, 47 C.F.R. § 63.10, and shall comply with the requirements of section 63.10(c), 47 C.F.R. § 63.10(c).
- 29. IT IS FURTHER ORDERED that T.A. Resources N.V. shall comply with sections 43.51, 43.61, and 43.82 of the Commission's rules, 47 C.F.R. § 43.51, 43.61, and 43.82.
- 30. IT IS FURTHER ORDERED that this Order and Authorization SHALL BE EFFECTIVE upon release. Petitions for reconsideration under section 1.106 of the Commission's rules, 47 C.F.R. § 1.106, or applications for review under section 1.115 of the Commission's rules, 47 C.F.R. § 1.115, may be filed within thirty days of the date of public notice of this order.

FEDERAL COMMUNICATIONS COMMISSION

Mindel De La Torre Chief, International Bureau