

Streamlined  
DACOM AMERICA, INC.

ITC-T/C-20010226-00107

AKIN, GUMP, STRAUSS,

ATTORNEYS

A REGISTERED LIMITED LIABILITY PARTNERSHIP  
INCLUDING PROFESSIONAL CORPORATIONS

WALTER & PATRICIA WELTON

FEB 26 2001

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MAR 02 2001

Telecom Division  
International Bureau

RIVADH - IN AFFILIATION WITH THE  
LAW OFFICE OF ABDULAZIZ H. FAHAD

February 26, 2001

Federal Communications Commission  
International Bureau -- Telecommunications  
Post Office Box 358115  
Pittsburgh, PA 15251-5115

Dear Ladies and Gentlemen:

Enclosed on behalf of DACOM America, Inc. ("DACOM") are an original and five copies of an Application to Transfer Control of DACOM's Global Section 214 Authorization.

Also enclosed are FCC Form 159 and a check in the amount of \$815.00 to cover the fee for this application.

Please direct any inquiries to the undersigned.

Sincerely,



Daniel E. Pollner, Esq.

cc: Mr. George Li

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MAR 02 2001

Telecom Division  
International Bureau

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

In the Matter of )  
 )  
 )  
Shareholders of Dacom Corporation ) File No. ITC-\_\_\_\_\_ )

Transferor, )  
 )  
 )  
LG Group )  
 )  
 )  
Transferee, )  
 )  
 )

Application for Authority Under )  
Section 214 of the Communications )  
Act of 1934, as amended, to Transfer )  
Control of Authorization to Provide )  
International Facilities-Based Services )  
and International Resale Services, )  
On a Global Basis )

**APPLICATION FOR AUTHORITY TO TRANSFER CONTROL**

The shareholders of Dacom Corporation and LG Group hereby request authority, pursuant to Section 214 of the Communications Act of 1934 (the "Act"), as amended, 47 U.S.C. § 214, and 47 C.F.R. § 63.18 of the rules of the Federal Communications Commission ("FCC" or "Commission"), to transfer control of Dacom America, Inc. ("Dacom America") to five companies organized and existing under the laws of the Republic of Korea (hereinafter, "LG Group"). Dacom America is a wholly-owned subsidiary of Dacom Corporation and holds a global Section 214 authorization to provide

facilities-based and resale services.<sup>1</sup> The shareholders of Dacom Corporation and LG Group request streamlined processing of this application in accordance with Section 63.12(c)(1)(i) of the rules of the FCC, 47 C.F.R. § 63.12(c)(1)(i).

In January 2000, LG Group acquired in the aggregate a 56 percent ownership interest in Dacom Corporation by purchasing stock from existing shareholders of Dacom Corporation. Although this ownership change was completed in January, the parties did not believe that FCC consent was required since the 56 percent interest is not held by any single entity, but instead is split among different LG Group members. These LG Group members are not under common management or subject to common control, but instead are independent corporate entities. As a result, 56 percent of the ownership of Dacom Corporation has been transferred to and is dispersed among members of the LG Group. There is no holding company or other corporate entity that controls the members of LG Group. In addition, there are no changes in the ownership of Dacom America.<sup>2</sup> As a result, Dacom Corporation continues to own 100% of Dacom America and manage Dacom America. Even though the 56 percent ownership interest in Dacom Corporation is dispersed among five different entities, which are not under common control, the parties are filing this application seeking FCC consent to relinquish control of Dacom America

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<sup>1</sup> The Dacom America Section 214 authorization number is: ITC-21419980807-00549 (Effective September 18, 1998). See Public Notice, Overseas Common Carrier Section 214 Applications, Actions Taken, DA No. 98-1934 (rel. September 24, 1998).

<sup>2</sup> As previously reported to the FCC at the time Dacom America applied for a Section 214 authorization, Dacom America is organized and existing under the laws of the state of Delaware and Dacom Corporation is organized and existing under the laws of the Republic of Korea. See Dacom America, Inc., Application for Section 214 Authorization, File No. ITC-214-19980807-00549 (filed Aug. 7, 1998). The application was processed on a streamlined basis and granted September 18, 1998. See Public Notice, Overseas Common Carrier Section 214 Applications, Actions Taken, DA No. 98-1934 (rel. September 24, 1998).



from the shareholders of Dacom Corporation through the transfer of a 56 percent interest in Dacom Corporation to these various LG Group entities.

The five entities that hold an aggregate 56 percent interest in Dacom Corporation are: LG Electronics, Inc., which holds 49.0 percent of the ownership of Dacom Corporation; and LG Industrial Systems Co., Ltd; LG Cable Ltd., LG International Corp. and LG Investment and Securities Co., Ltd., which in the aggregate hold an additional 7 percent of the ownership of Dacom Corporation.

Although each entity acts independent of the others, this ownership change will enable each to diversify its product and service offerings by marketing products and services under the LG Group brand name. For example, LG Electronics, Inc. manufactures televisions, other household electronics, and other telecommunications equipment such as telephones and handsets. The investment of the LG Group members in Dacom Corporation will not impede Dacom America's continued focus on the provision of telecommunications services to its customers, and will raise Dacom Corporation's profile in the Republic of Korea since it will be marketing its services under the LG Group brand name. Accordingly, applicants submit that the public interest, convenience and necessity will be served by a grant of this application.

Pursuant to 47 C.F.R. § 63.18 of the rules of the FCC, Dacom Corporation and LG Group set forth the following information in support of its request for authorization:

- (a) LG Electronics, Inc. will serve as the representative for the six LG Group members. Accordingly, the name, address and telephone number of the transferor and

transferee are as follows:

For the Transferee: c/o LG Electronics, Inc.  
20 Yoido-dong  
Youngdungpo-gu  
Seoul, Korea  
Telephone: 822-3777-3420

For the Transferor: c/o Dacom Corporation  
135-610 DACOM Bldg.  
706-1, Yeoksam-dong, Kangnam-ku  
Seoul, Korea

(b) Each of the companies in LG Group (i.e. the various transferees) are organized and existing under the laws of the Republic of Korea. Dacom America, the holder of the Section 214 authorization, is a corporation organized and existing under the laws of the state of Delaware. Because Dacom Corporation is a company organized under the laws of Korea and its stock is publicly traded in Korea, we will assume that the transferor, many Dacom Corporation shareholders, all either are companies organized and existing under the laws of the Republic of Korea or are Korean citizens.

(c) LG Electronics, Inc. will serve as the representative for the five LG Group members and Dacom America will serve as the contact representative for Dacom Corporation. Accordingly, the name, title, address and telephone number of the contact point(s) to whom correspondence should be sent is:

For the Transferee: c/o LG Electronics, Inc.  
20 Yoido-dong  
Youngdungpo-gu  
Seoul, Korea  
Telephone: 822-3777-3420

For the Transferor:      c/o Ms. Eun Kyung Lee  
Dacom America, Inc.  
One Executive Drive, 3<sup>rd</sup> Floor  
Fort Lee, N.J. 07024  
Telephone: (201) 585-0022

and a copy of the correspondence also should be sent to:

Tom W. Davidson, Esq.  
Akin, Gump, Strauss, Hauer & Feld, L.L.P.  
1333 New Hampshire Ave., N.W.  
Suite 400  
Washington, D.C. 20036  
Telephone: (202) 887-4011

(d)      None of the LG Group members hold a section 214 authorization. Dacom Corporation has not received any prior authorizations under Section 214 of the Act other than the Section 214 authorization held by its wholly-owned subsidiary, Dacom America, which is the subject of this application.

(e)      Not applicable.

(f)      Not applicable.

(g)      Not applicable.

(h)      The LG Group members hold an aggregate 56 percent ownership interest in Dacom Corporation. LG Electronics, Inc., which is principally engaged in manufacturing electronic and telecommunications equipment holds 49.0 percent of the ownership of

Dacom Corporation. The remaining 7 percent ownership in Dacom Corporation is dispersed among four other members of the LG Group: LG Industrial Systems Co., Ltd.; LG Cable Ltd.; LG International Corp.; and LG Investment and Securities Co., Ltd. There are no other entities that hold a 10 percent or greater interest in Dacom Corporation. In addition, LG Group certifies that none of the LG Group entities have any interlocking directorates with a foreign telecommunications carrier.

(i) By the attached certification, LG Group certifies that none of the LG Group members has an affiliation with a foreign carrier.

(j) By the attached certification, LG Group certifies that none of the LG Group members are foreign carriers in the Republic of Korea. The only foreign carrier is Daacom Corporation. Accordingly, LG Group, by this transfer of control will provide international telecommunications services between the United States and the Republic of Korea.

(k) The Republic of Korea is a member of the World Trade Organization and signatory to the Basic Telecom Agreement. In addition, LG Group lacks market power in the Republic of Korea.<sup>3</sup>

(l) This section does not apply to LG Group and the LG Group members because they do not seek to resell the international switched services of an unaffiliated U.S. carrier for the purpose of providing international communications services to the Republic of Korea.<sup>4</sup>

(m) By this transfer of control, LG Group seeks regulatory status as a non-dominant carrier for the provision of telecommunications services to the Republic of Korea. Pursuant to Section 63.10(a)(3) of the rules of the FCC, 47 C.F.R. § 63.10(a)(3), other than Daacom Corporation, neither LG Group nor any of the LG Group members are a foreign carrier. Accordingly, LG Group lacks a fifty (50) percent market share in the international transport and the local access markets in the Republic of Korea.

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<sup>3</sup> Daacom Corporation also lacks 50 percent market share in the international transport and local access markets in the Republic of Korea. As a result, Daacom Corporation lacks market power in the Republic of Korea.

<sup>4</sup> LG Group will not alter the services of Daacom America. At this time, under the authority of its Section 214 authorization, Daacom America provides switched, basic telecommunications services using resold international private lines only in circumstances where the Commission has specifically authorized the provision of such services to particular countries at the foreign end.



(n) By the attached certification, LG Group certifies that it has not received or agreed to accept any special concessions, directly or indirectly, from any foreign carrier with respect to any U.S. international route where the foreign carrier possess sufficient market power on the foreign end of the route to affect competition adversely in the U.S. market and will not enter into such agreements in the future.

(o) By the attached certification, LG Group hereby 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.

(p) LG Group requests streamlined processing pursuant to Section 63.12(c)(1)(i) of the rules of the FCC, 47 C.F.R. § 63.12(c)(1)(i). LG Group seeks authorization pursuant to the terms and conditions of Sections 63.18(e)(1); 63.18(e)(2); and 63.18(e)(6) of the rules of the FCC, 47 C.F.R. § 63.18(e)(1); 47 C.F.R. § 63.18(e)(2); and 47 C.F.R. § 63.18(e)(6). As a result, LG Group and its members qualify for streamlined processing because it seeks no other authorization available under Section 63.18(e) of the rules of the FCC, 47 C.F.R. § 63.18(e). LG Group also qualifies for streamlined processing because LG Group and its members lack sufficient market power in the Republic of Korea to affect competition adversely in the U.S. market. In addition, LG Group is presumptively non-dominant pursuant to Section 63.10 of the rules of the FCC, 47 C.F.R. § 63.10, since LG Group and its members lack a 50 percent market share in the international transport and the local access markets in the Republic of Korea. In addition, the Republic of Korea is a member of the World Trade Organization and signatory to the Basic Telecom Agreement.




### Conclusion

The Republic of Korea has demonstrated its strong commitment to introducing competition in the telecommunications sector through its signature of the World Trade Organization Basic Telecom Agreement.

The entry by LG Group into the U.S. market will bring greater competition and services in the U.S. telecommunications sector. Accordingly, a grant of this application to transfer control of Dacom America to LG Group will serve the public interest, convenience and necessity.

Respectfully submitted,

**Dacom Corporation, on behalf of Transferor**

By:   
Jong-Seong Yoon  
Senior Managing Director

**LG Electronics, Inc., on behalf of Transferee**


By:   
Jong-Ho Park  
Senior General Manager

February 12, 2001

## CERTIFICATION

I, Jong-Ho Park, a representative of LG Electronics, Inc., an LG Group member and a 49 percent equity holder in Dacom Corporation, hereby certify that:

1. Neither LG Group nor members of the LG Group are affiliated with any foreign carrier, other than Dacom Corporation, as defined in 47 C.F.R. § 63.18(h)(1), a telecommunications carrier in the Republic of Korea.
2. Members of the LG Group all are organized and existing under the laws of the Republic of Korea and Dacom America is a wholly-owned subsidiary of Dacom Corporation. Members of LG Group have no interlocking directorates with foreign telecommunications companies.
3. LG Group and members of the LG Group certify that they have no affiliation, as defined in 47 C.F.R. § 63.18(h)(3), with any U.S. carrier whose services Dacom America will resell.
4. LG Group and members of the LG Group 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 sufficient market power on the foreign end of the route to affect competition adversely in the U.S. market and will not enter into such agreements in the future.
5. No party to this application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1998.



Jong-Ho Park  
Senior General Manager  
LG Electronics, Inc.

Dated: February 12, 2001

READ INSTRUCTIONS CAREFULLY  
BEFORE PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION  
REMITTANCE ADVICE

Approved by OMB  
3060-0589

Page No. \_\_\_ of \_\_\_

(1) LOCKBOX #  
358115

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)  
Dacom America, Inc.

(3) TOTAL AMOUNT PAID (U.S. Dollars and  
\$815.00

(4) STREET ADDRESS LINE NO. 1  
One Executive Drive, 3rd Floor

(5) STREET ADDRESS LINE NO. 2

(6) CITY  
Fort Lee

(7) STATE  
NJ

(8) ZIP CODE  
07024

(9) DAYTIME TELEPHONE NUMBER (include area code)  
(201) 585-0022

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

FCC REGISTRATION NUMBER (FRN) AND TAX IDENTIFICATION NUMBER (TIN) REQUIRED

(11) PAYER (FRN)

(12) PAYER (TIN)  
113092445

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

(13) APPLICANT NAME

(14) STREET ADDRESS LINE NO. 1

(15) STREET ADDRESS LINE NO. 2

(16) CITY

(17) STATE

(18) ZIP CODE

(19) DAYTIME TELEPHONE NUMBER (include area code)

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

FCC REGISTRATION NUMBER (FRN) AND TAX IDENTIFICATION NUMBER (TIN) REQUIRED

(21) APPLICANT (FRN)

(22) APPLICANT (TIN)

COMPLETE SECTION C FOR EACH SERVICE. IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET

(23A) CALL SIGN/OTHER ID  
ITC-21419980807-00549

(24A) PAYMENT TYPE CODE  
CUT

(25A) QUANTITY  
1

(26A) FEE DUE FOR (PTC)  
\$815.

(27A) TOTAL FEE

\$815.00

FCC USE ONLY

(28A) FCC CODE 1

(29A) FCC CODE 2

(23B) CALL SIGN/OTHER ID

(24B) PAYMENT TYPE CODE

(25B) QUANTITY

(26B) FEE DUE FOR (PTC)

(27B) TOTAL FEE

FCC USE ONLY

(28B) FCC CODE 1

(29B) FCC CODE 2

SECTION D - CERTIFICATION

(30) CERTIFICATION STATEMENT  
I Daniel E. Pollner

certify under penalty of perjury that the foregoing and supporting information is true and correct to

SIGNATURE

*Daniel E. Pollner*

DATE 2/26/01

DATE 2/26/01

DATE 2/26/01

SECTION E - CREDIT CARD PAYMENT INFORMATION

(31)

MASTERCARD

MASTERCARD/VISA ACCOUNT NUMBER:  
| | | | | | | | | | | | | | | | | | | | | |

EXPIRATION  
| | | | |

VISA

I hereby authorize the FCC to charge my VISA or MASTERCARD for the service(s)/authorization herein described.

SIGNATURE

DATE



AKIN, GUMP, STRAUSS, HAUER & FELD, L.L.P.

CHECK NO. 230645

YOUR INVOICE NO.	INVOICE DATE	CLIENT NO.	MTR NO.	AMOUNT	DESCRIPTION	REQUESTOR
FE021501A	02/15/01	073033	0011	\$ 815.00	FILING FEE	D POLLN

DETACH STATEMENT BEFORE DEPOSITING CHECK

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 INCLUDING PROFESSIONAL CORPORATIONS  
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 WASHINGTON, DC 20036  
 (202) 887-4013

FIRST UNION NATIONAL BANK OF WASHINGTON, DC CHECK NO. 230645  
 Washington, DC 20005 15-122/540

DATE 02/22/2001  
 AMOUNT OF CHECK  
 \$\*\*\*\*\*815.00

VOID AFTER 6 MONTHS

PAY *Eight Hundred Twenty & no/100 Dollars*  
 TO THE ORDER OF  
 FEDERAL COMMUNICATIONS COMMISSION

*James T. Henry*  
 AUTHORIZED SIGNATURE

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