

**Categories of Services for 214 Applications
(Streamline/Non-streamline)**

- ASSIGNMENT OF LICENSE
- GLOBAL FACILITIES-BASED SERVICE
- GLOBAL FACILITIES-BASED/GLOBAL RESALE SERVICE
- GLOBAL RESALE SERVICE
- INDIVIDUAL FACILITIES-BASED SERVICE
- INTERCONNECTED PRIVATE LINE RESALE SERVICE
- LIMITED GLOBAL FACILITIES-BASED SERVICE/LIMITED GLOBAL RESALE SERVICE
- LIMITED GLOBAL FACILITIES-BASED SERVICE
- LIMITED GLOBAL RESALE SERVICE
- INMARSAT AND MOBILE SATELLITE SERVICE
- SWITCHED RESALE SERVICE
- TRANSFER OF CONTROL
- SUBMARINE CABLE LANDING LICENSE
- INTERNATIONAL SPECIAL PROJECT

Description of Application: _____

August 7, 1998.² On May 4, 1999, Telmex and Sprint announced their mutual decision to terminate their joint venture relationship and Telmex's intention to acquire Sprint's interest in the venture.

For the reasons set forth below, prompt grant of this Application will greatly serve the public interest, convenience and necessity by ensuring a smooth transition for TSC's existing customers and enabling Telmex USA to continue to offer unique and competitive telecommunications services to the underserved Hispanic community. Moreover, this Application is eligible for, and should be processed under, the Commission's new 14-day streamlined processing procedures, because Telmex USA's affiliate, Telmex, is from a WTO Member country (Mexico) and Telmex USA hereby certifies that it will comply with the Commission's dominant carrier regulations for the affiliated route.³ In addition, Telmex USA expects that all of the other conditions to TSC's Section 214 authorization will continue to apply under the transferred authorization, and Telmex USA and its parent, Telmex, will comply fully with each of those conditions.

2 Telmex/Sprint Communications, I.L.C., Application for Authority Under Section 214 of the Communications Act for Global Authority to Operate as an International Switched Resale Carrier Between the United States and International Points, Including Mexico, Order, File No. ITC-97-127, DA No. 98-1585 (released Aug. 7, 1998), application for review pending, stay denied, Order, DA No. 98-1678 (released Aug. 21, 1998), stay denied, AT&T Corp. v. FCC, Civil Action No. 98-1404 (D.C. Cir. Sept. 28, 1998).

3 47 C.F.R. § 63.12(c)(v); see also 1998 Biennial Regulatory Review -- Review of International Common Carrier Regulations, IB Docket No. 98-118, FCC 99-51, at ¶ 22 (released March 23, 1999). This Application also is presumptively eligible for streamlining, and Telmex is presumptively nondominant on the U.S.-Mexico route, because Telmex USA's foreign affiliate, Telmex, is from a WTO Member country (Mexico) and Telmex USA seeks to serve that country solely by reselling the switched services of unaffiliated U.S. international carriers. 47 C.F.R. §§ 63.12(c)(ii), 63.10(a)(4). In order to facilitate the prompt processing of this Application and to minimize any unnecessary administrative burdens on the Commission, however, TSC and Telmex USA are filing this Application under Section 63.12(c)(v) of the Commission's Rules.

I. INTRODUCTION AND DESCRIPTION OF THE PROPOSED TRANSACTION

Following a contentious two-year regulatory battle, the Commission granted TSC's application for global Section 214 authority to operate as an international switched resale carrier between the United States and international points, including Mexico. In August 1998, TSC commenced operations in Tucson, Arizona, and subsequently expanded to twelve cities in Arizona, Texas and California. In addition to traditional "Dial-1" long distance service, TSC offers its customers international 800 numbers to facilitate calls to them by their relatives in Mexico. TSC also has introduced a unique service known as "México en Línea," which enables individuals residing in the United States to pay for the installation of a basic telephone line for their relatives in Mexico, as well as for monthly service fees. TSC has been pleased with its success in bringing such innovative services to the Hispanic community.

Since TSC commenced operations, however, it and its parents have learned a great deal about the U.S. Hispanic market, leading them to reevaluate their respective business plans. Specifically, both TSC and its parents believe that the overall market will be better served if Sprint focuses its efforts on ensuring the provision of competitive traditional long distance services to the Hispanic market, while Telmex focuses on nontraditional communications services such as México en Línea and other products and services specifically designed for that market. Sprint and Telmex therefore have mutually decided to terminate their joint venture relationship and are proceeding amicably to restructure their operations to ensure that both companies can better serve the U.S. Hispanic population.

Telmex USA accordingly proposes to acquire Sprint's 50% interest in TSC. Under the terms of the agreement between Telmex USA and Sprint, TSC will be liquidated, and

its assets, including its Section 214 authorization, will be distributed to Telmex USA.⁴ Telmex USA in turn will become the operating entity.

II. SECTION 63.18 INFORMATION

Pursuant to Section 63.18 of the Commission's Rules, TSC submits the following information:

- (a) The name, address, and telephone number of each applicant are:

Transferor:
Telmex/Sprint Communications, L.L.C.
9444 Farnham
Suite 300
San Diego, California 92123
(619) 268-3681

Transferee:
Telmex International Ventures USA, Inc.
9444 Farnham
Suite 300
San Diego, California 92123
(619) 268-3681

- (b) TSC is a limited liability company organized under the laws of Delaware.

Telmex USA is a corporation organized under the laws of Delaware.

⁴ Under the terms of their agreement, Sprint (TSC's underlying facilities-based carrier) will succeed to TSC's base of subscribers to its "Dial 1" and international 800 services. On May 21, 1999, Sprint filed a Petition for Waiver of the Commission's authorization and verification rules, 47 C.F.R. §§ 64.1100-64.1190, to the extent necessary to enable Sprint to transfer those subscribers to its customer base without first obtaining each subscriber's authorization and verification.

(c) Correspondence concerning this Application should be addressed to:

Luis Lopez Rojo
Chief Executive Officer
Telmex/Sprint Communications, L.L.C. and
Chief Operating Officer and Secretary
Telmex International Ventures USA, Inc.
9444 Farnham
Suite 300
San Diego, California 92123
(619) 268-3681

with a copy addressed to:

Gary M. Epstein
Teresa D. Baer
Latham & Watkins
1001 Pennsylvania Avenue, N.W.
Washington, D.C. 20004
(202) 637-2200

and with an additional copy addressed to:

Leon M. Kestenbaum
Kent Y. Nakamura
Sprint Corporation
1850 M Street, N.W.
11th Floor
Washington, D.C. 20036
(202) 857-1030

(d) TSC holds a global authorization under Section 214 of the Act to operate as an international switched resale carrier between the United States and international points, including Mexico (File No. ITC-97-127). Telmex USA has not previously applied for or received authority under Section 214 of the Act.

(e)-(g) No response required.

The following are directors of Carso Global Telecom and alternate directors of Telmex: Lic. Jose Kuri Harfush, C.P. Humberto Gutierrez Olvera-Zubizarreta, Lic. Marco Antonio Slim Domit and Lic. Patricio Slim Domit.

In addition to being a director of Carso Global Telecom and Telmex, Ing. Jaime Chico Pardo is a director of Telmex USA.

(i) Telmex USA certifies that it is “affiliated with” a “foreign carrier” under Section 63.09(d) and (e) of the Commission’s Rules. Specifically, Telmex USA has an affiliation with a foreign carrier in Mexico by virtue of the fact that it is wholly owned by an indirect subsidiary of Telmex, a Mexican telephone company.

(j) Telmex USA certifies that it seeks to provide international telecommunications services to a destination country where the following are true:

(1) Where it is a foreign carrier in that country, construing “foreign carrier” as including a carrier “affiliated with” a “foreign carrier” under Section 63.09(d) and (e) of the Commission’s Rules. As noted above, Telmex USA seeks to provide international telecommunications services to Mexico, where it is affiliated with, and wholly owned by, Telmex.

(3) Where an entity that owns more than 25 percent of Telmex USA, or that controls Telmex USA, controls a foreign carrier in that country. Telmex USA seeks to provide international telecommunications services to Mexico, where Carso Global Telecom controls Telmex.

(k) Mexico is a Member of the World Trade Organization.

(1) Telmex USA will file the quarterly traffic reports required by § 43.61(c) of the Commission’s Rules.

(m) Not applicable because Telmex USA is not seeking at this time to be regulated as non-dominant for the provision of international communications services to Mexico.

(n) Telmex 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.

(o) Telmex USA certifies, pursuant to Sections 1.2001 through 1.2003 of the Commission's Rules, that no party to the 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. § 853a.

(p) This Application qualifies for streamlined processing pursuant to § 63.12(c)(v) because the affiliated destination market (Mexico) is a WTO Member country and Telmex USA agrees to be classified as a dominant carrier to the affiliated destination country under § 63.10, without prejudice to its right to petition for reclassification at a later date.⁶

III. GRANT OF THIS APPLICATION WILL SERVE THE PUBLIC INTEREST, CONVENIENCE AND NECESSITY

Prompt grant of this Application will greatly serve the public interest, convenience and necessity. Hispanic Americans currently are underserved by existing telecommunications providers. Terminating the joint venture relationship and enabling Sprint to focus more directly on bringing competitive traditional long distance services to the Hispanic market, while Telmex USA concentrates on providing nontraditional services to that market, will enhance service to the entire market in ways that a single company cannot do on its own. Indeed,

⁶ See also note 3 *supra*.

TSC's experience to date with its México en Línea product suggests that such unique, nontraditional products and services that are tailored to the needs of Hispanic Americans with strong cultural ties to Latin America in general and Mexico in particular will be critical to ensuring that this underserved population has access to basic telecommunications services. Telmex USA will continue and expand TSC's focus on these innovative products and services, providing Hispanic Americans with easy access to those services at a lower cost than they and their families traditionally have paid.

Processing this Application under the new streamlined procedures will ensure that Telmex USA can continue to provide these and similar services to the most underserved segments of the Hispanic population in a seamless and uninterrupted manner. TSC operates an ongoing business with existing customers and employees in twelve cities in Arizona, Texas and California. Those customers and employees need certainty and a smooth transition to the restructured enterprise.

More significantly, this Application raises no new issues. Telmex USA seeks only to continue to operate under TSC's Section 214 authorization as currently conditioned, and Telmex USA and its parent, Telmex, will comply fully with those conditions. Moreover, all of the issues that TSC's competitors previously raised about a Telmex-affiliated entity operating in the United States and the state of long distance competition in Mexico have been briefed repeatedly. Even assuming those issues were validly raised in prior proceedings -- and, in light of U.S. WTO commitments, they were not -- those issues have since been resolved among the parties or by the Mexican Government. As the Commission is aware, U.S. carriers and Telmex recently resolved the most contentious of those issues -- the level of U.S.-Mexico settlement rates

-- with Telmex agreeing to reach the \$0.19 benchmark rate on July 1, 1999, fully six months ahead of the Commission's deadline.⁷

Particularly in light of the interests of TSC's existing customers and employees and the great need in the Hispanic community for the services that Telmex USA plans to continue to provide, TSC and Telmex USA urge the Commission to grant this Application promptly.

⁷ To the extent the Commission believes any further issues remain with respect to the entry of a Telmex-affiliated entity into the U.S. long distance market, Telmex USA would not object to moving pending proceedings, such as the fully briefed Show Cause Order, to the new docket. See Telmex/Sprint Communications, L.L.C. Application for Authority under Section 214 of the Communications Act for Global Authority to Operate as an International Switched Resale Carrier Between the United States and International Points, Including Mexico, Order to Show Cause, File No. TTC-97-127, DA 98-2400 (released Nov. 24, 1998).

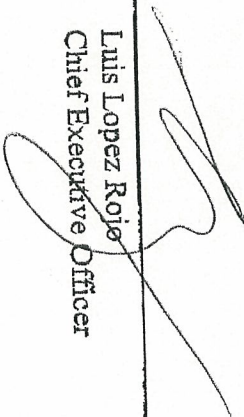
IV. CONCLUSION

For the foregoing reasons, the Commission should grant its consent to the transfer of control of TSC to Telmex USA under the Commission's new streamlined processing procedures.

Respectfully submitted,

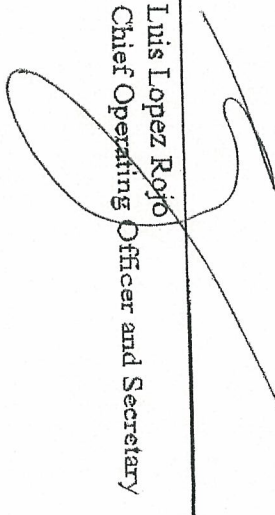
TELMEX/SPRINT COMMUNICATIONS,
L.L.C.

By: _____


Luis Lopez Rojo
Chief Executive Officer

TELMEX INTERNATIONAL VENTURES
USA, INC.

By: _____


Luis Lopez Rojo
Chief Operating Officer and Secretary

May 24, 1999

CERTIFICATE OF SERVICE

I hereby certify that I have this 24th day of May, 1999, caused copies of the foregoing "Application" to be served by hand delivery on the following:

Chairman William E. Kennard
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Commissioner Susan Ness
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Commissioner Michael Powell
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Commissioner Harold Furchtgott-Roth
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Commissioner Gloria Tristani
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Ari Fitzgerald
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Dan Connors
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Marsha J. MacBride
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Paul Misener
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Karen Gulick
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Roderick K. Porter
Acting Chief
International Bureau
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Peter Pappas
International Bureau
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Rebecca Arbogast
Chief, Telecommunications Division
International Bureau
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Sherille Ismail
International Bureau
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Kathy O'Brien
International Bureau
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Ken Stanley
Telecommunications Division
International Bureau
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554



Teresa D. Baer

LATHAM & WATKINS

PAUL R. WATKINS (1899 - 1973)
DANA LATHAM (1898 - 1974)

ATTORNEYS AT LAW
1001 PENNSYLVANIA AVE., N.W.
SUITE 1300

CHICAGO OFFICE
SEARS TOWER, SUITE 5800
CHICAGO, ILLINOIS 60606
PHONE (312) 876-7700, FAX 993-9767

WASHINGTON, D.C. 20004-2505
TELEPHONE (202) 637-2200
FAX (202) 637-2201

HONG KONG OFFICE
SUITE 2205A, 22ND FLOOR
NO. 9 QUEEN'S ROAD CENTRAL
HONG KONG

PHONE + 852-2522-7886, FAX 2522-7006

LONDON OFFICE
ONE ANGEL COURT
LONDON EC2R 7HU ENGLAND
PHONE + 44-171-374 4444, FAX 374 4460

LOS ANGELES OFFICE
633 WEST FIFTH STREET, SUITE 4000
LOS ANGELES, CALIFORNIA 90071-2007
PHONE (213) 485-1234, FAX 891-8763

May 24, 1999

MOSCOW OFFICE
ULITSA GASHENKA, 7, 9TH FLOOR
MOSCOW, RUSSIA
PHONE + 7-095 785-1234, FAX 785-1235

SINGAPORE OFFICE
20 CECIL STREET, SUITE 25-02
THE EXCHANGE, SINGAPORE 049705
PHONE + 65-536-1161, FAX 536-1171

TOKYO OFFICE
INFINI AKASAKA, 9-7-15, AKASAKA, MINATO-KU
TOKYO 107-0052, JAPAN
PHONE + 813-3423-3970, FAX 3423-3971

VIA MESSENGER

Federal Communications Commission
International Bureau - Telecommunications
P.O. Box 358115
Pittsburgh, Pennsylvania 15251-5115

Re: Application of Telmex/Sprint Communications, L.L.C. for Consent to
Transfer Control to Telmex International Ventures USA, Inc.

Dear Sir or Madam:

Enclosed for filing are an original and five copies of the Application of Telmex/Sprint Communications, L.L.C. ("TSC") for consent, under Section 214 of the Communications Act of 1934, as amended, and Section 63.18 of the Commission's Rules, to transfer control of TSC to Telmex International Ventures USA, Inc. Also enclosed are an FCC Form 159 and a check for \$780 in payment of the filing fee for this Application.

Please contact me if you have any questions.

Very truly yours,



Teresa D. Baer

Enclosures

FEDERAL COMMUNICATIONS COMMISSION

APPROVED BY ONE 3050-0488

REMITTANCE ADVICE

PAGE NO. 1 OF 1

SEND INSTRUCTIONS CAREFULLY BEFORE PROCEEDING
(1) LOCKBOX # 358115

SECTION A - PAYER INFORMATION

PAYER (MUST BE PAID BY CREDIT CARD, ENTER NAME AS YOU SEE IT appears on your card)
Telmex-Sprint Communications, L.L.C. (14) TOTAL AMOUNT PAID (CASH AND CREDIT) \$ 780.00

(2) STREET ADDRESS LINE NO. 1
9444 Farnham, Suite 300

(3) STREET ADDRESS LINE NO. 2
(4) CITY San Diego (5) STATE CA (6) ZIP CODE 92123

(7) PAYEE TELEPHONE NUMBER (Include area code)
619-268-3681

(8) PAYER NAME AND THE BRANCH NAME ARE DIFFERENT COMPLETE SECTION B
TELEPHONE NUMBER AND TELEPHONE AREA NUMBER AND THE BRANCH NAME (FORM 1590)
SECTION B - APPLICANT INFORMATION

(17) APPLICANT (MUST BE PAID BY CREDIT CARD, ENTER NAME AS YOU SEE IT appears on your card)

(13) STREET ADDRESS LINE NO. 1

(13) STREET ADDRESS LINE NO. 2

(14) CITY (15) STATE (16) ZIP CODE

(17) PAYEE TELEPHONE NUMBER (Include area code) (18) COUNTRY CODE (Other than U.S.A.)

COMPLETE SECTION C FOR PAYER'S PAYEE NAME OR BANKS. IF NEEDED, USE SECTION D FOR NAME AND TELEPHONE NUMBER AND TELEPHONE AREA NUMBER AND THE BRANCH NAME (FORM 1590)

SECTION C - PAYMENT INFORMATION

(19) PFC CALL SIGNATURE ID (20) PAYMENT TYPE CODE (PTC) (21) QUANTITY 1 (22) FEE DUE FOR PFC IN BLOCK 200 \$ 780.00 (24) PFC CODE 1

(23) PFC CODE 1 (25) PFC CALL SIGNATURE ID (26) PAYMENT TYPE CODE (PTC) (27) QUANTITY (28) FEE DUE FOR PFC IN BLOCK 200 (29) PFC CODE 1

(30) PFC CODE 1 (31) PFC CALL SIGNATURE ID (32) PAYMENT TYPE CODE (PTC) (33) QUANTITY (34) FEE DUE FOR PFC IN BLOCK 200 (35) PFC CODE 1

(36) PFC CODE 1	(37) PFC CALL SIGNATURE ID	(38) PAYMENT TYPE CODE (PTC)	(39) QUANTITY	(40) FEE DUE FOR PFC IN BLOCK 200	(41) PFC CODE 1
(42) PFC CODE 1	(43) PFC CALL SIGNATURE ID	(44) PAYMENT TYPE CODE (PTC)	(45) QUANTITY	(46) FEE DUE FOR PFC IN BLOCK 200	(47) PFC CODE 1

SECTION D - TAXPAYER INFORMATION (REQUIRED)

(48) PAYER TIN 760532710 (49) APPLICANT TIN

SECTION E - CERTIFICATION

(50) CERTIFICATION STATEMENT I, Luis Lopez Rojo Certify under penalty of perjury that the foregoing and supporting information are true and correct to the best of my knowledge, information and belief. SIGNATURE

(51) AUTHORIZED SIGNATURE (52) DATE MONTH YEAR

(53) MAILING ADDRESS (54) AUTHORIZED SIGNATURE (55) DATE MONTH YEAR (56) POST OFFICE BOX NUMBER (57) CITY (58) STATE (59) ZIP CODE (60) TELEPHONE NUMBER (61) FAX NUMBER (62) E-MAIL ADDRESS (63) INTERNET ADDRESS (64) OTHER CONTACT INFORMATION (65) SEE POLICE NUMBER ESTIMATE ON REVERSE (66) POST OFFICE BOX NUMBER (67) CITY (68) STATE (69) ZIP CODE (70) TELEPHONE NUMBER (71) FAX NUMBER (72) E-MAIL ADDRESS (73) INTERNET ADDRESS (74) OTHER CONTACT INFORMATION

Latham & Watkins

1001 Pennsylvania Ave., N.W., Suite 1300, Washington, D.C. 20004 (202) 637-2200

Voucher #	Invoice #	Date	Invoice Amount	Invoice Description	Amount Paid
288165	022753-0005	05/17/99	780.00		780.00
Ref Id:					
Acct. Loc. DC	Vendor # 006797	Vendor Name FEDERAL COMMUNICATIONS	Date of Payment 05/20/99	Check # 316572	Amount Paid 780.00

Latham & Watkins

Attorneys at Law
 Washington, DC Operating Account
 1001 Pennsylvania Avenue, N.W., Suite 1300
 Washington, D.C. 20004
 Telephone (202) 637-2200 EIN 95-2018373

Gibbank, F.S.B.
 P.O. Box 18867
 Washington D.C., 20036-0967

Check Date:	05/20/99	Check No.:	316572
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Check Amount:	*****780.00
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PAY ONLY: Seven Hundred Eighty and 00/100 DOLLAR

PAY TO THE ORDER OF: FEDERAL COMMUNICATIONS COMMISSION



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THIS MULTIFUNCTION AREA OF THE DOCUMENT CHANGES COLOR GRADUALLY AND EVENLY FROM DARK TO LIGHT WITH DARKER AREAS BOTH TOP AND BOTTOM
 COPY FILED: JUNE 1999 PROJECTION: 4227 236 231 165 537 786 248 18