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TELUUS Corporation

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Before The  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

In the Matter of Application of

TELUUS Corporation

File No. \_\_\_\_\_

For Modification of a Section 214  
Authorization from Dominant to Non-  
Dominant Status on the U.S. - Dominican  
Republic Route, the U.S. - Gibraltar Route, and  
U.S. - Venezuela Route.

APPLICATION

Pursuant to Section 63.13 of the Rules of the Federal Communications Commission (“Commission”),<sup>1</sup> TELUUS Corporation (“TELUUS” or “Applicant”) hereby submits this application and requests modification to its regulatory classification in its current Section 214 authorization (the “Application”). Specifically, by this Application, TELUUS requests that the Commission remove its dominant status and reclassify TELUUS as non-dominant on the following three routes: (1) U.S. – Dominican Republic; (2) U.S. – Gibraltar; and (3) U.S. – Venezuela (the “Routes”). TELUUS submits that it meets the requirements for classification as non-dominant on the above-identified Routes. TELUUS is not a foreign carrier on the foreign end of the Routes nor is it affiliated with a foreign carrier on these Routes. As such, under Section 63.10 of the Commission’s Rules,<sup>2</sup> there is a presumption of non-dominant status on the Routes.

<sup>1</sup> 47 C.F.R. § 63.13.

<sup>2</sup> 47 C.F.R. § 63.10.

**I. APPLICANT'S CONTACT INFORMATION**

Please direct all inquiries regarding this Application to TELUS at the following addresses:

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**II. BACKGROUND REGARDING THIS APPLICATION**

TELUS is a holding company with interests in telecommunications companies that provide local and long distance service in Canada.<sup>3</sup> TELUS currently holds a Section 214 authority to provide global facilities-based and resold services and switched and private line services in the United States.<sup>4</sup> TELUS does not provide telecommunications service under the

<sup>3</sup> See [www.TELUS.com](http://www.TELUS.com) for additional information.

<sup>4</sup> See FCC File No. ITC-214-20030718-00362, Report No. TEL-00700, DA 03-2650 (rel. Aug. 14, 2003). TELUS also holds two additional active Section 214 authorizations. See FCC File Nos. ITC-214-19980921-00660 and ITC-214-20000417-00267. Concurrent with this filing, TELUS is requesting permission to surrender two additional active Section 214 authorizations.

Section 214 authority directly. Rather, pursuant to Section 63.21(i) of the Commission's Rules,<sup>5</sup> TELUS provides all U.S. international and interstate services under its Section 214 authority through its subsidiaries.<sup>6</sup> On all routes except the three above identified Routes, the Commission regulates TELUS as non-dominant due to a lack of market power in the relevant foreign markets.

In 2003 when TELUS obtained its current Section 214 authority, Verizon Communications Inc. ("Verizon") indirectly held 25.4% of TELUS' voting stock, exceeding the Commission's 25% threshold for affiliation under Section 63.09 of the Commission's Rules.<sup>7</sup> Verizon has an interest in several foreign carriers, including interests in the following carriers with market power on the foreign end of the Routes: CODETEL, C.POR A., which provides domestic and international telecommunications services in the Dominican Republic; Gibraltar Telecommunications International Limited, the monopoly provider of international telecommunications services in Gibraltar; Gibraltar NYNEX Communications Ltd.; and Compañía Anonima Nacional Telefonos de Venezuela, which provides domestic and international telecommunications services in Venezuela; (collectively the "Verizon Foreign Affiliates"). Based on this affiliation with Verizon and the Verizon Foreign Affiliates, the Commission classified TELUS as dominant on the Routes.<sup>8</sup>

Subsequently, on December 14, 2004, Verizon sold all of its ownership interest in TELUS voting stock, eliminating any affiliation with Verizon or with the Verizon Foreign

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<sup>5</sup> 47 C.F.R. § 63.21(i).

<sup>6</sup> The subsidiaries include the following entities: TELUS Services Inc., TELUS Enterprises Inc., TELUS Communications (Quebec) Inc., TELUS Solutions (Quebec) Inc., and TELUS Communications Company G.P.

<sup>7</sup> 47 C.F.R. § 63.09 (noting that "[t]wo 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.")

<sup>8</sup> See *Public Notice*, Report No. TEL-00700, DA No. 03-2650 (rel. Aug. 14, 2003).

Affiliates. Due to this change, TELUS no longer holds any dominant position on the Routes. As such, classification of TELUS as dominant on the Routes is no longer required.

**III. TELUS MEETS THE REQUIREMENTS FOR REMOVAL OF NON-DOMINANT STATUS UNDER THE COMMISSION'S RULES**

Modification of a Section 214 authority from dominant to non-dominant status on specified routes is appropriate if the applicant can demonstrate that it qualifies for non-dominant classification under Section 63.10 of the Commission's Rules.<sup>9</sup> Specifically, Section 63.10 states:

A U.S. carrier that has no affiliation with, and that itself is not, a foreign carrier in a particular country to which it provides service (i.e., a destination country) shall presumptively be considered non-dominant for the provision of international communications services on that route.<sup>10</sup>

As such, a carrier is entitled to a presumption that it is non-dominant on a specific route so long as (1) it is not a foreign carrier on the foreign end of that route and (2) has no affiliation with a foreign carrier on that route.

Because Verizon has divested itself of its ownership interest, TELUS is no longer affiliated with either Verizon or the Verizon Foreign Affiliates. TELUS is entitled to a presumption that it is non-dominant because it is not a foreign carrier and does not have an affiliation with a foreign carrier in the Dominican Republic, Gibraltar or Venezuela (the destination countries). Accordingly, TELUS meets the requirements for presumption of non-dominant classification on the Routes. TELUS respectfully requests that the Commission modify

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<sup>9</sup> See 47 C.F.R. § 63.13. See also In the Matter of Application of IDB Mobile, Inc. for Modification of Regulatory Status from Dominant to Non-Dominant for International Communications Services on all Routes except Canada, Order, DA 96-1469, 11 FCC Rcd 10161 (1996)(holding that the Commission will reclassify a carrier from dominant to non-dominant on a particular route under the Commission's streamlined procedures if the carrier has no affiliation with a foreign carrier on that route).

<sup>10</sup> 47 C.F.R. § 63.10(a)(1).

its current Section 214 authority to reflect the change in status from dominant to non-dominant on the Routes.

**IV. CERTIFICATION**

The Applicant's Anti-Drug Abuse Act certification, as required under section 63.18(o) of the Commission's Rules<sup>11</sup> is attached as Exhibit A. The Applicant's certification of the facts contained in this application is attached as Exhibit B.

**V. CONCLUSION**

For the foregoing reasons, TELUS respectfully requests that the Commission grant this Application.

Respectfully submitted,

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Counsel for TELUS Corporation

Date: 10/13/06

<sup>11</sup> 47 C.F.R. § 63.18(o).

EXHIBIT A

ANTI-DRUG ABUSE ACT CERTIFICATION

Answer YES if all parties to the application are in compliance with Section 5301 of the *Anti-Drug Abuse Act of 1988*, 21 U.S.C. Section 862, the federal law which provides federal and state court judges the discretion to deny federal benefits to individuals convicted of offenses consisting of the distribution of controlled substances. For a definition of "party" for these purposes, see 47 C.F.R. Section 1.2002(b). See also *Amendment of Part 1 of the Commission's Rules to Implement Section 5301 of the Anti-Drug Abuse Act of 1988*, 6 FCC Red 7551, 57 Fed. Reg. 00186 (1991).

YES       NO

By checking yes, the applicant certifies that, in the case of an individual applicant, he or she is not subject to a denial of federal benefits that includes FCC benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. 862, or, in the case of a non-individual applicant (e.g., corporation, partnership or other unincorporated association), no party to the application is subject to a denial of federal benefits that includes FCC benefits pursuant to that section. For the definition of a party for these purposes, see 47 C.F.R. Section 1.2002(b).

TELUS Corporation  
Name of Applicant

*Sam Miller*  
Signature and Date

JANET YAE  
Printed Name of Person Signing

Executive Vice President, Corporate Affairs  
Title

**EXHIBIT B**

**CERTIFICATION**

On behalf of TELUS Corporation, I certify that the statements made in this application are true, complete, and correct to the best of my knowledge and belief, and are made in good faith.

Signature



Printed Name of Person Signing

JANET YAU

Title

Executive Vice President, Corporate Affairs

Date

13-10-2006