Before the FEDERAL COMMUNICATIONS COMMISSION Washington, DC 20554

In the Matter of the Joint Application of))
Telecom New Zealand USA Limited, Assignor,))))
and)
TNZI USA LLC, Assignee))))
For Grant of Authority Pursuant to Section 214 of the Communications Act of 1934, as amended, and Section 63.24 of the Commission's Rules to Complete a Partial Assignment of Assets of an Authorized International Section 214 Carrier	

File No. ITC-ASG-2015_____

JOINT APPLICATION

Telecom New Zealand USA Limited ("TNZ" or "Assignor") and TNZI USA LLC ("TNZI USA" or "Assignee") (together, the "Applicants"), pursuant to Section 214 of the Communications Act, as amended, 47 U.S.C. § 214, and Section 63.24 of the Commission's Rules, 47 C.F.R. § 63.24, respectfully request authority to complete a partial assignment transaction whereby TNZI USA, previously known as Symbio Wholesale USA LLC, will acquire from TNZ certain assets, including customer accounts served by its voice business (the "Customers"). The agreement was one component of a larger Sale and Purchase Agreement in which My Net Fone Ltd. ("MNF"), TNZI USA's ultimate parent, acquired the international voice business of Spark New Zealand Limited ("Spark"), TNZ's ultimate parent. As a result of the transaction, TNZI USA will become the service provider for the Customers and respectfully requests that the Commission grant it international 214 authorization to provide global facilities-

based and resale service to the newly acquired Customers. TNZ will retain and continue providing service to its data customers pursuant to its existing international 214 authorization (File No. ITC-214-20021220-00588), which will not be assigned.

I. <u>REQUEST FOR STREAMLINED PROCESSING</u>

Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Sections 63.12(a)-(b) of the Commission's Rules. 47 C.F.R. § 63.12(a)-(b). In particular, none of the exclusionary criteria set forth in Section 63.12(c) applies as described more fully in Section V below. In addition, TNZI USA is not, and will not, be affiliated with TNZ, which is regulated as a dominant carrier on the U.S.-New Zealand route, or any other carrier regulated as dominant.

In support of this Application, Applicants provide the following information:

II. <u>DESCRIPTION OF THE APPLICANTS</u>

A. Telecom New Zealand USA Limited

TNZ is an international telecommunications carrier based in Pasadena, California, and operating under the laws of the state of Delaware. It is a wholly-owned subsidiary of Spark, previously known as Telecom Corporation of New Zealand Limited, an international telecommunications carrier and holding company based in Auckland, New Zealand. TNZ provides international voice and data services to customers based in the United States. TNZ holds authorization to provide international common carrier services pursuant to File No. ITC-214-20021220-00588 (granting authority to provide global facilities-based and resale service).

B. TNZI USA LLC

TNZI USA is a newly formed Delaware limited liability company whose registered office is at 3500 S DuPont Highway, Dover, Delaware 19901. TNZI USA is wholly-owned by Symbio Wholesale International Pty Ltd., a company organized under the laws of Australia, which in turn is wholly-owned by MNF, a public company listed on the Australian Stock Exchange. MNF provides hosted voice and data communications services for residential, business and enterprise users, wholesale carrier services, including number porting, cloud-based PBX services, call termination, call origination and other infrastructure enabled services, and VoIP services in Australia. In addition, MNF has a wholly-owned subsidiary, Symbio Wholesale Pty Ltd, ("Symbio Wholesale") which is a foreign carrier in Australia and New Zealand and another wholly-owned subsidiary, Symbio Wholesale (Singapore) Pte Ltd, ("Symbio Singapore") which is a foreign carrier in Singapore.

Separately, as another component of the transaction, MNF subsidiaries acquired the remainder of Spark's international voice business and TNZI USA became affiliated with the following carriers under the Commission's Rules: TNZI Australia Pty Limited ("TNZI Australia") which serves as a foreign carrier in Australia, TNZI New Zealand Limited ("TNZI New Zealand") which serves as a foreign carrier in New Zealand, TNZI Singapore Pte Limited ("TNZI Singapore") which serves as a foreign carrier in Singapore and TNZI UK Limited ("TNZI UK") which serves as a foreign carrier in the United Kingdom.

III. <u>DESCRIPTION OF THE TRANSACTION</u>

On April 2, 2015, Applicants entered into an agreement for TNZI USA to purchase certain international voice assets, including Customers, from TNZ. The agreement was one component of a larger Sale and Purchase Agreement in which MNF acquired Spark's international voice business, including subsidiaries operating in Australia, New Zealand, Singapore and the United Kingdom and assets in New Zealand and the United States. The non-U.S. portion of the transaction closed on April 23, 2015. Spark will retain its New Zealand domestic voice and data businesses and its international data businesse.

As a result of the agreement, TNZI USA will replace TNZ as the service provider to

TNZ's Customers. The Customers will continue to receive service from TNZI USA under the same rates, terms and conditions of service immediately following the proposed transaction as they do today.

TNZI USA is managerially, technically and financially well-qualified to become the new owner of the assets and the service provider to Customers. TNZI USA's ultimate parent company, MNF, has an extensive background providing telecommunications services outside of the U.S. In addition, TNZI USA has access to capital resources through MNF.

IV. <u>PUBLIC INTEREST STATEMENT</u>

Applicants respectfully submit that the proposed transaction will serve the public interest. The transaction will result in the assignment of assets and Customers to TNZI USA, which will introduce a new competitor to the market. TNZI USA will continue to provide high-quality telecommunications service to Customers without interruption, and the proposed transaction will assure an orderly transition of Customers from TNZ to TNZI USA. In accordance with the Commission's Rules, Customers will be properly notified of the proposed transaction and the change in their telecommunications provider. Prior to consummation of the transaction, TNZI USA will separately file a certification that it is complying with the Commission's procedures set forth in Section 64.1120(e) of the Commission's Rules regarding the acquisition of customers, along with the sample customer notification letter.

V. INFORMATION REQUIRED BY SECTION 63.24(e)

Pursuant to Section 63.24(e)(3) of the Commission's Rules, the Applicants submit the following information requested in Section 63.18 (a)-(d) and (h)-(p) in support of this Application:

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63.18 (a) Name, address and telephone number of each Applicant:

Assignor:

Telecom New Zealand USA LimitedFRN: 002075884399 South Lake Avenue, Suite 500Pasadena, California 91101Tel: (626) 432-4300FRN: 0020758843

Assignee:

TNZI USA LLC 3500 S DuPont Highway Dover, Delaware 19901 Tel: 202-373-6664 FRN: 0024600348

63.18 (b) Jurisdiction of Organizations:

<u>Assignor:</u> TNZ is organized under the laws of the State of Delaware.

Assignee: TNZI USA is organized under the laws of the State of Delaware.

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

For TNZ:

John Beahn Joshua Gruenspecht Skadden, Arps, Slate, Meagher & Flom LLP 1440 New York Avenue, N.W. Washington, DC 20005 Tel: (202) 371-7392 Fax: (202) 661-9192 John.beahn@skadden.com joshua.gruenspecht@skadden.com

For TNZI USA:

Ulises Pin Danielle Burt Morgan, Lewis & Bockius LLP 2020 K Street, N.W. Washington, DC 20006 Tel: 202-373-6000 Fax: 202-373-6001 u.pin@morganlewis.com danielle.burt@morganlewis.com

With a copy to:

Sarah Gold Spark New Zealand Limited Level 7 Purple, Spark City, 167 Victoria Street West Private Bag 92028, Auckland 1142 Tel: 64 9 356 9987 Sarah.Gold@spark.co.nz

With a copy to:

Helen Fraser Symbio Wholesale Pty Ltd. Level 2, 10-14 Waterloo Street, Surry Hills Sydney, Australia Tel: 61 2 9994 8555 helen.fraser@mynetfone.com.au

63.18 (d) Section 214 Authorizations

- Licensee: TNZ holds international Section 214 authority granted in File No. ITC-214-20021220-00588 (this grant of authority to provide global facilities-based and resold services and switched services through private lines between all domestic and international points consolidated and expanded upon location- and/or service-specific authorities previously granted under File Nos. ITC-214-20001117-00675, ITC-214-19970128-00046, ITC-214-19970328-00181 and ITC-96-097).
- <u>Assignee:</u> TNZI USA does not currently hold any international Section 214 authorization. It respectfully requests that the Commission grant it international 214 authorization to provide global facilities-based and resale service.

63.18 (h) Ownership

1) The following entity owns or controls 10% or more of **TNZI USA**.

Name:	Symbio Wholesale International Pty Ltd.	
Address:	Level 2, 10-14 Waterloo Street, Surry Hills	
	Sydney, Australia	
Citizenship:	Australia	
Principal Business:	Telecommunications	
% Equity:	100%	

2) The following entity owns or controls 10% or more of **Symbio Wholesale** International Pty Ltd.

Name:	My Net Fone Ltd.	
Address:	Level 2, 10-14 Waterloo Street, Surry Hills	
	Sydney, Australia	
Citizenship:	Australia	
Principal Business:	Holding Company	
% Equity:	100%	

3) The following entities and individuals own or control 10% or more of **My Net Fone Ltd**.

Name:	Andy Kam Kan Fung and Monique My Van Ly
Address:	29 Ridge Street
	Epping, NSW, Australia 2121
Citizenship:	Australia
Principal Business:	Investments

% Equity:	23.12%1
Name:	Rene Sugo and Catherine Margaret Salisbury
Address:	22 Paul Ave
	St. Ives, NSW, Australia 2075
Citizenship:	Australia
Principal Business:	Investments
% Equity:	21.53% ²

No other individual or entity owns or controls more than 10% directly or indirectly of TNZI USA.

Rene Sugo is a director of TNZI USA, Symbio Wholesale, Symbio Singapore, TNZI Australia, TNZI Singapore and TNZI UK. Michael John Boorne is a director of TNZI USA, Symbio Wholesale, TNZI Australia, TNZI Singapore and TNZI UK. TNZI USA does not have any other interlocking directorates with a foreign carrier.

- **63.18 (i)** TNZI USA certifies it is not a foreign carrier. It also certifies it is affiliated with (i) Symbio Wholesale, which is a foreign carrier in Australia and New Zealand, (ii) TNZI Australia, which is a foreign carrier in Australia, (iii) TNZI New Zealand, which is a foreign carrier in New Zealand, (iv) Symbio Singapore, which is a foreign carrier in Singapore, (iv) TNZI Singapore, which is a foreign carrier in Singapore, and (vi) TNZI UK, which is a foreign carrier in the United Kingdom, within the meaning of Section 63.09(d) of the Commission's Rules, 47 C.F.R. §63.09(d). Australia, New Zealand, Singapore and the United Kingdom are member countries of the World Trade Organization ("WTO").
- **63.18 (j)** TNZI USA certifies that it seeks to provide international telecommunications services to all global points, including Australia, New

¹ Mr. Fung's 23.12% interest is a combination of direct and indirect ownership together with his wife, Monique My Van Ly. Mr. Fung and Ms. Ly are joint trustees of The Fung Family Superannuation Fund, which was formed in Australia and directly owns 15.96% of MNF, and of The Fung Family Trust, which was formed in Australia and directly owns 7.16% of MNF. The beneficiaries of The Fung Family Superannuation Fund and The Fung Family Trust are not named in the funds but are determined by the trustees from time to time. Also, Mr. Fung and Ms. Ly each directly own 10,000 shares of MNF.

Mr. Sugo's 21.53% interest is a combination of indirect ownership interests together with his wife, Catherine Margaret Salisbury. Mr. Sugo and Ms. Salisbury jointly own two Australian companies that are trustees of trusts with direct ownership interests in MNF. Specifically, Avondale Innovations Pty Ltd. is the trustee of the Avondale Family Trust, which was formed in Australia and directly owns 19.93% of MNF, and RACS SMSF Pty Ltd is the trustee of RACS Super Fund, which was formed in Australia and directly owns 1.6% of MNF. The beneficiaries of the Avondale Family Trust are not named in the funds but are determined by the trustee from time to time. The beneficiaries of the RACS Super Fund are Mr. Sugo and Ms. Salisbury and anyone the trustee may add.

Zealand, Singapore and the United Kingdom where it is affiliated with a foreign carrier.

- **63.18 (k)** Australia, New Zealand, Singapore and the United Kingdom are WTO member counties. Each of TNZI USA's affiliates is a competitive carrier and lacks market power in the applicable foreign market.
- **63.18** (l) See response to item (m), below.
- **63.18 (m)** TNZI USA presumptively qualifies for non-dominant treatment to Australia, New Zealand, Singapore and the United Kingdom pursuant to Section 63.10(a)(3) of the Commission's Rules, 47 C.F.R. §63.10(a)(3). Each of TNZI USA's affiliates in these countries does not have more than a 50% market share in the relevant foreign market, and TNZI USA is therefore presumptively considered to be a non-dominant service provider in each of Australia, New Zealand, Singapore and the United Kingdom.
- **63.18 (n)** TNZI USA 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 market power on the foreign end of the route and will not enter into such agreements in the future.
- **63.18 (o)** Applicants certify that they are not subject to denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1998. *See* 21 U.S.C. § 853a. *See also* 47 C.F.R. §§ 1.2001-1.2003.
- **63.18 (p)** This Application qualifies for streamlined processing pursuant to Section 63.12 of the Commission's Rules, 47 C.F.R. §63.12. Although TNZI USA is affiliated with foreign carriers in Australia, New Zealand, Singapore and the United Kingdom, it qualifies for a presumption of non-dominance under Section 63.10(a)(3) because each of its affiliates lacks a 50% market share in the relevant service market on the foreign end of the route. Applicants are not affiliated with any dominant U.S. carrier whose international switched or private line services Applicants seek authority to resell, nor will Applicants be so affiliated post-close. None of the other exclusions described in Section 63.12(c) applies.

VI. <u>CONCLUSION</u>

For the reasons stated above, Applicants respectfully submit that the public interest, convenience, and necessity would be furthered by a grant of this Application. Applicants therefore respectfully request that the Commission consider and approve this Application expeditiously to permit Applicants to consummate the proposed transaction as soon as possible.

Respectfully submitted,

	/s/ Ulises Pin
John Beahn	Ulises Pin
Joshua Gruenspecht	Danielle Burt
SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP	Morgan, Lewis & Bockius LLP
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Counsel for TNZ	Counsel for TNZI USA

Dated: May 14, 2015

VERIFICATION

I, Nick Clarke, state that I am the director of Telecom New Zealand USA Limited ("TNZ"); that I am authorized to make this Verification on behalf of TNZ; that the foregoing filing was prepared under my direction and supervision; and that the contents with respect to TNZ and its affiliates are true and correct to the best of my knowledge, information, and belief.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 23rd day of April, 2015.

Mick Clark

Nick Clarke Director Telecom New Zealand USA Limited

VERIFICATION

I, Rene Sugo, state that I am the director of TNZI USA LLC ("TNZI USA"); that I am authorized to make this Verification on behalf of TNZI USA; that the foregoing filing was prepared under my direction and supervision; and that the contents with respect to TNZI USA and its affiliates are true and correct to the best of my knowledge, information, and belief.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 30fL day of April, 2015.

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Rene Sugo Director TNZI USA LLC