

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

_____)
In the Matter of)
)
Telecom Argentina USA, Inc.)
)
Application for Transfer of Control over) File No. _____
Its Authority pursuant to Section 214 of the)
Communications Act of 1934, as amended)
_____)

STA APPLICATION

Telecom Argentina USA, Inc. ("Telecom Argentina USA"), hereby requests special temporary authority (STA), pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. Section 214 (1982), and Section 63.24 of the Commission's Rules, 47 C.F.R. Section 63.24, to allow continued operations while the FCC reviews the application for retroactive approval of its transfer of control over its authority to provide global international facilities-based and resale services between the United States and international points as described below and in its original application (File No. ITC-214-20010129-00034). Prior to the transaction that is the subject of the related application, control over Telecom Argentina USA was held by Telecom Italia S.p.A. ("TI") and its controlled company Telecom Italia International NV ("TII") (TI and TII the "Telecom Italia Group"), with the Telecom Italia Group indirectly holding 50% of the equity of Telecom Argentina USA,¹ and W de Argentina - Inversiones, S.L. ("W de Argentina") indirectly holding 48% of the equity of Telecom Argentina USA (having acquired all but 2% of France Telecom's ownership of

¹ Telecom Argentina USA is a wholly-owned subsidiary of Telecom Argentina S.A., which in turn is controlled by Nortel Inversora S.A., which is controlled by Sofora Telecomunicaciones S.A. ("Sofora").

Telecom Argentina).² In early 2008, W de Argentina informed Sofora that it was exercising its option to acquire the additional 2%, but due to a certain request for clarification submitted by Sofora to the local Authorities, the 2% stake was not registered in the Share Ledger under W de Argentina's name until April 17, 2009. No transfer of control applications were filed at the Commission at that time, but Telecom Argentina USA is now requesting retroactive approval of that transaction (the "Transaction") and simultaneously seeking this Special Temporary Authority. Subsequently, on August 5, 2010 certain entities of the Wertheim Group and the Telecom Italia Group entered into a share purchase agreement under which the Telecom Italia Group increased its share ownership of Sofora to 58% by purchasing equity held by W de Argentina, with the remaining 42% retained by W de Argentina. This subsequent transfer occurred on October 13, 2010. Telecom Argentina USA filed applications/notifications with the Commission with regard to this transaction (File No. ITC-T/C-20101115-00451; WC Docket No. 10-242).³

Because the Transaction under which W de Argentina acquired 50% ownership of Telecom Argentina USA has already closed (and has since been "reversed" to the extent it now has a less than 50% ownership share, with W de Argentina's ownership in Sofora being reduced from 50% to 42% on October 13, 2010, and further reduced to 32% on March 9,

² The earlier transaction between W de Argentina and France Telecom was reported to the Commission as a *pro forma* notification. (Letter from Jean L. Kiddoo and Troy F. Tanner to Marlene H. Dortch, dated June 29, 2004). W de Argentina also acquired an option to purchase France Telecom's remaining shares.

³ On March 9, 2011, Telecom Italia Group increased its share ownership in Sofora to 68% by purchasing equity held by W de Argentina, with the remaining 32% held by W de Argentina. This last transaction has no effect on the control of Telecom Argentina USA, so no additional filing is required.

2011), Telecom Argentina USA is requesting herein STA to allow continued operations while the FCC reviews the application for retroactive approval of this transaction. In this regard, Telecom Argentina USA notes that an STA is justified because any failure to obtain prior approval was harmless, particularly since the Commission already had all of the relevant information on W de Argentina, and W de Argentina no longer has any control over Telecom Argentina USA. Telecom Argentina USA acknowledges that grant of this STA request will not prejudice any action the Commission may take on the underlying application seeking retroactive approval of the transfer of control, and further acknowledges that the STA may be revoked by the Commission upon its own motion without hearing.

Pursuant to Questions 10, 12, 15 and sixteen of the Commission's International 214 STA application, Telecom Argentina USA provides the information required in paragraphs (d), (e)(3), (g) and (h) through (m) of § 63.18.

(D) A statement as to whether the applicant has previously received authority under Section 214 of the Act and, if so, a general description of the categories of facilities and services authorized (i.e., authorized to provide international switched services on a facilities basis);

Telecom Argentina USA, Inc. is authorized under Section 214 of the Act to provide Global or Limited Global Facilities-Based Service and Global or Limited Global Resale Service, File No. ITC-214-20010129-00034.

(e)(3) Other Authorizations. If applying for authority to acquire facilities or to provide services not covered by paragraphs (e)(1) and (e)(2), the applicant shall provide a description of the facilities and services for which it seeks authorization. The applicant shall certify that it will comply with the terms and conditions contained in § 63.21 and §63.22 and/or § 63.23 , as appropriate. Such description also shall include any additional information the Commission shall have specified previously in an order, public notice or other official action as necessary for authorization.

Telecom Argentina USA has not sought such authority, and so no such authority is being transferred under this STA application.

(g) Where the applicant is seeking facilities-based authority under paragraph (e)(3) of this section, a statement whether an authorization of the facilities is categorically excluded as defined by § 1.1306 of this chapter. If answered affirmatively, an environmental assessment as described in § 1.1311 of this chapter need not be filed with the application.

There are no new facilities being authorized pursuant to this STA request, so it is categorically excluded as defined by § 1.1306 of this chapter.

(h) The name, address, citizenship and principal businesses of any person or entity that directly or indirectly owns at least ten percent of the equity of the applicant, and the percentage of equity owned by each of those entities (to the nearest one percent). The applicant shall also identify any interlocking directorates with a foreign carrier.

**Telecom Italia S.p.A.
Piazza degli Affari 2
20123 Milano
Italy**

Telecom Italia S.p.A. is an Italian corporation that provides telecommunications services.

At the time of the Transaction, the Telecom Italia Group indirectly owned 50% of the equity of Telecom Argentina USA.

**W de Argentina Inversiones, S.L. (referred to as the W de Argentina)
Juan de Garay 2855
–Santa Fe, Argentina**

W de Argentina Inversiones S.L. is a Spanish limited liability holding company.

At the time of the Transaction, W de Argentina indirectly owned 50% of the equity of Telecom Argentina USA.

At the time of the Transaction, Telecom Italia Group and W de Argentina each owned respectively 50% of the capital of Sofora Telecomunicaciones S.A. (“Sofora” – an Argentine corporation), which owns 69.94% of the capital of Nortel Inversora S.A. (“Nortel Inversora” -- an Argentine corporation), which owns 54.74% of the capital Telecom Argentina S.A.(an Argentina corporation), which in turn holds 100% of the shares of Telecom Argentina USA, Inc.

The address for these companies in the ownership chain of Telecom Argentina USA is:

**Sofora Telecomunicaciones S.A.
Av. Madero 900, 26th Floor
C1107AAB Buenos Aires, Argentina**

**Nortel Inversora S.A.
Alicia Moreau de Justo 50, 11th Floor
C1107AAB Buenos Aires, Argentina**

**Telecom Argentina S.A.
Alicia Moreau de Justo 50
C1107AAB Buenos Aires, Argentina**

- (i) *A certification as to whether or not the applicant is, or is affiliated with, a foreign carrier. The certification shall state with specificity each foreign country in which the applicant is, or is affiliated with, a foreign carrier.*

Telecom Argentina USA certifies that it is not a foreign carrier. However, Telecom Argentina USA certifies that it is affiliated with Telecom Argentina, a foreign carrier in Argentina, with a subsidiary providing wireless services in Paraguay. In addition, as a result of the greater than 25% ownership of Telecom Argentina by the Telecom Italia Group, Telecom Argentina USA is affiliated with foreign carriers in Italy and the other countries in which Telecom Italia has affiliates. W de Argentina has no other foreign carrier affiliations. Attachment A identifies all of the countries in which Telecom Argentina USA is deemed to have affiliations with foreign carriers under the Commission's Rules.⁴

- (j) *A certification as to whether or not the applicant seeks to provide international telecommunications services to any destination country for which any of the following is true. The certification shall state with specificity the foreign carriers and destination countries:*

- (1) *The applicant is a foreign carrier in that country; or*

⁴ Attachment A lists the current affiliates of Telecom Argentina USA. We have not attempted to recreate a list of affiliates as of the time of the Transaction, which may differ slightly from this list, but which should not affect the Commission's review of the Transaction.

(2) The applicant controls a foreign carrier in that country; or

(3) Any entity that owns more than 25 percent of the applicant, or that controls the applicant, controls a foreign carrier in that country.

(4) Two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate, more than 25 percent of the applicant and are parties to, or the beneficiaries of, a contractual relation (e.g., a joint venture or market alliance) affecting the provision or marketing of international basic telecommunications services in the United States.

Telecom Argentina USA certifies that it seeks to provide international telecommunications service to Argentina, a country where it is affiliated with a foreign carrier in that country by reason of that carrier's 100% ownership of Telecom Argentina USA. In addition, Telecom Argentina USA certifies that it seeks to provide service to the countries set forth in Attachment A, where it is affiliated with those foreign carriers by reason of the ownership interest in Telecom Argentina by Telecom Italia Group, with the exception of San Marino.

(k) For any destination country listed by the applicant in response to paragraph (j), the applicant shall make one of the following showings:

(1) The named foreign country (i.e., the destination foreign country) is a Member of the World Trade Organization; or

(2) The applicant's affiliated foreign carrier lacks market power in the named foreign country; or

(3) The named foreign country provides effective competitive opportunities to U.S. carriers to compete in that country's market for the service that the applicant seeks to provide (facilities-based, resold switched, or resold non-interconnected private line services). An effective competitive opportunities demonstration should address the following factors:

(i) If the applicant seeks to provide facilities-based international services, the legal ability of U.S. carriers to enter the foreign market and provide facilities-based international services, in particular international message telephone service (IMTS);

(ii) If the applicant seeks to provide resold services, the legal ability of U.S. carriers to enter the foreign market and provide resold international switched services (for switched resale applications) or non-interconnected private line services (for non-interconnected private line resale applications);

(iii) 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;

(iv) Whether competitive safeguards exist in the foreign country to protect against anticompetitive practices, including safeguards such as:

(A) Existence of cost-allocation rules in the foreign country to prevent cross-subsidization;

(B) Timely and nondiscriminatory disclosure of technical information needed to use, or interconnect with, carriers' facilities; and

(C) Protection of carrier and customer proprietary information;

(v) Whether there is an effective regulatory framework in the foreign country to develop, implement and enforce legal requirements, interconnection arrangements and other safeguards; and

(vi) Any other factors the applicant deems relevant to its demonstration.

The destination markets identified in Attachment A and Section (i) above are all WTO member countries, or the foreign carrier is non-dominant, with the exception of San Marino.

(l) Any applicant that proposes to resell the international switched services of an unaffiliated U.S. carrier for the purpose of providing international telecommunications services to a country where it is a foreign carrier or is affiliated with a foreign carrier shall either provide a showing that would satisfy § 63.10(a)(3) or state that it will file the quarterly traffic reports required by § 43.61(c) of this chapter.

Telecom Argentina USA certifies that with respect to those countries where it is affiliated with a dominant foreign carrier and it intends to continue to provide service via the resale of services of an unaffiliated U.S. carrier, it will file the quarterly traffic reports required by Section 43.61(c) of the Commission's Rules.

(m) With respect to regulatory classification under § 63.10 , any applicant that is or is affiliated with a foreign carrier in a country listed in response to paragraph (i) and that desires to be regulated as non-dominant for the provision of particular international telecommunications services to that country should provide information in its application to demonstrate that it qualifies for non-dominant classification pursuant to § 63.10 .

Telecom Argentina USA agrees to continue to be regulated as a dominant carrier on the U.S.-Argentina route, without prejudice to its right to seek reclassification at a later date. Telecom Argentina USA is entitled to non-dominant treatment with regard to the services it seeks to provide to all other countries. With respect to the routes between the United States and Italy and the other countries identified in Attachment A where it is

