

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: _____

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April 3, 2000

VIA MESSENGER

Alicia Smothers, Esq.
Federal Communications Commission
Room #6A767
445 12th Street, S.W.
Washington, DC 20554

Re: Storm Telecommunications Limited
APPLICATION FOR AUTHORITY TO TRANSFER
CONTROL

Dear Ms. Smothers:

This is in follow-up to your March 31, 2000 facsimile to us in the above-referenced matter, in which you notified us that Storm Telecommunications Limited's Request for Special Temporary Authority (ITC-TAO-20000215-00168) had been granted. Also in that facsimile, you requested that we deliver to you five copies of Storm Telecommunications Limited's Application for Authority to Transfer Control of Authorized Facilities-Based and Resale Carrier. Pursuant to that request, five copies of that pleading are enclosed.

Thank you for your attention to this matter. If you have any questions regarding the enclosed pleading, please do not hesitate to call us.

Very truly yours,


Christine M. Gill

Enclosures

bcc: Anne Todd (w/o enclosures)
Stephanie Liston (w/o enclosures)

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

In the Matter of

STORM TELECOMMUNICATIONS LTD.

ITC Docket No. _____

Application for Authority to Transfer
Control of Storm Telecommunications Ltd.,
an Authorized International Facilities-Based
and Resale Carrier Under Section 214 of the
Communications Act of 1934

**APPLICATION FOR AUTHORITY TO TRANSFER
CONTROL OF AUTHORIZED INTERNATIONAL
FACILITIES-BASED AND RESALE CARRIER**

Storm Telecommunications Ltd. ("Storm") hereby respectfully requests, pursuant to Section 214 of the Telecommunications Act of 1934 and Federal Communications Commission Rule Section 63.18, that the Commission grant authority *nunc pro tunc* for Telenor Global Services AS ("Telenor"), IXC International, Inc. ("IXC"), and Clarion Resources Communications Corporation ("Clarion Resources") to transfer all of their interests in Storm (which collectively constitutes 100% of Storm's ownership), to Storm Investments Limited ("SIL").

INTRODUCTION

Storm is an international telecommunications common carrier based in the United Kingdom. It provides international switched telephone, fax, and data services through facilities-based and resale operations. It owns and operates international gateway switching hubs in the UK, Germany, France, The Netherlands, Austria, and Switzerland. Until February 11, 2000 Storm was structured as a joint venture, with ownership split between Telenor (approximately

68%), IXC (approximately 19%), and Clarion Resources (approximately 12%). It obtained Section 214 Certification on September 2, 1999, with authority to operate as both a facilities-based and resale carrier.¹ Storm has one subsidiary in the United States, Storm Telecommunications, Inc. That subsidiary is incorporated in Delaware.

Storm Investments Limited is registered in England and Wales. It is structured as a joint venture with ownership split between Quantum Industrial Partners LDC ("Quantum") (93.5%); SFM Domestic Investments, L.L.C. ("SFM") (1.5%); and nine individual persons² (collectively a total of 5%). Of the nine individuals, eight have been actively involved in the management of Storm under the previous ownership structure, and will continue to do so under the current ownership configuration. Quantum is an operating subsidiary of Quantum Industrial Holdings Ltd., an investment fund, and its place of organization is the British Virgin Islands. SFM is affiliated with Soros Fund Management LLC and is incorporated in Delaware.

Telenor, IXC, and Clarion Resources sold all their interests in Storm to SIL through a transaction which closed on February 11, 2000. Accordingly, ownership of Storm now rests with SIL. Time-sensitive financial and corporate considerations required the execution of the transaction prior to filing this application. Accordingly, Storm respectfully requests *nunc pro tunc* approval of the transfer.

The transaction described in the preceding paragraph changed Storm's ownership structure, but will have no immediate effect on its operations. Thus, this transfer will not create confusion or inconvenience for Storm's existing customers or otherwise adversely affect Storm's

¹ International Authorizations Granted, ITC-214-19990805-00481, *Public Notice*, DA No. 99-1782 (Sept. 2, 1999).

² Thomas John Stephen Carroll, Cherise Ann Emerson, Geraldine Anne Gilgallon, Manish Vinayakrai Joshi, Paul Stuart Mayho, Stephen Sanderson, Mark Julien Stewart, Linda Anne Todd, Andrew Colin Wood.

operations. Among its other current operations, Storm intends to continue to compete with other carriers providing international switched service to foreign points by obtaining capacity from facilities-based carriers authorized to provide international services between the United States and foreign points. Storm believes that its continued presence in the international resale marketplace and the ongoing implementation of its global network will spur greater competition among and between facilities-based international common carriers and international resellers.

Continuation of Storm's current services is in the public interest, convenience, and necessity. It will prevent disruption of service to Storm's existing customers and confer further benefits upon consumers of United States-overseas long distance services. These benefits include competitive pricing, increased availability of service options, and increased variety of service options. The Commission previously determined that Storm's provision of global facilities-based and resale service offerings are in the public interest. Under the ownership of SIL, Storm plans to provide the same services it provided previously and will be as well positioned, if not better positioned, to offer competitively-priced services under its new ownership structure. Therefore, Storm submits that the public interest will be served by the Commission's approval of this transfer of control.

RULE 63.18 SHOWING

In support of Storm's request for consent to the transfer of control described above, Storm submits the following information pursuant to FCC Rule 63.18:

(a) Name, address, and telephone number of Transferors:

Telenor Global Services AS
P.O. Box 6701
St. Olavs plass, N-0130
Oslo, Norway
44-22-77-89-00 (Telephone)

IXC International, Inc.
1122 Capital of Texas Highway South
Austin, TX 78746-6426
512-328-1112

Clarion Resources Communications Corporation
100 Galleria Parkway, N.W.
Suite 1650
Atlanta, GA 30339
770-690-9080

Name, address, and telephone numbers of Transferee:

Storm Investments Limited
87 Cheapside
London EC2V 6EB
England, United Kingdom
44-171-776-0000 (Telephone)

Name, address, and telephone number of Applicant:

Storm Telecommunications Limited
87 Cheapside
London EC2V 6EB
England, United Kingdom
44-171-776-0000 (Telephone)

(b) Transferor Telenor Global Services AS is a Norwegian company.

Transferor IXC International, Inc. is a corporation formed under the laws of Delaware.

Transferor Clarion Resources Communications Corporation is a corporation formed under the laws of Delaware.

Transferee Storm Investments Limited is incorporated in England and Wales.

Applicant Storm Telecommunications Limited is organized under the laws of England.

- (c) Correspondence concerning this application should be directed to the following contact points:

Linda Anne Todd
General Counsel and Secretary
Storm Telecommunications Limited
87 Cheapside
London EC2V 6EB
England, United Kingdom
44-171-776-0033 (Telephone)

and

Christine M. Gill, Esq.
McDermott, Will & Emery
600 13th Street, NW
Washington, DC 20005
202-756-8283

- (d) Storm Telecommunications Limited and the transferors (through their ownership in Storm Telecommunications Limited), have previously received authority to provide global facilities-based and resale services (TTC-214-19990805-00481) under Section 214 of the Communications Act.

Storm Investments Limited has not previously been authorized to provide service under Section 214 of the Communications Act and does not seek international authority under Section 214 except to the extent that it seeks a controlling equity interest in Storm Telecommunications Limited.

- (e) This is a transfer of control. A narrative describing the means by which the transfer took place is set forth in the preceding section of this pleading.

(f) No response required.

(g) Not applicable.

- (h) Applicant Storm Telecommunications Limited:

- 100% owned by Storm Investments Limited, 87 Cheapside, London EC2V 6EB, England, United Kingdom.

- Storm Investments Limited is organized under the laws of England and Wales. Its principal business is the ownership of Storm Telecommunications Limited.

Transferee Storm Investments Limited:

- 93.5% of equity owned by Quantum Industrial Partners LDC, Kaya Flamboyan 9, Willenstad, Curacao, Netherlands Antilles.

- Quantum Industrial Partners LDC maintains a registered office in the Netherlands Antilles and its place of organization is the British Virgin Islands. Its principal business is investing in securities.

(i) Applicant Storm Telecommunications Limited is a foreign carrier based in the United Kingdom. It is not affiliated with any other foreign carriers. However, Storm Telecommunications Limited would note that it also has branches, owns switches, and provides facilities-based and resale services from Germany, France, The Netherlands, Austria, and Switzerland.

Transferee Storm Investments Limited is not a foreign carrier. It is affiliated with Storm Telecommunications Limited to the extent that it owns 100% of the equity of Storm Telecommunications Limited. It is not affiliated with any other foreign carriers.

(j) Storm Telecommunications Limited certifies that the United Kingdom is a destination country to which it seeks to provide international telecommunications services and in which it is a foreign carrier. Storm Telecommunications Limited also certifies that Germany, France, The Netherlands, Austria, and Switzerland are destination countries to which it seeks to provide international telecommunications services and in which it has branches, owns switches, and provides facilities-based and resale services.

Transferee Storm Investments Limited certifies that it does not seek to provide telecommunications services to any destination countries except to the extent that it owns 100% of the equity of Storm Telecommunications Limited.

Quantum Industrial Partners LDC owns 93.5% of the equity of Storm Investments Limited. Quantum Industrial Partners LDC has investments in a number of companies providing telecommunications services in foreign countries, however it does not control either of the following: (1) any dominant foreign carriers; or (2) foreign carriers that have sufficient market power on the foreign ends of routes between their countries and the United States to affect competition adversely in the United States market.

(k) The destination countries listed in response to Rule Section 63.18(j) are all Members of the World Trade Organization.

(l) Storm Telecommunications Limited proposes to resell the international switched services of an unaffiliated U.S. carrier for the purpose of providing international telecommunications services to countries where it is a foreign

carrier. However, Storm Telecommunications Limited certifies the following: (1) it is non-dominant in all of the countries in which it is a foreign carrier; (2) it lacks sufficient market power on the foreign ends of all of its routes to affect competition adversely in the United States market; and (3) it lacks 50% market share in the international transport and the local access markets on the foreign ends of all of its foreign market routes.

Storm Investments Limited certifies that it does not seek to provide telecommunications services except to the extent that it owns 100% of the equity of Storm Telecommunications Limited. In accordance therewith, Storm Investments Limited certifies that all the statements in the immediately preceding paragraph are true with regard to it as well as Storm Telecommunications Limited.

- (m) Storm Telecommunications Limited is a foreign carrier in the United Kingdom and has branches in, owns switches, and provides facilities-based and resale services in Germany, France, The Netherlands, Austria, and Switzerland. Storm Telecommunications Limited desires to be regulated as non-dominant for the provision of telecommunications services to all those countries. In connection therewith, Storm Telecommunications Limited certifies that it is non-dominant in all those countries and that it lacks sufficient market power on the foreign ends of its routes between those countries and the United States to affect competition adversely in the United States market. Storm Telecommunications Limited further certifies that it lacks 50% market share in the international transport and the local access markets on the foreign ends of its routes between those countries and the United States.

- (n) Storm Investments Limited, through Storm Telecommunications Limited and as the owner thereof, certifies that all the statements in the immediately preceding paragraph are true with regard to it as well as Storm Telecommunications Limited.

- (o) Storm Telecommunications Limited and Storm Investments Limited certify that they have 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. Storm Telecommunications Limited and Storm Investments Limited Applicant further certify that they will not enter into any such agreements in the future.

- (p) Storm Telecommunications Limited and Storm Investments Limited certify pursuant to FCC Rule §§ 1.2001 through 1.2003 that they are not subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

- (p) Storm Telecommunications Limited desires streamlined processing pursuant to FCC Rule § 63.12 because although it is foreign carrier in the United Kingdom and has branches in, owns switches, and provides facilities-based and resale services in Germany, France, The Netherlands, Austria, and Switzerland, it

certifies that it is non-dominant in all those countries and that it lacks sufficient market power on the foreign ends of its routes between those countries and the United States routes to affect competition adversely in the United States market. Storm Telecommunications Limited further certifies that it lacks 50% market share in the international transport and the local access markets on the foreign ends of its routes between those countries and the United States.

Storm Telecommunications Limited would also note that its initial Section 214 certificate was granted pursuant to streamlined processing, with the exception of its U.S.-Norway route.³ The U.S.-Norway route, however, is no longer pertinent for streamlined processing purposes because Storm is no longer affiliated with a dominant foreign carrier in Norway, as it was at the time its initial Section 214 certificate was granted.

Storm Investments Limited, through Storm Telecommunications Limited and as the owner thereof, certifies that all the statements in the two immediately preceding paragraphs are true with regard to it as well as Storm Telecommunications Limited.

CONCLUSION

Storm certifies that all of the information provided in this application is accurate and correct, and submits that the public interest, convenience, and necessity would be served by the Commission's approval of the transfer of control described herein.

³ International Authorizations Granted, ITC-214-19990805-00481, *Public Notice*, DA No. 99-1782 (Sept. 2, 1999).

WHEREFORE, Storm and SIL respectfully request that the Commission grant Storm the authority to transfer control of Storm to SIL, and allow Storm to continue to provide facilities-based and resold international telecommunications services under its new ownership structure.

Respectfully submitted,



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Dated: March  2000