

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

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

Description of Application:

T/c of Aquila

International Telecommunications Inc

to Silvertone Production Company

FCC/NELEW FEB 04 2000

LAW OFFICES OF THOMAS K. CROWE, P.C.

2300 M STREET, N.W.
SUITE 800
WASHINGTON, D.C. 20037

TELEPHONE (202) 973-2890
FAX (202) 973-2891
E-MAIL tkcrowe@bellatlantic.net

February 3, 2000

BY COURIER

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

Re: Silverthorne Production Company and
Aquila International Telecommunications, Inc.


Dear Sir or Madam:

Please find enclosed an original and six (6) copies of Silverthorne Production Company, Inc.'s and Aquila International Telecommunications, Inc.'s Application for Consent to Transfer Control.

Also enclosed is FCC Form 159 and 159-C and a check in the amount of \$ 780.00 to cover the requisite filing fee. Please file-stamp and return the extra copy of this filing in the self-addressed, stamped envelope provided for this purpose.

Questions regarding this filing should be directed to the undersigned.

Sincerely,



Thomas K. Crowe
C. Jeffrey Tibbels,
Counsel for Silverthorne Production
Company, Inc. and
Aquila International
Telecommunications, Inc.

Enclosures

INTER-AMERICAN TELECOMMUNICATIONS
HOLDING CORPORATION

3220 HIGUERA ST
SAN LUIS OBISPO, CA 93401

1111

PAY
TO THE
ORDER OF

700

DATE

2-1-00

11-35
1210

\$ 780.00

DOLLARS



Seven Hundred & eighty 00/100

Bank of America

San Luis Obispo Branch 0061
1105 Higuera Street
San Luis Obispo, CA 93401 (805) 544-2022

FOR

Paul V. ...

MP

⑈00111⑈ ⑆21000358⑆ 00618⑈09814⑈

READ INSTRUCTIONS CAREFULLY
BEFORE PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE

APPROVED BY OMB 3060-0589

(1) LOCKBOX # 358115

PAGE NO. 1 OF 2

SPECIAL USE
FCC USE ONLY

SECTION A - PAYER INFORMATION

(2) PAYER NAME (if paying by credit card, enter name exactly as it appears on your card) Inter-American Telecommunications Holding Corp.
(3) STREET ADDRESS LINE NO. 1 3220 South Higuera Street
(4) STREET ADDRESS LINE NO. 2
(5) STREET ADDRESS LINE NO. 2
(6) CITY San Luis Obispo
(7) STATE CA
(8) ZIP CODE 93401
(9) DAYTIME TELEPHONE NUMBER (include area code) (805) 786-2640
(10) COUNTRY CODE (if not in U.S.A.)

(11) TOTAL AMOUNT PAID (dollars and cents) \$ 780.00

IF PAYER NAME AND THE APPLICANT NAME ARE DIFFERENT, COMPLETE SECTION B
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C)

SECTION B - APPLICANT INFORMATION

(11) APPLICANT NAME (if paying by credit card, enter name exactly as it appears on your card) Silverthorne Production Company
(12) STREET ADDRESS LINE NO. 1 7001 Seaview Avenue, N.W.
(13) STREET ADDRESS LINE NO. 2 Suite 210
(14) CITY Seattle
(15) STATE WA
(16) ZIP CODE 98117
(17) DAYTIME TELEPHONE NUMBER (include area code) (206) 297-3900
(18) COUNTRY CODE (if not in U.S.A.)

COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEETS (FORM 159-C)


SECTION C - PAYMENT INFORMATION

| | | | | |
|------------------------------|-------------------------------|----------------|--------------------------------------|--------------|
| (19A) FCC CALL SIGN/OTHER ID | (20A) PAYMENT TYPE CODE (PTC) | (21A) QUANTITY | (22A) FEE DUE FOR (PTC) IN BLOCK 20A | FCC USE ONLY |
| | C U T | 1 | \$ 780.00 | |
| (23A) FCC CODE 1 | (20B) PAYMENT TYPE CODE (PTC) | (21B) QUANTITY | (22B) FEE DUE FOR (PTC) IN BLOCK 20B | FCC USE ONLY |
| | | | \$ | |
| (23B) FCC CODE 1 | (20C) PAYMENT TYPE CODE (PTC) | (21C) QUANTITY | (22C) FEE DUE FOR (PTC) IN BLOCK 20C | FCC USE ONLY |
| | | | \$ | |
| (23C) FCC CODE 1 | (20D) PAYMENT TYPE CODE (PTC) | (21D) QUANTITY | (22D) FEE DUE FOR (PTC) IN BLOCK 20D | FCC USE ONLY |
| | | | \$ | |
| (23D) FCC CODE 1 | (20E) PAYMENT TYPE CODE (PTC) | (21E) QUANTITY | (22E) FEE DUE FOR (PTC) IN BLOCK 20E | FCC USE ONLY |
| | | | \$ | |
| (23E) FCC CODE 2 | (20F) PAYMENT TYPE CODE (PTC) | (21F) QUANTITY | (22F) FEE DUE FOR (PTC) IN BLOCK 20F | FCC USE ONLY |
| | | | \$ | |

SECTION D - TAXPAYER INFORMATION (REQUIRED)

(23) PAYER TIN 77-0519083
(24) APPLICANT TIN 84-1089377

SECTION E - CERTIFICATION

(27) CERTIFICATION STATEMENT
I, Jeffrey Tibbels, 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 

SECTION F - CREDIT CARD PAYMENT INFORMATION

(28) MASTERCARD/VISA ACCOUNT NUMBER:
EXPIRATION DATE:
(29) MASTERCARD VISA
I hereby authorize the FCC to charge my VISA or MASTERCARD for the service(s) described herein.
AUTHORIZED SIGNATURE:
DATE:

REMITTANCE ADVICE (Continuation Sheet)

PAGE NO. 2 OF 2

USE THIS SECTION ONLY FOR EACH ADDITIONAL APPLICANT

SECTION BB - ADDITIONAL APPLICANT INFORMATION

(11) APPLICANT NAME (if paying by credit card, enter name exactly as it appears on your card)

Aquila International Telecommunications, Inc.

(12) STREET ADDRESS LINE NO. 1

3220 South Higuera Street

(13) STREET ADDRESS LINE NO. 2

Suite 304

(14) CITY

San Luis Obispo

(15) STATE

CA

(16) ZIP CODE

93401

(17) DAYTIME TELEPHONE NUMBER (include area code)

(805) 786-2640

(18) COUNTRY CODE (if not in U.S.A.)

IF MORE BOXES ARE NEEDED, USE ADDITIONAL FCC 159-C CONTINUATION SHEETS TO LIST EACH SERVICE

SECTION CC - PAYMENT INFORMATION

| (19A) FCC CALL SIGN/OTHER ID | (20A) PAYMENT TYPE CODE (PTC) | (21A) QUANTITY | (22A) FEE DUE FOR (PTC) IN BLOCK 20A | FCC USE ONLY |
|------------------------------|-------------------------------|------------------|--------------------------------------|--------------|
| | C | 1 | \$ 780.00 | |
| (23A) FCC CODE 1 | | (24A) FCC CODE 2 | | |
| (19B) FCC CALL SIGN/OTHER ID | (20B) PAYMENT TYPE CODE (PTC) | (21B) QUANTITY | (22B) FEE DUE FOR (PTC) IN BLOCK 20B | FCC USE ONLY |
| | | | \$ | |
| (23B) FCC CODE 1 | | (24B) FCC CODE 2 | | |
| (19C) FCC CALL SIGN/OTHER ID | (20C) PAYMENT TYPE CODE (PTC) | (21C) QUANTITY | (22C) FEE DUE FOR (PTC) IN BLOCK 20C | FCC USE ONLY |
| | | | \$ | |
| (23C) FCC CODE 1 | | (24C) FCC CODE 2 | | |
| (19D) FCC CALL SIGN/OTHER ID | (20D) PAYMENT TYPE CODE (PTC) | (21D) QUANTITY | (22D) FEE DUE FOR (PTC) IN BLOCK 20D | FCC USE ONLY |
| | | | \$ | |
| (23D) FCC CODE 1 | | (24D) FCC CODE 2 | | |

SECTION DD - TAXPAYER INFORMATION

(25) COMPLETE THIS BLOCK ONLY IF SECTION BB IS APPLICABLE

APPLICANT TIN

0 7 7 0 4 7 9 3 8 3

reset form

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

I. THE PARTIES

(a) Silverthorne Production Company

Silverthorne is a Colorado corporation whose principal office is located at 7001 Seaview Avenue, NW, Suite 210, Seattle, Washington, 98117. Silverthorne is not a provider of telecommunications services and has no affiliation, within the meaning of Section 63.09(e) of the Commission's Rules, 47 C.F.R. § 63.09(e) (1999), with a dominant U.S. or foreign facilities-based carrier.

Further information required by the Commission pursuant to Section 63.18 regarding Silverthorne is included below in Part IV of this Application.

(b) Aquila International Telecommunications, Inc.

Aquila, a California corporation, has global authority to provide resold and facilities-based international telecommunications services.¹ Aquila is considered a non-dominant carrier under the Commission's Rules. Aquila has no affiliation, within the meaning of Section 63.09(e) of the Commission's Rules, 47 C.F.R. § 63.09(e) (1999), with a dominant U.S. or foreign facilities-based carrier.

¹ Overseas Common Carrier Section 214 Applications Actions Taken, *Public Notice*, Report No. 1-8303, DA 98-862 (May 7, 1998). Aquila originally filed for Section 214 authorization under the name "Altair International Executive Services, Inc." but changed its name to "Aquila International Telecommunications, Inc." prior to the Commission's grant of authority. *See id.* at 12-13.

Information concerning Aquila's legal, technical, and financial qualifications to provide service was submitted with the company's application for Section 214 authorization and is, therefore, already a matter of record before the Commission.

II. DESCRIPTION OF TRANSACTION

Applicants propose an exchange of stock whereby shareholders owning 100% of the issued and outstanding capital shares of Aquila ("Aquila shares") exchange the Aquila shares for 3,767,519 shares of Silverthorne's \$0.001 par value common stock. This proposed transaction will result in a transfer of control from Aquila to Silverthorne. The closing date for the transaction has been provisionally set for April 28, 2000.

Applicants expect to consummate the transaction subject to the permission of the Commission and, therefore, request Commission approval for authority to effectuate the acquisition, thereby allowing for the transfer of control of Aquila to Silverthorne.

III. PUBLIC INTEREST

Consummation of the proposed transaction will serve the public interest in promoting competition in the international telecommunications market by providing Silverthorne and Aquila the opportunity to strengthen their competitive positions by combining their financial resources and complementary services, facilities and expertise. The transaction creates access, by Aquila, to the larger capital base of its new parent company, Silverthorne. Aquila's operations will more readily increase in size and profitability, due to enhanced economies of scale. Accordingly, the proposed acquisition will benefit consumers through improved services and lower rates, thereby promoting competition in the international telecommunications market.

The Commission recognizes that the international market for switched voice services is becoming increasingly competitive in nature and that such competition benefits consumers.² Given the Commission's desire to foster competition in the international switched services market, grant of the proposed transaction is in the public interest.

IV. SPECIFIC PART 63 INFORMATION

As required by Section 63.18 of the Commission's Rules, Applicants submit the following information:

(a) **Names, addresses and telephone numbers of Applicants:**

Transferee

Silverthorne Production Company
7001 Seaview Avenue, NW
Suite 210
Seattle, WA 98117
(206) 297-3900 Telephone

Transferor

Aquila International Telecommunications, Inc.
Suite 304
3220 South Higuera Street
San Luis Obispo, CA 93401
(805) 786-2640 Telephone

(b) **The Government, State, or Territory under the laws of which each of the Applicants is organized:**

Silverthorne is a corporation organized under the laws of the State of Colorado and Aquila is a corporation organized under the laws of the State of California.

² See *In re* Rules and Policies on Foreign Participation in the U.S. Telecommunications Market; Market Entry and Regulation of Foreign-Affiliated Entities, *Report and Order and Order on Reconsideration*, 12 FCC Rcd. 23891, 23891 (1997).

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

Thomas K. Crowe
C. Jeffrey Tibbels,
Law Offices of Thomas K. Crowe, P.C.
2300 M Street, N.W., Suite 800
Washington, D.C. 20037
(202) 973-2890 Telephone

with a copy to:

Darrell H. Hughes
Chief Executive Officer
Silverthorne Production Company, Inc.
7001 Seaview Avenue, NW
Suite 210
Seattle, WA 98117
(206) 297-3900 Telephone

and

Jimmy L. Boswell
President
Aquila International Telecommunications, Inc.
Suite 304
3220 South Higuera Street
San Luis Obispo, CA 93401
(805) 786-2640 Telephone

(d) Statement as to previous Section 214 authorization:

As discussed above, Aquila previously received authority from the Commission under Section 214 of the Communications Act to provide global facilities-based and resale services.³ Silverthorne is not a provider of telecommunications services.

(e) This Application requests transfer of control of Aquila to Silverthorne.

(f) Not applicable.

³ See *supra* at n.1.

(g) Not applicable.

(h) The following entity holds a ten percent (10%) or greater ownership interest in Silverthorne:

| <u>Name/Address</u> | <u>% Held</u> | <u>Citizenship</u> | <u>Principal Business</u> |
|--|---------------|--------------------|---------------------------|
| Inter-American Telecommunications Holding Corporation ("ITHC") 2608 Second Avenue, Suite 108 Seattle, WA 98121 | 53.9% | U.S. | Holding Company |

The following entity holds a ten percent (10%) or greater ownership interest in ITHC:

| <u>Name/Address</u> | <u>% Held</u> | <u>Citizenship</u> | <u>Principal Business</u> |
|---|---------------|--------------------|---|
| Cognigen Corporation 8711 15 th Avenue, NW Seattle, WA 98117 | 57.9% | U.S. | Internet marketing of long-distance telecom. services |

The following individual holds a ten percent (10%) or greater ownership interest in Cognigen Corporation:

| <u>Name/Address</u> | <u>% Held</u> | <u>Citizenship</u> | <u>Principal Occupation</u> |
|--|---------------|--------------------|--------------------------------|
| Kevin Anderson 2608 Second Avenue, Suite 108 Seattle, WA 98121 | 65.9% | U.S. | Internet management consultant |

(i) Certification by Silverthorne of non-affiliation with a foreign carrier:
See attached.

(j) Certification that Silverthorne does not intend to provide international telecommunications services to a destination country for which any of Sections 63.18(j)(1)-(4) of the Commission's Rules, 47 C.F.R. § 63.18(j)(1)-(4) (1999) is true:

See attached.

(k) Not applicable.

(l) Not applicable.

(m) Not applicable.

(n) Certification that Silverthorne 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:

See attached.

(o) Certifications by Applicants that 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):

See attached.

(p) Not applicable.

V. CONCLUSION

For the reasons stated herein, Silverthorne and Aquila respectfully submit that the public interest, convenience and necessity would be furthered by grant of this application.

Respectfully submitted,

SILVERTHORNE PRODUCTION
COMPANY AND
AQUILA INTERNATIONAL
TELECOMMUNICATIONS, INC.

By:



Thomas K. Crowe
C. Jeffrey Tibbels,
LAW OFFICES OF THOMAS K. CROWE,
P.C.
2300 M Street, N.W., Suite 800
Washington, D.C. 20037
(202) 973-2890 Telephone

COUNSEL FOR SILVERTHORNE
PRODUCTION COMPANY AND
AQUILA INTERNATIONAL
TELECOMMUNICATIONS, INC.

January 26, 2000

CERTIFICATIONS OF APPLICANT

On behalf of Silverthorne Production Company ("Silverthorne") and in accordance with Sections 1.2001-1.2003 of the Commission's Rules, 47 C.F.R. §§ 1.2001-1.2003 (1999), I hereby certify that neither Silverthorne, its officers and directors, or any party with a five percent or greater interest in Silverthorne, is subject to a denial of the Federal benefits requested herein pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988. See 21 U.S.C. § 853(a) (1999). I also hereby certify that the statements in the foregoing application are true, complete, and correct to the best of my knowledge and are made in good faith.

Silverthorne has not agreed to accept any concessions directly or indirectly from any foreign carrier or administration with respect to traffic or revenue flow between the United States and various international points under the authority granted under Section 214 of the Communications Act of 1934, as amended, and the Commission's Rules, and has not agreed to enter into such agreements in the future.

Pursuant to Section 63.18(i) of the Commission's Rules, 47 C.F.R. § 63.18(i) (1999), I certify that Silverthorne is neither a foreign carrier nor affiliated with a foreign carrier as defined by the Commission's Rules.

Further, pursuant to Section 63.18(j) of the Commission's Rules, 47 C.F.R. § 63.18(j) (1999), I certify that Silverthorne does not intend to provide international telecommunications services to a destination country for which: (1) Silverthorne is a foreign carrier in that country; or (2) Silverthorne controls a foreign carrier in that country; or (3) any entity that owns more than 25 percent of Silverthorne controls a foreign carrier in that country; or (4) two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate, more than 25 percent of Silverthorne 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.

SILVERTHORNE PRODUCTION COMPANY

By: 

Name: DONALD D. HUGHES

Title: CEO - CHAIRMAN

Date: 2-2-88

CERTIFICATIONS OF APPLICANT

On behalf of Aquila International Telecommunications, Inc. ("Aquila") and in accordance with Sections 1.2001-1.2003 of the Commission's Rules, 47 C.F.R. §§ 1.2001-1.2003 (1999), I hereby certify that neither Aquila, its officers and directors, or any party with a five percent or greater interest in Aquila, is subject to a denial of the Federal benefits requested herein pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988. See 21 U.S.C. § 853(a) (1999). I also hereby certify that the statements in the foregoing application are true, complete, and correct to the best of my knowledge and are made in good faith.

Aquila has not agreed to accept any concessions directly or indirectly from any foreign carrier or administration with respect to traffic or revenue flow between the United States and various international points under the authority granted under Section 214 of the Communications Act of 1934, as amended, and the Commission's Rules, and has not agreed to enter into such agreements in the future.

AQUILA INTERNATIONAL
TELECOMMUNICATIONS, INC.

By: 

Name: Jimmy L. Boswell

Title: President - CEO

Date: 2-1-00

CERTIFICATE OF SERVICE

I, Andrew Ganz, a legal assistant with the Law Offices of Thomas K. Crowe, P.C., certify that on February 4, 2000, a copy of the foregoing Application was served by first class U.S. mail, postage prepaid, on the parties listed below.

Deputy Assistant Secretary of
Defense (Telecommunications)
Office of the Assistant Secretary
Of Defense
Pentagon, Room 3E160
Washington, D.C. 20401

Breck Blaylock
Chief, Policy and Facilities Branch
International Bureau,
Telecommunications Division
Federal Communications Commission
445 12th Street, S.W.
Room 6-A767
Washington, D.C. 20554

National Security Agency
G042, NSA, EMC Center
Room 1C166
9800 Savage Road
Fort George Meade, MD 20755

Donald Abelson
Chief, International Bureau
Federal Communications Commission
445 12th Street, S.W.
Room 6-A767
Washington, D.C. 20554

U.S. Coordinator and Director
Office of International Communications
Policy (EB-TD)
Department of State
21st and C Streets, N.W.
Washington, D.C. 20305-2000
Attn: Code 15

Frances Eisenstein
International Bureau,
Telecommunications Division
Federal Communications Commission
445 12th Street, S.W.
Room 6-C866
Washington, D.C. 20554

Chief Regulatory Counsel
Defense Communications Agency
Washington, D.C. 20305-2000
Attn: Code 115

National Telecommunications and
Information Administration
14th & Constitution Ave., N.W.
Room H4717
Washington, D.C. 20320



Andrew Ganz