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FCI/MELLOM

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February 15, 2001

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Cusum
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VIA HAND DELIVERY

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

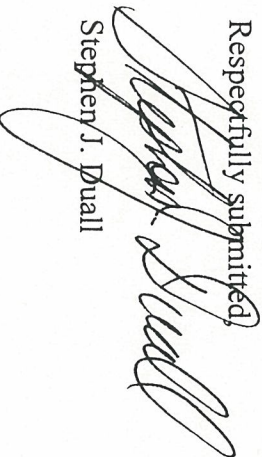
Re: Application for Section 214 Authority
Streamlined Processing Requested

Dear Sir or Madam:

Transmitted herewith on behalf of Equant U.S., Inc. ("Equant U.S."), please find an original and two copies of an Application seeking Consent to Transfer of Control of International Section 214 Authority Pursuant to Section 63.18(e)(3) of the Commission's Rules. This Application is made pursuant to the to the Commission's Public Notice regarding a program to increase compliance with the licensing requirements of Section 214 of the Communications Act of 1934, as amended. See Public Notice, DA 01-188 (rel. Jan. 30, 2001).

Enclosed please find an Application for Authority, FCC Form 159 and a check in the amount of \$815.00 made payable to the Commission as the appropriate filing fee. Please date stamp and return the extra copy of this filing in the enclosed envelope. Should you have any questions regarding this Application, please contact the undersigned, or Mr. David Nall, at (202) 626-6600. Thank you for your assistance.

Respectfully submitted,


Stephen J. Duall

Enclosure

RECEIVED

FEB 22 2001

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

Telecom Division
International Bureau

In the Matter of

EQUANT U.S., INC.

Streamlined
EQUANT U.S., INC.

ITC-T/C-20010215-00093

Application for Consent for Transfer of Control
of International Section 214 Authority
Pursuant to Section 63.18(e)(3) of the
Commission's Rules

**Application for Consent to Transfer of Control
of International Section 214 Authority**

Streamlined Processing Requested

Equant U.S., Inc. ("Equant U.S.") hereby requests authority, pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214, and Section 63.18(e)(3) of the Commission's Rules, 47 C.F.R. § 63.18(e)(3), for the transfer of control of its international Section 214 authorization.¹ The transfer of control stems from a series of public stock offerings by its indirect corporate parent, Equant N.V. As a result of the stock offerings, more than two-thirds of the stock of Equant N.V. is widely held by the public, and control of the company has shifted to public shareholders. Because the transfer of control serves the public interest and because Equant U.S. is not currently affiliated with any foreign carrier that exercises market power in a destination country, Equant U.S. requests that the Commission grant this application under its streamlined processing rules.

¹ Equant U.S. submits this application pursuant to the Commission's Public Notice, DA 01-188 (rel. Jan. 30, 2001). See also 66 Fed. Reg. 8972 (Feb. 5, 2001), and 66 Fed. Reg. 9849 (Feb. 12, 2001).

I. INTRODUCTION

Equant U.S. is a Delaware corporation established in 1996 to provide value-added telecommunications services in the United States. Equant U.S. is one of a number of local network operators, or "LNOs", established by its indirect corporate parent, Equant N.V. (a Dutch company), to own and operate telecommunications assets in various jurisdictions throughout the world. Equant N.V. jointly operates a worldwide telecommunications network with the Société Internationale de Télécommunications Aéronautiques ("SITA"), a Belgian cooperative established in 1949 by major international airline companies to provide global communications and data processing services to the air transport industry.

In May 1998, the Commission granted Equant U.S. authority to operate as a facilities-based and resale provider of international telecommunications services.² At the time of this grant, Equant N.V. (then known as SITA Telecommunications Holding N.V.) was 70% owned by Stichting "The SITA Foundation" ("Foundation"), a Dutch trust acting for the benefit of a group of individual air transport companies that were also members/owners of SITA, as well as their employees and respective subsidiaries.³ The remaining 30% of the stock of Equant N.V. was controlled by Morgan Stanley Capital Partners III, Inc., a wholly owned subsidiary of Morgan Stanley, Dean Witter, Discovery & Co.⁴ Because Equant U.S. is a 100% owned indirect subsidiary of Equant N.V., control of Equant N.V. results in control of Equant U.S.

² See *In Re Overseas Common Carrier Section 214 Applications Actions Taken*, Public Notice, DA 98-862, File No. ITC-214-19980317-00193 (May 1, 1998).

³ In June 1998, SITA Telecommunications Holding N.V. renamed itself as Equant N.V.

⁴ The stock was held through four investment funds managed (either directly or indirectly) by Morgan Stanley Capital Partners III, Inc., which were: (1) Morgan Stanley Capital Partners III, L.P.; (2) STH Investors, L.P.; (3) MSCP III 892 Investors, L.P.; and (4) Morgan Stanley Capital Investors, L.P.

After Equant U.S. received its grant of authority, Equant N.V. went through a series of public stock offerings that resulted in a gradual transfer of control of the company from the Foundation to the public. In July 1998, Equant N.V. made an initial public offering (“IPO”) of its stock on the New York Stock Exchange and the Paris Bourse. After the IPO, the Foundation still maintained a majority (59.6%) share of the stock of Equant N.V., as well as the right to elect five of the nine members of the board of directors. In February 1999, Equant N.V. conducted a second public offering of its stock, as a result of which the Foundation’s stock ownership was reduced below 50% and *de jure* control of the company passed to the public. The Foundation, however, maintained *de facto* control after this second public offering due to the fact that it maintained a special shareholder right to elect a majority of the board of directors. Finally, after a third public offering of stock in December 1999, the Foundation’s stake dropped below 40%, and the Foundation relinquished its special shareholder right to elect a majority of the board of directors.⁵ At present, the Foundation controls 33.77% of the stock of Equant N.V., and the remainder of the stock is widely held by the public – with no other shareholder owning more than 1% of the stock.⁶

In this application, Equant U.S. requests Commission authority for the transfer of control resulting from these public stock offerings. The transfer of control resulting from the stock offerings serves the public interest by providing Equant N.V. with funding in order to expand its network services and compete more effectively with other providers of telecommunications

⁵ It should be noted, however, that the Foundation continued to hold a majority of the seats on the board of directors until May 25, 2000. At this time, two of the original five directors elected by the Foundation were replaced by outside directors, thereby reducing to three the number of directors elected by the Foundation.

⁶ Morgan Stanley, Dean Witter, Discovery & Co. sold the last of its minority holding in Equant N.V. to the public by September 2000.

services. This expansion and competition benefits customers throughout the world, including the United States, by providing greater choice in the provision of telecommunications services and lowering prices.

Furthermore, streamlined treatment of this application is appropriate under Section 63.12 of the Commission's Rules because Equant U.S. is not currently affiliated with any foreign carrier that exercises market power in destination country.⁷ Accordingly, Equant U.S. requests that the Commission grant authority for the transfer of control containing in this application pursuant to its streamlined processing procedures.

II. SECTION 63.18 INFORMATION

The following information is submitted, as required by Section 63.18 of the Commission's Rules, 47 C.F.R. § 63.18, in support of this application.

- (a) The names, addresses, and telephone numbers of the Applicants are:

Equant U.S., Inc.
400 Galleria Parkway
Atlanta, GA 30339
(678) 346-3000
- (b) Equant U.S. is a company incorporated under the laws of the State of Delaware.
- (c) Correspondence concerning this application should be sent to:

Equant U.S., Inc.
400 Galleria Parkway
Atlanta, GA 30339
Attn: Legal Department

⁷ Separately, Equant U.S. and Atlas Telecommunications S.A. ("Atlas") are filing an application for Commission authority to transfer control of Equant U.S.'s Section 214 authority to Atlas, a wholly owned indirect subsidiary of France Télécom ("FT"). As part of this separate application, Equant U.S. agrees to be classified as dominant on certain routes and to resell the international services of unaffiliated U.S. facilities-based carriers on other routes, in order to conform its authority to that of FT and its subsidiaries.

(678) 346-3000

With a Copy to:

Mr. John Taylor
Equant
Bejeman Place, 215-217 Bath Road
Slough, Berkshire SL1 4AA
United Kingdom
+44 181 321 4000

and

David A. Nall
Stephen J. Duall
Squire, Sanders & Dempsey L.L.P.
1201 Pennsylvania Avenue, N.W.
P.O. Box 407
Washington, DC 20044-0407
(202) 626-6600

- (d) Equant U.S. received authorization to provide global facilities-based and resale service on May 1, 1998 in File No. ITC-214-19980317-00193.
- (e) Equant U.S. requests authorization, pursuant to Section 63.18(e)(3) of the Commission's Rules, to transfer control of its international Section 214 authorization as the result of the public stock offerings of its indirect parent corporation, Equant N.V.
- (f) Not applicable.
- (g) Not applicable.
- (h) Equant U.S. is a wholly owned indirect subsidiary of Equant N.V. through its 100% owned intermediary companies, Equant Finance B.V. (a Dutch company) and EGN B.V. (a Dutch company). The following persons and entities beneficially own 10% or more of the shares of Equant N.V.:

Name
Stichting "The SIT A Foundation"

Percent Ownership
33.77%

Address:

Gatwickstraat 21-23
1043 GL Amsterdam-Sloterdijk
The Netherlands

Citizenship:

The Netherlands

Principal Business:

Foundation

- (i) Equant U.S. is a wholly owned subsidiary of EGN B.V., which provides Equant N.V.'s value-added services through subsidiaries in countries throughout the world.
- (j) Equant U.S. certifies that it seeks continued authorization to provide service to countries where it is affiliated with subsidiaries of EGN B.V.
- (k) All destination countries are Members of the World Trade Organization or are countries in which Equant U.S. is not affiliated with a foreign carrier that exercises market power.
- (l) Equant U.S. does not propose in this application to resell the international switched services of an unaffiliated U.S. carrier.
- (m) Equant U.S. seeks continued non-dominant regulatory treatment because it is not affiliated in any destination market with a foreign carrier that exercises market power, as set forth in Section 63.10(a)(3) of the Commission's Rules.
- (n) Equant U.S. certifies that its has not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any international route where the foreign carrier possesses market power on the foreign end of the route and will not, to the extent the Commission's special concession rules remain applicable, enter into such agreements in the future.

- (o) Equant U.S. certifies that no party to this application has been denied federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.
- (p) Equant U.S. requests streamlined processing of this application pursuant to Section 63.12 of the Commission's Rules because Equant U.S. is not currently affiliated with any foreign carrier that exercises market power in a destination country as set forth in Section 63.10(a)(3).⁸ See 47 C.F.R. § 63.12(c)(ii).

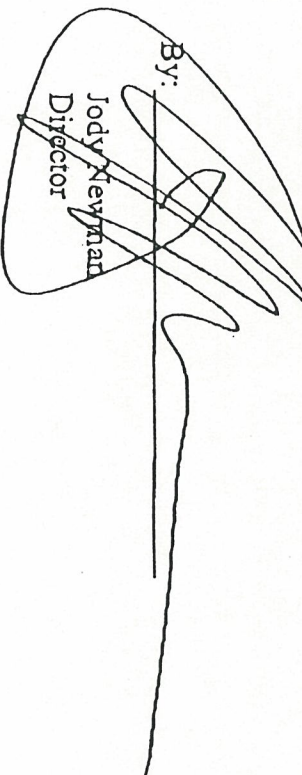
⁸ See note 7, *supra*.

III. CONCLUSION

For the reasons set forth above, Equant U.S. requests that the Commission authorize the transfer of control contained in this application through the Commission's streamlined processing procedure.

Respectfully submitted,

EQUANT U.S., INC.

By: A large, stylized handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the bottom, is written over the text 'By: Jody Neyman Director'.

Jody Neyman
Director

Date: February 15, 2001