

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

FCC/MELLON MAR 28 2000

In the Matter of)	Non-Streamlined	ITC-T/C-20000328-00186
Acquisition of GlobeNet Communications)	TELEBERMUDA INTERNATIONAL LIMITED	
Group Limited by 360networks inc.)		
)		
Application for Transfer of Control of)		
International Section 214 Authority)		

**APPLICATION TO TRANSFER CONTROL OF
INTERNATIONAL SECTION 214 AUTHORITY**

Pursuant to Section 214 of the Communications Act of 1934, as amended by the Telecommunications Act of 1996 (the "Act"), and Section 63.18 of the Commission's Rules, 47 C.F.R. § 63.18, 360networks inc. ("360networks")¹ and GlobeNet Communications Group Limited ("GlobeNet" and together "Applicants"), hereby seek authority to transfer control of the international Section 214 authority² held by TeleBermuda International Limited, a subsidiary of GlobeNet, to 360networks in connection with the proposed acquisition of GlobeNet by 360networks.³ As described below, the proposed transaction between 360networks and GlobeNet will serve the public interest by enhancing the ability of the two companies to offer

¹ 360networks was formerly known as Worldwide Fiber Inc.

² See Overseas Common Carrier Section 214 Applications Actions Taken, Rep. No. I-8311, File No. ITC-98-321, *Public Notice*, 13 FCC Rcd 11222 (1998); see also International Authorizations Granted, Rep. No. TEL-00174, File No. ITC-T/C-19991201-00749, *Public Notice*, DA 99-3033 (rel. Dec. 30, 1999) (reflecting the corporate reorganization of TeleBermuda International Limited under GlobeNet).

³ Simultaneously herewith, 360networks and GlobeNet are filing an application to transfer control of submarine cable landing licenses held by subsidiaries of GlobeNet in connection with the proposed transaction.

state-of-the-art fiber optic capacity to telecommunications carriers and other end-users in the international marketplace.

I. Description of the Transaction

On March 11, 2000, 360networks and GlobeNet entered into an Agreement and Plan of Arrangement whereby 360networks would acquire GlobeNet through the exchange of shares of 360networks for shares of GlobeNet, pending shareholder, governmental, and regulatory approvals. After the transaction is completed, GlobeNet will become a wholly-owned, direct subsidiary of 360networks. Through the acquisition of GlobeNet, 360networks will acquire control of GlobeNet's subsidiaries, including TeleBermuda International Limited, which currently holds an international section 214 authorization. GlobeNet will retain the same corporate relationships with its subsidiaries, which will become indirect, wholly-owned subsidiaries of 360networks. Commission approval of this transaction is requested in the instant Application.

II. Description of the Parties

A. 360networks inc.

360networks, a Canadian corporation with its headquarters in Vancouver, British Columbia, is an indirect subsidiary of Leducor Inc., a privately-held Canadian corporation with interests in the construction and communications industries. Through its subsidiaries, 360networks offers fiber-optic capacity to communications carriers, Internet service providers, and other large end-users. The company is in the process of completing a technologically advanced, 56,100-mile telecommunications network, which will include fiber optic terrestrial networks in North America and Europe and an undersea cable linking North America and Europe.

In addition, 360networks has recently announced in a filing with the U.S. Securities and Exchange Commission that it plans to issue its shares in an initial public offering in the second quarter of 2000.

B. GlobeNet Communications Group Limited

GlobeNet, a Bermuda company with headquarters in Bermuda and offices in New York, Toronto, and Montreal, is an independent developer of fiber-optic cable facilities. Through its subsidiaries, GlobeNet operates the BUS-1 undersea cable system between the United States and Bermuda, and is currently constructing the Atlantica-1 cable network, which will connect the United States, Venezuela, Brazil, and Bermuda. Through its subsidiaries, GlobeNet also owns an interest in the TAT-14 cable network, extending between the United States, Denmark, Germany, the Netherlands, France, and the United Kingdom.

III. Public Interest Considerations

Prompt approval of this application will serve the public interest by enabling the Applicants to combine their networks and operations, thereby enabling them to compete in the international marketplace in a more economically efficient and competitive manner. The acquisition of GlobeNet by 360networks will result in significant cost savings and business synergies, thus strengthening the competitive position of both companies. For example, the combination of the North America-Europe cable system of 360networks with the GlobeNet systems between the United States, Bermuda, and South America will enable the Applicants to expand the scope of their marketing efforts while reducing overhead and duplicative facilities.⁴

⁴ See In re Global Crossing Ltd. and Frontier Corporation, CC Dkt. No. 99-264, *Memorandum Opinion and Order*, 14 FCC Rcd. 15911, at ¶ 26 (1999) (noting that the merger between Global Crossing and Frontier will produce "tangible public interest benefits" because "the proposed merger will provide the Applicants with an opportunity to

These economies will be brought forth in a global marketplace that is marked by substantial existing competing cable systems, including Atlantic Crossing (AC-1), Columbus II, Gemini, PTAT-1, TAT-10, TAT-11, and TAT-12/13, and planned competing cable systems, such as Columbus III, FLAG Atlantic-1, Level 3, MAC-1, MAYA-1, OXYGEN (USA), PAC-1, SAC, and Southern Cross.⁵ In addition, Tyco International Ltd. has recently announced plans to build and operate the world's "largest and most advanced" undersea cable network.⁶ The addition of the GlobeNet assets, personnel, and relationships will enable 360networks to compete more effectively with these formidable competitors. The economies of scale and scope that will be the result of the combination of 360networks and GlobeNet will permit customers to secure a broader range of value-added services for consumers as well as reducing transaction costs for end users of undersea cable capacity.

For all of the above reasons, prompt approval of this Application would plainly serve the public interest.

IV. Information Required by Section 63.18

In accordance with Section 63.18(e)(3) of the Commission's Rules, the Applicants submit the following information in support of this Application:

provide more services than either entity could provide itself" which "may result in improved competition in the market for domestic and foreign telecommunications services").

⁵ See International Bureau Report, 1998 Section 43.82 Circuit Status Data, at Table 7 (December 1998).

⁶ See Laura Johannes, "Tyco to Build Vast Undersea Cable Network," Wall St. J. (Jan. 17, 2000).

- (a) The name, address and telephone number of 360networks is:
- 360networks inc.
1066 West Hastings Street
Suite 1510
Vancouver, British Columbia V6E 3X1
Canada
Tel: (608) 681-1994

The name, address and telephone number of GlobeNet is:

GlobeNet Communications Group Limited
Swan Building
26 Victoria Street
Hamilton HM 12
Bermuda
Tel: (441) 296-4101

- (b) 360networks is a Canadian corporation organized under the laws of the province of Alberta. GlobeNet is a corporation organized under the laws of Bermuda.

- (c) Correspondence regarding this Application should be addressed to:

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- (d) 360networks has not previously received authority under Section 214 to provide international services. However, Worldwide Telecom (USA) Inc., an indirect, wholly-owned subsidiary of 360networks, is authorized to land and operate a private submarine fiber-optic cable extending between the United States, Canada, Ireland, and the U.K., called the Hibernia cable.⁷ In addition, Leducor Industries Inc., an affiliate of 360networks, has received a cable landing license, jointly with FONOROLA Fiber Development Inc., Fiberco Telecommunications Corporation, and Metronet FiberUS, Inc., for the AmeriCan-1 cable, a private cable which extends between Seattle, Washington, and Vancouver, British Columbia.⁸

⁷ See In re Application for a License to Land and Operate in the United States a Private Fiber Optic Submarine Cable System Extending Between the United States, Canada, Ireland, and the United Kingdom, File No. SCL-LIC-19990804-00012, *Cable Landing License*, DA 00-76 (Int'l. Bur. rel. Jan. 14, 2000).

⁸ See FONOROLA Fiber Development Inc. and Leducor Industries Inc., File No. SCL 98-001, *Cable Landing License*, 13 FCC Rcd. 15663 (Int'l. Bur. 1998); see also FONOROLA Fiber Development Inc. and Leducor Industries Inc., File No. SCL-MOD-19990901-00016, *Third Modification of Cable Landing License*, DA 00-315 (Int'l. Bur. rel. Feb. 18, 2000); FONOROLA Fiber Development Inc. and Leducor Industries Inc., File No. SCL-AM-19981112-00026, *Second Modification of Cable Landing License*, 14 FCC Rcd. 4507 (Int'l. Bu. 1999); FONOROLA Fiber Development Inc. and Leducor Industries Inc., File No. SCL-AMD-19980831-00015, *Modification of Cable Landing License* 14 FCC Rcd. 1961 (Int'l. Bur. 1998).

Through its wholly-owned, direct subsidiary TeleBermuda International Limited, GlobeNet holds a global facilities-based and resale Section 214 authorization.⁹ TeleBermuda International Limited also holds an interest in the TAT-14 cable.¹⁰ In addition, through its indirect, wholly-owned subsidiary Atlantica USA LLC, GlobeNet holds the U.S. cable landing license for the Atlantica-1 cable network.¹¹ GlobeNet's indirect, wholly-owned subsidiary TeleBermuda International, L.L.C., holds the U.S. cable landing license for the BUS-1 cable network.¹² Approval of the transfer of control of GlobeNet's subsidiaries' submarine cable landing licenses is being sought in a separate application filed simultaneously with the instant Application.

- (e) This Application seeks authority to transfer control of GlobeNet to 360networks.
- (f) Not applicable.
- (g) Not applicable.
- (h) 360networks (formerly known as Worldwide Fiber Inc.) is majority-owned by Worldwide Fiber Holdings Ltd., a company organized under the laws of Alberta, Canada. Other than Worldwide Fiber Holdings Ltd., no other entity owns more than 10% of 360networks. One hundred percent of the common shares of Worldwide Fiber Holdings Ltd. are held by Ledcor Inc., a privately-held Canadian company incorporated pursuant to the laws of Alberta. One hundred percent of the preferred shares of Worldwide Fiber Holdings Ltd. are held by Ledcor Industries Limited, an Alberta company and a wholly-owned subsidiary of Ledcor Inc. The only two shareholders of Ledcor Inc. holding interests greater than 10% are David and Clifford Leede, both Canadian citizens, who jointly own more than

⁹ See Overseas Common Carrier Section 214 Applications Actions Taken, Rep. No. I-8311, File No. ITC-98-321, *Public Notice*, 13 FCC Rcd 11222 (1998); see also International Authorizations Granted, Rep. No. TEL-00174, File No. ITC-T/C-19991201-00749, *Public Notice*, DA 99-3033 (rel. Dec. 30, 1999) (reflecting the corporate reorganization of TeleBermuda International Limited under GlobeNet).

¹⁰ See In re AT&T Corp., et al., File No. SCL-LIC-19990303-00004, *Cable Landing License*, DA 99-2042 (Int'l. Bur. rel. Sept. 30, 1999).

¹¹ See Atlantica USA LLC, File No. SCL-LIC-19990602-00010, *Cable Landing License*, DA 99-2778 (Int'l. Bur., rel. Dec. 10, 1999).

¹² See TeleBermuda International, L.L.C., File No. SCL-95-009, *Cable Landing License*, 11 FCC Rcd 21141 (Int'l. Bur. 1996); see also TeleBermuda International, L.L.C., File No. SCL-T/C-19990210-00003, *Memorandum Opinion and Order*, 14 FCC Rcd 18951 (Int'l. Bur. 1999) (granting application to transfer control of TeleBermuda International, L.L.C., to TeleBermuda International Limited).

50% of Leducor Inc. An Exhibit containing the names, addresses, citizenship, and principal businesses of the 10% or greater direct and indirect shareholders of 360networks is attached hereto as Exhibit 1.

360networks certifies that it has the following interlocking directorates with foreign carriers:

David Lede, Chairman of the Board of 360networks, also serves as a director of Worldwide Telecom (Canada) Inc., WTI Telecom (Ireland) Limited, and WTI Telecom (U.K.) Limited. William Ramsey, a director of 360networks, is also a director of Worldwide Telecom (Canada) Inc. and WTI Telecom (Ireland) Limited. Glenn Creamer, a director of 360networks, is also a director of Carrier1 International S.A., a facilities-based, Pan-European carrier that is authorized, or will be authorized, to provide communications services throughout the European Union. Glenn Creamer is also a director of Celpage, Inc., a provider of paging, cellular, and Internet services in Puerto Rico, with operations in Costa Rica and Argentina.

(i) 360networks certifies that it is affiliated with the following foreign carriers:

Carrier	Country
Worldwide Fiber F.O.T.S. Ltd.	Canada
Leducor Industries Limited	Canada
Worldwide Telecom (Canada) Inc.	Canada
WTI Telecom (Ireland) Limited	Ireland
WTI Telecom (U.K.) Limited	United Kingdom

(j) 360networks certifies that it seeks to provide international telecommunications to the same destination countries and the same foreign carriers as listed in (i) above.

(k) Because Canada, Ireland, and the United Kingdom are members of the World Trade Organization, it is presumed that 360networks' affiliations with carriers in these countries do not pose any concerns that would justify conditioning or denial of this application.¹³ Moreover, as shown below, 360networks' foreign carrier affiliates do not possess market power in their respective markets or the ability to discriminate against unaffiliated U.S. carriers on the foreign end of their routes through the control of bottleneck facilities or services.

In Canada, 360networks is affiliated with three non-dominant Canadian carriers. Worldwide Fiber F.O.T.S. Ltd., a member of the Leducor group of companies, and

¹³ In re Rules and Policies on Foreign Participation in the U.S. Telecommunications Market; Market Entry and Regulation of Foreign-Affiliated Entities, IB Dkt. Nos. 97-142 & 95-22, *Memorandum Opinion and Order*, 12 FCC Rcd. 23891, at ¶ 50 (1997).

Ledcor Industries Limited, an indirect owner of 360networks, are registered as non-dominant Canadian carriers with the Canadian Radio-Television and Telecommunications Commission ("CRTC"). Worldwide Fiber F.O.T.S. Ltd. is a start-up company engaged in the construction of a fiber optic cable system in Canada and does not possess market power.¹⁴ Similarly, Ledcor Industries Limited is a new entrant to the telecommunications sector in Canada engaged in the construction of a fiber optic cable system and does not possess market power.¹⁵ Worldwide Telecom (Canada), Inc., holds an International Services License from the CRTC and a Submarine Cable License from Industry Canada. Currently, Worldwide Telecom (Canada) Inc. is pre-operational. Once operational, it will operate the Canadian portion of the Hibernia cable system. Accordingly, neither 360networks nor its foreign carrier affiliates have the ability to act anticompetitively against unaffiliated U.S. carriers through the control of bottleneck services or facilities in Canada.

In Europe, WTI Telecom (Ireland) Limited holds a General Telecommunications License in Ireland. WTI Telecom (U.K.) Limited holds an International Facilities License in the U.K. Both are start-up companies created to operate the European portions of the Hibernia cable system. Consequently, neither possess market power or the ability to discriminate against unaffiliated U.S. carriers on the foreign end of the cable.¹⁶

- (l) The foreign carrier affiliates of 360networks qualify for a presumption of non-dominance under Section 63.10(a)(3) because each foreign affiliate lacks 50% market share in the international transport and the local access market on the foreign end of the route. Therefore, 360networks is not required to file quarterly traffic reports required by Section 43.61(c).

- (m) The foreign carrier affiliates of 360networks qualify for a presumption of non-dominance under Section 63.10(a)(3) because each foreign affiliate lacks 50% market share in the international transport and the local access market on the foreign end of the route. Therefore, 360networks is entitled to non-dominant classification pursuant to Section 63.10 for the countries listed in response to paragraph (i).

¹⁴ See In Re SSI Atlantic Crossing LLC and GT Landing Corp., File No. SCL-ASG-19981207-00028, *Order and Authorization*, DA 99-1274, at ¶ 3 (rel. June 30, 1999) ("Because all of GT Landings' affiliates in the destination countries of the AC-1 Cable are start-up companies with no market power, we find that these affiliations do not affect grant of the instant application.").

¹⁵ Id.

¹⁶ Id.

- (n) 360networks 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) 360networks certifies 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. See 21 U.S.C. § 853a.
- (p) This Application is entitled to streamlined processing under Section 63.12(c)(1)(ii) because 360networks' foreign carrier affiliates qualify for a presumption of non-dominance under Section 63.10(a)(3). As discussed above in paragraph (k), 360networks' foreign carrier affiliates lack 50% market share in the international transport and local access markets in their home countries.

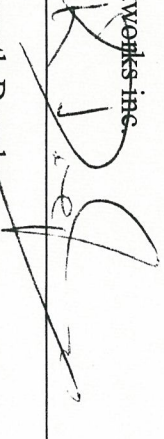
CONCLUSION

For the foregoing reasons, the Applicants request that the Commission authorize the transfer of control of the international Section 214 authorization held by TeleBermuda International Limited from GlobeNet to 360networks in connection with the acquisition of GlobeNet by 360networks.

Respectfully submitted,

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CONCLUSION

For the foregoing reasons, the Applicants request that the Commission authorize the transfer of control of the international Section 214 authorization held by TeleBermuda International Limited from GlobeNet to 360networks in connection with the acquisition of GlobeNet by 360networks.

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**360networks inc. and GlobeNet Communications Group Limited Application to Transfer
Control of International Section 214 Authorization**

EXHIBIT 1

10% or Greater Direct and Indirect Shareholders of 360networks inc.

Name/Citizenship	Address	Business	Interest
Worldwide Fiber Holdings Ltd./Canadian Corporation (Alberta)	1066 West Hastings Street, Suite 1510, Vancouver, BC V6E 3X1 Canada	Holds investments in construction and fiber asset subsidiaries.	Holds 88% of the beneficial ownership of 360networks Inc.
Ledcor Industries Limited/Canadian Corporation (Alberta)	1066 West Hastings Street, Suite 1510, Vancouver, BC V6E 3X1 Canada	Construction and related business and investments; telecommunications.	Owens 100% of the preferred stock of Worldwide Fiber Holdings Ltd.
Ledcor Inc./Canadian Corporation (Alberta)	1066 West Hastings Street, Suite 1510, Vancouver, BC V6E 3X1 Canada	Holding company.	Owens 100% of the common stock of Worldwide Fiber Holdings Ltd.
David W. Ledcor/Canadian Citizen	1360 Cromwell Road, West Vancouver, BC V7S 2P2 Canada	Director, Chairman and Chief Executive Officer of Ledcor Inc.	Holds greater than 10% interest in Ledcor Inc.
Clifford W. Ledcor/Canadian Citizen	9618 42nd Avenue, Suite 300, Edmonton, Alberta T6E 5Y4 Canada	Director, President and Chief Operating Officer of Ledcor Inc.	Holds greater than 10% interest in Ledcor Inc.

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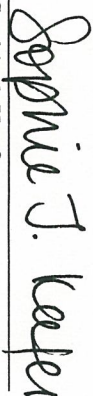
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Dated March 28, 2000



Sophie J. Keefer