

6 October 2014

**BY ELECTRONIC FILING**

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

*Re: Notice of Ex Parte Presentation, File No. ITC-214-20110901-00289*

Dear Ms. Dortch:

Pursuant to 47 C.F.R § 1.1206(b), China Mobile International (USA) Inc. (“CMIUSA”) notifies the Commission of an *ex parte* presentation in the above-referenced proceeding. As counsel for CMIUSA, I met with Diane Cornell of Chairman Wheeler’s office and Jim Ball, Kathleen Collins, David Krech, and Troy Tanner of the International Bureau on October 6, 2014, to discuss the status of CMIUSA’s long-pending application for international Section authority and the associated review by the Team Telecom agencies.

I reiterated that CMIUSA continues to seek facilities-based and resale authority to offer a full suite of international common-carrier services in the United States, which remains a hub for global connectivity, a key meeting point for global networks, and a laboratory for innovation. Although CMIUSA has commenced offering certain limited, non-common-carrier services in the U.S. market, these services are not the principal focus of CMIUSA’s business plans. The lack of international Section 214 authority places CMIUSA at a competitive disadvantage vis-à-vis its U.S. and foreign competitors (including other Chinese carriers already authorized by the Commission to operate in the U.S. market, in at least one case subject to assurances made to Team Telecom) and prevents CMIUSA from recovering the cost of equipment investments it has already made. A more limited grant of resale-only authority would not address CMIUSA’s concerns, as it would not authorize the use of facilities held on an ownership, lease, or indefeasible right of use basis, including capacity on submarine cable systems such as the planned New Cross Pacific submarine cable system between the United States, China, Taiwan, the Republic of Korea, and Japan.<sup>1</sup>

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<sup>1</sup> See New Cross Pacific (NCP) Cable System, Press Release (Sept. 25, 2013), *reprinted at* SubTel Forum, <http://subtelforum.com/articles/new-cross-pacific-cable-system-announced/>.

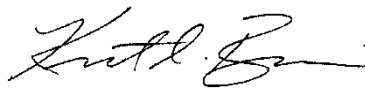
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The lack of international Section 214 authority also creates other regulatory issues. *First*, the types of voice and data services that CMIUSA seeks to offer in the U.S. market do not lend themselves to individualized negotiations with customers in order to avoid classification as common-carrier services. Such efforts would be expensive at best and more likely unworkable, keeping CMIUSA at a competitive disadvantage in either case. *Second*, a grant of Section 214 authority remains a key credential in negotiating agreements with other carriers, particularly to clarify obligations with respect to the federal Universal Service Fund (“USF”). With USF obligations, carriers routinely seek evidence of Section 214 authority as part of the reseller certification process to distinguish contributing providers from end users and thereby comply with the Commission’s USF contribution rules. The lack of international Section 214 authority makes such negotiations more cumbersome and burdensome. *Third*, the grant of Section 214 authority helps to protect a carrier from regulatory reclassification of particular services, as the Commission has considered with services such as MPLS.

I also provided an update regarding the status of the ongoing review being conducted by Team Telecom and other Executive Branch agencies. CMIUSA believes that the delays and lack of transparency and timeline for processing of CMIUSA’s application are inconsistent with U.S. commitments in basic telecommunications under the World Trade Organization General Agreement on Trade in Services—including the WTO Reference Paper (which the United States has adopted as part of its commitments)—with respect to service suppliers from other WTO members such as China.

Please contact me with any questions or requests for additional information. I can be reached by telephone at +1 202 730 1337 and by e-mail at kbressie@hwglaw.com.

Respectfully submitted,



Kent Bressie  
*Counsel for China Mobile International (USA), Inc.*

Attachment

cc: Jim Ball  
Kathleen Collins  
Diane Cornell  
David Krech  
Troy Tanner