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ATTORNEYS AT LAW

FC-ADG-20000810-00092

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July 18, 2000

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Telecom Division  
International Bureau

Magalie Roman Salas  
Secretary  
Office of the Secretary  
Federal Communications Commission  
445 Twelfth Street, S.W., Room TW-A 325  
Washington, D.C. 20554

RE: ***Withdrawal of Application and Request for Refund of Application Processing Fee-***  
In the Matter of Application of Millennium Optical Networks/North America, Inc.  
("MONNAI") and Sphera Optical Networks N.A., Inc. ("Sphera") for Authority Pursuant to  
Section 214 of the Communications Act of 1934, as Amended, to Assign Authorization to  
Provide Global Facilities-Based and Resale Telecommunications Services

Dear Ms. Salas:

On July 6, 2000, Millennium Optical Networks/North America, Inc. ("MONNAI") and Sphera Optical Networks N.A., Inc. ("Sphera"), (collectively, the "Joint Applicants") filed the above-captioned Application with the Federal Communications Commission (the "Commission") (copy enclosed). Since that time, the Joint Applicants have concluded that their proposed transaction is properly designated as a *pro forma* assignment pursuant to Section 63.24(a)(5) of the Commission's rules, 47 C.F.R. §63.24(a)(5). Accordingly, the Application is not subject to the requirements of Section 63.18 of the Commission's rules, 47 C.F.R. §63.18, and the Joint Applicants hereby withdraw the Application. The Joint Applicants, however, do intend to comply with the notification requirements specified in Section 63.24(b) of the Commission's rules, 47 C.F.R. §63.24(b).

The Commission does not require a filing fee for *pro forma* assignments, and accordingly, the Joint Applicants request a refund of the application fee in the amount of \$780. See 47 C.F.R. §1.1113(a)(1).



**Arent Fox**

ATTORNEYS AT LAW

Magalie Roman Salas

July 18, 2000

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Should you have any questions regarding this filing, please contact the undersigned.

Respectfully submitted,

Sana D. Coleman

cc: George Li (*via facsimile*)  
Managing Director, FCC (*via messenger*)  
Thomas Koltis (*via U.S. postal service*)  
Ryan Scott (*via U.S. postal service*)  
Douglas G. Bonner (*via inter-office mail*)  
Helen E. Disenhaus (*via U.S. postal service*)

Enclosure



international telecommunications marketplace. Accordingly, grant of this Application will benefit the public interest. In support of this Application, Applicants submit the following information:

**I. THE PARTIES**

**A. Sphera Optical Networks N.A., Inc.**

Sphera is a privately held Delaware corporation having its principal place of business in New York, New York. Sphera is a wholly owned subsidiary of MONNAI. Sphera does not have any subsidiaries at this time. Following the Assignment, Sphera will have sufficient technical, financial, and managerial resources to operate as a global facilities-based and resale carrier of international telecommunications services. Upon approval by the Commission of this Section 214 Application and the closing of the Assignment, (a) MONNAI personnel that provide the telecommunications services authorized under the Section 214 Authorization will be employed by Sphera, (b) the physical assets of MONNAI that are necessary to provide the telecommunication services authorized under the Section 214 Authorization will be transferred to Sphera, (c) and Sphera will receive, as a result of the Assignment, working capital.

**B. Millennium Optical Networks/North America, Inc.**

MONNAI is a privately held Delaware corporation headquartered in New York, New York. MONNAI is authorized to provide international switched voice services between the United States and permissible international points as an international facilities-based and resale carrier. Further information regarding MONNAI was submitted in File No. ITC-ASG-2000210-00092 and is therefore, already a matter of public record at the Commission, and Applicants request that it be incorporated by reference herein.

## II. THE TRANSACTION

Pending the consent of the shareholders of MONNNAI, which consent is expected to be obtained on or about July 7, 2000, MONNNAI and certain investors (collectively, the Investors) have agreed to enter into a Purchase Agreement pursuant to which MONNNAI will issue to the Investors approximately 24,900,000 shares of its authorized but unissued preferred stock, which stock can be converted into common stock (collectively, the Additional Stock), in return for the Investors payment to MONNNAI of approximately \$68,000,000. Upon completion of the sale of the Additional Stock, MONNNAI will have issued 28,916,667 of its 50,000,000 authorized shares of preferred stock and 19,000,000 of its 100,000,000 authorized shares of its common stock.

The sale of the Additional Stock to the Investors will provide MONNNAI with the additional working capital that Sphera may draw upon to enhance Sphera's ability to provide uninterrupted quality and cost effective and competitive telecommunications services to its customers.

As a wholly owned subsidiary of MONNNAI, Sphera will have sufficient technical, financial, and managerial resources and the ability to provide the telecommunication services as fully under MONNNAI's Section 214 Authorization. Those services currently being provided by MONNNAI will continue to be offered by Sphera pursuant to the MONNNAI tariffs currently on file with the Commission. A team of well-qualified telecommunications managers comprised, in part, of existing MONNNAI personnel will lead Sphera. The transfer of MONNNAI's Section 214 Authorization to Sphera, therefore, will be virtually transparent to the customers of MONNNAI.

### III. PUBLIC INTEREST CONSIDERATIONS

Consummation of the proposed transaction will serve the public interest in promoting competition among providers of local and interexchange telecommunications services by combining the financial resources and complementary managerial skills and experience of MONNAI and Sphera in providing telecommunications services to the public. MONNAI and Sphera anticipate that the contemplated Assignment will result in a company better equipped to accelerate its growth as a competitive telecommunications service provider. The Assignment will permit MONNAI and Sphera to manage their telecommunications operations more efficiently, thereby enhancing their operational flexibility and efficiency. These enhancements will benefit customers of each carrier nationwide by offering better services at competitive prices. Accordingly, the proposed Assignment will benefit the public interest by enabling MONNAI and Sphera to offer competitively priced services in the U.S. interstate and international marketplace.

### IV. INFORMATION REQUIRED BY SECTION 63.18

In support of Applicants' request for authorization, the following information is submitted pursuant to Section 63.18 (e)(3) of the Commission's rules and regulations, 47 C.F.R.

§63.18(e)(3).

(a) The name, address and telephone number of Applicants are:

Millennium Optical Networks/  
North America, Inc.  
200 Madison Avenue, Suite 502  
New York, New York 10016  
Telephone: (212) 683-1011  
Facsimile: (212) 683-6966

Sphera Optical Networks N.A., Inc.  
200 Madison Avenue, Suite 502  
New York, New York 10016  
Telephone: (212) 683-1011  
Facsimile: (212) 683-6966

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

Sphera is a corporation organized and existing under the laws of the state of Delaware.

- (c) The name, title, address and telephone number of the contact to whom correspondence concerning this application should be directed to:

MONNNAI and Sphera:

Thomas Koltis, Esq.  
200 Madison Avenue, Suite 502  
New York, New York 10016.  
Telephone: (212) 683-1011  
Facsimile: (212) 683-6966

with a copy to:

Douglas G. Bonner, Esq.  
Sana D. Coleman, Esq.  
Arent Fox Kintner Plotkin & Kahn PLLC  
1050 Connecticut Avenue, NW  
Washington, D.C. 20036-5339  
Tel: (202) 857-6000  
Fax: (202) 857-6395

The Commission is requested to direct any inquiries concerning this application to Douglas G. Bonner, Esq. and Sana D. Coleman, Esq.

- (d) MONNNAI has authority to provide global facilities-based and resale services pursuant to Section 214 under File No. TTC-ASG-2000210-00092. Sphera does not have Section 214 authorization.

- (e)-(f) No response required.

(g) Not applicable.

(h) Sphera is a wholly owned subsidiary of MONNAI, therefore, MONNAI has a 100% equity interest in Sphera. The following entities, through their direct ownership interests in MONNAI, indirectly have a ten percent or greater interest in Sphera:

Millennium Optical Networks, Inc.  
200 Madison Avenue, Suite 502  
New York, NY 10016

Indirect percent ownership: 83%  
Principal Business: Telecommunications  
Citizen: A New York Corporation

Peter Tierney  
(through his interest in Millennium Optical Networks, Inc.)  
200 Madison Avenue, Suite 502  
New York, NY 10016  
Indirect Percent Ownership: 23%  
Principal Business: Telecommunications  
Citizen: A U.S. Citizen

Allan Quasha  
(through his interest in Millennium Optical Networks, Inc.)  
720 5th Avenue, 9th Floor  
New York, NY 10019  
Percent Ownership: 24%  
Principal Business: Investment  
Citizen: A U.S. Citizen

Pequot Venture Partners, L.P.  
500 Nyala Farm Road  
Westport, CT 06880  
Percent Ownership: 17%  
Principal Business: Investment  
Citizen: a Delaware Limited Liability Partnership

Sphera has no interlocking directorates with a foreign carrier.

(i) See attached Certification.

(j) See attached Certification.



(k) - (m) Not applicable.

(n) By the attached Certification and as required by Section 63.18(n) of the Commission's rules, Sphera certifies that, except as permitted by the Commission's Rules, directly or indirectly from any foreign carrier or administration with respect to traffic or revenue flows between the U.S. and any foreign country which Sphera may be authorized to serve and it will not enter into such agreements in the future.

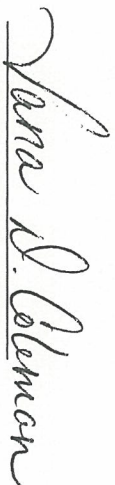
(o) By the attached Certification and as required by 63.18(o) of the Commission's rules, Sphera certifies that no party to this Application, as defined in Sections 1.2001 through 1.2003 of the Commission's rules, 47 C.F.R. §§1.2001-1.2003, is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 853(a).

(p) Sphera submits that this Application is entitled to streamlined processing for the following reasons: (1) grant of this Application is in the public interest and will enhance competition in the international telecommunications market; (2) Sphera is not affiliated with a foreign carrier; (3) Sphera is not affiliated with a dominant U.S. carrier whose international switched or private lines services Applicant seeks authority to resell; and (4) Sphera does not seek to provide switched basic services over private lines to a country for which the Commission has not previously authorize the provision of switched services over private lines. Accordingly, Applicant requests streamlined processing of this Application in accordance with 47 C.F.R. §63.12.

As demonstrated in this Application, Applicants submit that the grant of this Application will serve the public interest, convenience and necessity. For the reasons specified herein, Applicants respectfully requests the Commission to grant the instant Application via streamlined processing.

Respectfully submitted,

By:



Douglas G. Bonner, Esq.

Sana D. Coleman, Esq.

Arent Fox Kintner Plotkin & Kahn, PLLC  
1050 Connecticut Avenue, N.W.

Washington, D.C. 20036

Tel: (202) 857-6000

Fax: (202) 857-6395

Counsel for Millennium Optical  
Networks/North America, Inc. and Sphera  
Optical Networks N.A., Inc.

Dated: July 6, 2000

**CERTIFICATION REQUIREMENTS OF 47 CFR 63.18 (D)(J)(N) AND (O)**

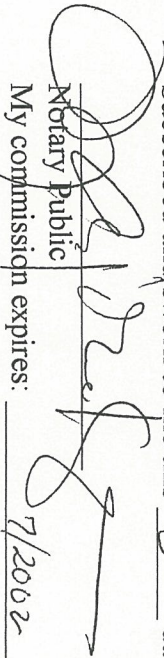
1. 47 CFR 63.18(i). Sphera Optical Networks N.A., Inc. is not affiliated with any foreign carrier.
2. 47 CFR 63.18(j). Sphera Optical Networks N.A., Inc. does not seek to provide international communication services to any destination country meeting any of the conditions set forth in 47 CFR 63.18(j).
3. 47 CFR 63.18(m). Except as permitted by the Commission's Rules, as amended from time to time, Sphera Optical Networks N.A., Inc., has not agreed to accept any special concessions, as defined by the Commission's Rules, directly or indirectly from any foreign carrier or administration with respect to traffic or revenue flows between the U.S. and any foreign country which Sphera Optical Networks N.A., Inc. may be authorized to serve and it will not enter into such agreements in the future.
4. 47 CFR 63.18(o). 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. § 853(a).

**CERTIFICATION CONTINUED**

STATE OF NEW YORK :  
COUNTY OF NEW YORK :

I, Tom J. Koltis, under penalty of perjury declare that I am the Assistant General Counsel of Millennium Optical Networks North America, Inc ("MONNAI") and the person authorized to make this certification on behalf of MONNAI and its wholly-owned subsidiary, Sphera Optical Networks N.A., Inc. ("Sphera"); that I have read the foregoing statements attached hereto; and that the same are true and correct to the best of my knowledge, information, and belief.

By:   
Tom J. Koltis

Subscribed and sworn to me this 5 day of July, 2000  
  
Notary Public  
My commission expires: 7/2002

**MARJORIE N. KAYE, JR.**  
**NOTARY PUBLIC, State of New York**  
**No. 02KAL001009**  
**Qualified in Westchester County**  
**Commission Expires July 1, 2000**