

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:

put on streamlined PN

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FCC/MELLON

MAY 25 2000

May 25, 2000

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

Re: Mannesmann Telecommunications USA, Inc., Transferor
Vodafone AirTouch Plc, Transferee
Application to Transfer Control of International Section 214 Authorization
Pursuant to Section 63.18(e)(3) of the Commission's Rules
File No. ITC-214-19981028-00756

To the Commission:

Enclosed for filing are an original and five copies of the above referenced application seeking authority to transfer control of the International Section 214 authorization currently held by Mannesmann Telecommunications USA, Inc. to Vodafone AirTouch Plc. This application is subject to streamlined processing pursuant to Section 63.12 of the Commission's Rules.

An FCC Remittance Advice Form (FCC Form 159), together with the applicable filing fee of \$780, accompanies this filing.

Please contact this office should you have any questions concerning this filing.

Sincerely,

WILKINSON BARKER KNAUER, LLP



By: Kenneth D. Patrick
Robert G. Morse

Enclosure

Wilkinson Barker Knauer, LLP

Date	Invoice No.	Description	Amount
05/25/00	14877		\$780.00

FCC001

Total: \$780.00

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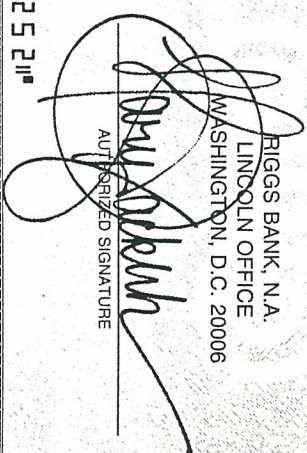
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PAY Seven Hundred Eighty and 00/100 Dollars

Date 05/25/00

\$780.00

TO THE
ORDER
OF
FEDERAL COMMUNICATIONS COMMISSION


RIGGS BANK, N.A.
LINDOLN OFFICE
WASHINGTON, D.C. 20006
AUTORIZED SIGNATURE

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Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)
)
MANNESMANN TELECOMMUNICATIONS USA,) File No. ITC-T/C-_____
INC., Transferor)
)
VODAFONE AIRTOUCH, PLC, Transferee)
)
Application for Transfer of Control of)
International Section 214 Authorization)

To: The Commission

**APPLICATION FOR TRANSFER OF CONTROL
OF INTERNATIONAL SECTION 214 AUTHORIZATION**

Pursuant to Section 214 of the Communications Act of 1934, as amended (the “Act”), 47 U.S.C. § 214, and Section 63.18(e)(3) of the Commission’s rules, 47 C.F.R. § 63.18(e)(3), Vodafone AirTouch, Plc (“AirTouch”) and Mannesmann Telecommunications USA, Inc. (collectively, “Applicants”) hereby seek authority to transfer control of the international Section 214 authorization held by Mannesmann Telecommunications USA, Inc., a wholly-owned subsidiary of Mannesmann, AG (“Mannesmann”), in connection with the acquisition of Mannesmann by Vodafone AirTouch. For the reasons discussed herein, Commission approval of the instant transfer of control application is consistent with the public interest.

DESCRIPTION OF TRANSACTION

Vodafone AirTouch is a global provider of mobile telecommunications services headquartered in the United Kingdom, with interests in 24 countries. In the United States, Vodafone AirTouch indirectly through subsidiaries and partnerships holds a controlling ownership interest in a mobile satellite services licensee, and a number of international Section 214 authorizations, and indirectly holds a noncontrolling ownership in cellular, PCS and paging licensees controlled by Bell Atlantic Corporation and Celco Partnership.¹ Mannesmann is an international, German-domiciled group active in telecommunications, engineering, automotive, and tubes.² Mannesmann is one of Europe's largest telecommunications providers with ownership interests in cellular and competitive wireline carriers in a number of countries.

On November 16, 1999, Vodafone AirTouch announced an offer to acquire all of the shares of Mannesmann. On February 4, 2000, Vodafone AirTouch and the management of Mannesmann reached an agreement on the terms of the acquisition. Pursuant to the merger, Vodafone AirTouch offered 58.9646 Vodafone AirTouch Shares for each Mannesmann Share. Under the transaction, Mannesmann shareholders hold not more than 49.5 percent of the combined company. Four members of Mannesmann's Supervisory Board have been invited to join the Board of Vodafone AirTouch, for a total of 5 representatives out of a total of 19 on the postmerger Vodafone AirTouch board. Thus, existing Vodafone AirTouch shareholders and management will continue to exercise *de facto* and *de jure* control of Vodafone AirTouch and its U.S. subsidiaries. The European Commission approved the transaction on April 12, 2000.

¹ See *Vodafone AirTouch Plc and Bell Atlantic Corporation, Memorandum Opinion and Order*, DA 00-721, ¶¶ 7-8 (rel. March 30, 2000).

² Mannesmann's engineering and automotive divisions will later be sold as a part of the transaction.

Because of the nature of this transaction and the Merger Control Law in the European Union within which it has evolved, Vodafone AirTouch is in the unusual position of seeking Commission approval of a transaction for which many of the steps required under corporate law have already been undertaken. To date, at least 98 percent of all Mannesmann shares have been tendered. Until European Commission approval of the transaction, however, Vodafone AirTouch was prohibited from exercising control of those Mannesmann shares. Indeed, Vodafone AirTouch was effectively prohibited from conducting the type of due diligence typically undertaken prior to consummation of such transactions.³ Vodafone AirTouch subsidiary Globalstar USA, Inc. submitted a Foreign Carrier Affiliation Notification on April 14, 2000, based on publicly-available information at the time, but Vodafone AirTouch has since been able to obtain updated information, as reflected below.⁴

PUBLIC INTEREST STATEMENT

Commission approval of the instant transfer of control application is necessary to reflect Vodafone's *de facto* ownership rights over all Mannesmann AG corporate assets. Mannesmann Telecommunications USA, Inc. will continue to exist as a U.S. subsidiary and hold the international Section 214 authorization. This transaction will not have anti-competitive effects in any U.S. international service market, including any input market that is essential for the provision of international service. This is confirmed by the fact that Vodafone AirTouch and

³ As the Commission has previously determined in a different but relevant context, "the circumstances surrounding a tender offer . . . while increasingly commonplace in the financial world are clearly not ordinary in the context of a licensee's affairs and in the license transfer setting" *Tender Offers and Proxy Contests, Policy Statement*, 59 Rad. Reg. 1536, ¶ 8 (1986).

⁴ The differences between the information provided herein and in the April 14, 2000 FCN filing are minor and not of decisional significance.

Mannesmann are not significant potential participants in the provision of U.S. facilities-based international services.⁵ Moreover, for the reasons discussed below, no foreign carrier affiliate of the combined Vodafone AirTouch-Mannesmann has sufficient market power on the foreign end of a route to affect competition adversely in the U.S. market. All foreign carrier affiliates are from WTO Member countries, and all are either competitive mobile wireless or local service providers with far less than 50 percent of the international transport and local access markets in their respective countries.

SECTION 63.18 INFORMATION

In accordance with Section 63.18 of the rules, Applicants submit the following information in support of this Application. The information set forth below is labeled according to the corresponding rule section to which it is responsive.

I. Transferee/Transferor Information

Section 63.18(a)-(b) -- Transferee/Transferor Name, Address and Citizenship

Transferor:

Mannesmann Telecommunications USA, Inc.
450 Park Avenue, 24th Floor
New York, NY 10022-2669
Citizenship: Delaware

⁵ Vodafone AirTouch subsidiaries are currently constructing earth stations for use with the Globalstar system, and Mannesmann is currently carrying some traffic for a competitive wireline affiliate (Arcor) from Germany to New York. Thus, both carriers are, at most nascent facilities-based providers of international services.

Transferee:

Vodafone AirTouch, Plc
The Courtyard
2-4 London Road
Newbury, Berkshire RG14 1JX United Kingdom
Citizenship: United Kingdom

Section 63.18(c) Contact Information. All correspondence concerning this application

should be addressed to:

On behalf of Transferor:

Joseph E. Innamorati, Esq.
Mannesmann Corporation
450 Park Avenue, 24th Floor
New York, New York 10022
Phone: (212) 826-0040
FAX: (212) 826-0074

Transferee:

Pamela J. Riley
AirTouch Communications, Inc.
1818 N Street, NW Suite 800
Washington, DC 20036
Phone: (202) 293-4960
FAX: (202) 293-4970

Section 63.18(d) -- Existing Authorizations. Neither Mannesmann nor Vodafone

AirTouch directly hold any international Section 214 authorizations. Mannesmann's wholly-owned subsidiary, Mannesmann Telecommunications USA, Inc. currently holds the international Section 214 authorization subject to the instant application for international facilities-based and resale service pursuant to Sections 63.18(e)(1) and (e)(2) of the Commission's rules (File No. ITC-214-19981028-00756). Vodafone AirTouch affiliate Globalstar USA, Inc. is authorized to provide

international facilities-based and resale service for certain earth station facilities pursuant to Sections 63.18(e)(1) and (e)(2) of the rules (File Nos. ITC-214-19990728, ITC-214-19991229-00795).

II. Transferee Information

Section 63.18(h) -- Ten Percent or Greater Direct or Indirect Shareholders. There are no ten percent or greater direct or indirect shareholders in Vodafone AirTouch.

Section 63.18(i) -- Foreign Carrier Affiliations. Vodafone AirTouch hereby certifies that it is affiliated with foreign carriers in Australia, Canada, Egypt, Fiji, Germany, Greece, India, Japan, Malta, New Zealand, South Africa, Sweden, The Netherlands, Uganda, United Kingdom, Portugal, and Hungary. The Commission has already determined that Vodafone AirTouch is entitled to nondominant treatment on all of these routes.⁶ Each of these affiliates is a mobile wireless carrier that holds substantially less than 50 percent of the international transport and local access markets in their respective countries. Except as discussed below with regard to Germany, the transaction described herein does not alter Vodafone AirTouch's ownership in these foreign carrier affiliates.

Applicants hereby submit a list of foreign carrier affiliations involving the countries and carriers listed below, resulting from the acquisition of Mannesmann AG by Vodafone AirTouch.⁷

⁶ See *AirTouch Communications, Inc. and Vodafone Group, Plc, Memorandum Opinion and Order*, DA 99-1200, ¶¶ 15-18 (rel. June 22, 1999); Public Notice, FCN-00010, File No. FCN-NEW-19991124-0050 (rel. Dec. 8, 1999); Public Notice, FCN-00014, File No. FCN-NEW-19991223-0058 (rel. Feb. 11, 2000).

⁷ The previously-announced merger of Mannesmann and Orange U.K., a mobile wireless service provider in the United Kingdom, will *not* be consummated under the terms of the Vodafone AirTouch-Mannesmann merger.

- *Germany.* As previously disclosed, Vodafone AirTouch already holds a greater than 25 percent indirect ownership interest in cellular carrier Mannesmann D2. Its interest will increase from a co-controlling interest to 100 percent and sole controlling ownership interest. Vodafone AirTouch will also acquire a 74 percent controlling ownership interest each in fixed line telephony carriers Arcor and o.tel.o.
- *France.* Vodafone AirTouch will hold approximately a 32 percent ownership interest in cellular carrier SFR.
- *Italy.* Vodafone AirTouch will hold approximately a 77 percent controlling interest in cellular provider Omnitel. Vodafone AirTouch will also hold a 100 percent ownership interest in fixed line telephony carrier Infostrada.
- *Austria.* Vodafone AirTouch will hold a controlling 53 percent interest in fixed line telephony and mobile telephony carrier Tele.ring.

Sections 63.18(G) -- Affiliated Destination Markets. Vodafone AirTouch hereby certifies that it seeks to provide international telecommunications services to the destination countries listed above in which it holds a controlling ownership interest: Germany, Italy, and Austria.

Section 63.18(k) -- Status as Nondominant Carrier. Each of the above-referenced countries is a WTO Member, and the foreign carriers discussed above are competitive mobile wireless and/or competitive local service providers. None are monopoly providers of communications services, and none have sufficient market power on the foreign end of the route to affect competition adversely in the U.S. The foreign carriers also hold substantially lower than 50 percent of the international transport and local access markets in their respective countries.

Sections 63.18(D)-(m) -- International Switched Resale Condition/Non-Dominant

Treatment. As demonstrated above, Vodafone AirTouch affiliates providing either facilities-based or resold international telecommunications services to countries where such affiliates will

acquire an affiliation with a foreign carrier -- namely, Germany, France, Italy, and Austria -- are entitled to nondominant treatment pursuant to Section 63.10(a)(3) of the Commission's rules.

Section 63.18(n) -- Special Concessions Certification. Vodafone AirTouch hereby certifies that it has not agreed to accept any special concessions directly or indirectly from any foreign carrier or foreign administration with respect to traffic or revenue flows between the United States and any foreign country which Vodafone AirTouch may serve under the authority granted pursuant to this Application and will not enter into any such agreements in the future.

Section 63.18(o) -- Anti-Drug Abuse Act Certification. Pursuant to Section 63.18(j), Vodafone AirTouch certifies that, in accordance with 47 C.F.R. §§ 1.2001-1.2003, no officer, director or five percent or more equity holder has been denied Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 862.

Section 63.18(p) Streamlined Processing. For the reasons discussed above, the authorized carriers controlled by Vodafone AirTouch qualify for a presumption of non-dominance under Section 63.10(a)(3) of the Commission's rules on all applicable routes. This application is therefore subject to streamlined pursuant to Section 63.12(c)(1)(i) of the Commission's rules.

CONCLUSION

Accordingly, Applicants respectfully submit that the public interest, convenience and necessity will be served by grant of the instant application. Respectfully submitted,

VODAFONE AIRTOUCH, PLC

By: *Pamela Riley*

MANNESMANN TELECOMMUNICATIONS USA, INC.

By: *Joseph E. Innamorati*
Joseph E. Innamorati, Vice President

May 22, 2000