

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

In the Matter of)
)
Vanco Solutions, Inc.) WB Docket No. 08-79
)
and) File No. ITC-T/C-20080527-00239
)
Vanco US LLC) File No. ITC-T/C-20080527-00241
<i>Licensees</i>)
)
Vanco plc (in administration))
<i>Transferor</i>)
)
FLAG Telecom Group Services Limited)
<i>Transferee</i>)
)
Application for Consent to Transfer Control)
of Companies Holding International)
Authorizations and Blanket Domestic)
Authorizations Pursuant to Section 214 of the)
Communications Act of 1934, as Amended)

**PETITION TO ADOPT CONDITIONS TO
AUTHORIZATIONS**

The Department of Justice (“DOJ”) respectfully submits this Petition to Adopt Conditions to Authorizations (the “Petition”) pursuant to Section 1.41 of the Federal Communications Commission (“FCC” or “Commission”) rules concerning the above-captioned applications of Vanco Solutions, Inc., Vanco US LLC, Vanco plc (in administration) (collectively, “Vanco”) and FLAG Telecom Group Services Limited (“FLAG”). Through this Petition, DOJ, with the concurrence of the Department of Homeland Security (“DHS”), advises the Commission that it has no objection to the Commission granting its consent in the above-captioned proceeding, provided that the Commission conditions the grant of the referenced applications on Vanco and Reliance

Globalcom Services, Inc. (“RGSI”) abiding by the commitments and undertakings contained in their December 19, 2008 letter (the “Letter”) attached hereto as Exhibit 1.

As the Commission is aware, DOJ has taken the position that its ability to satisfy its obligations to protect the national security, enforce the laws, and preserve the safety of the public could be impaired by transactions in which foreign entities will own or operate a part of the U.S. telecommunications system, or in which foreign-located facilities will be used to provide domestic telecommunications services to U.S. customers. After discussions with representatives of Vanco and FLAG, DOJ has concluded that the Letter will help ensure that DOJ and other entities with responsibility for enforcing the law, protecting the national security, and preserving public safety can proceed in a legal, secure, and confidential manner to satisfy these responsibilities. Accordingly, DOJ, with the concurrence of DHS, hereby advises the Commission that it has no objection to the Commission granting the above-captioned Applications, provided that the Commission conditions its consent on compliance by Vanco and RGSI with the commitments set forth in the Letter.

DOJ is authorized to state that Vanco and FLAG do not object to the grant of this Petition.

Respectfully submitted

/s/ Richard C. Sofield

Richard C. Sofield

Director

Foreign Investment Review Staff

National Security Division

United States Department of Justice

December 19, 2008

EXHIBIT 1

FLAG TELECOM GROUP SERVICES LIMITED

RELIANCE GLOBALCOM SERVICES INC.

VANCO SOLUTIONS, INC.

VANCO US LLC

J. Patrick Rowan
Assistant Attorney General for National Security
National Security Division
U.S. Department of Justice
950 Pennsylvania Avenue, N.W.
Washington, D.C. 20530

Community Coordinators Unit
Counterintelligence Division
Federal Bureau of Investigation
935 Pennsylvania Avenue, N.W.
Washington, D.C. 20530

Re: Pending Applications of FLAG Telecom Group Services Limited ("FLAG Services"), Vanco US LLC ("Vanco US") and Vanco Solutions, Inc. ("Vanco Solutions," or together with Vanco US, "Vanco") seeking consent to transfer control of Vanco to FLAG Services under Section 214 of the Communications Act of 1934, as amended;
FCC File Nos. ITC-T/C-20080527-00239 and ITC-T/C-20080527-00241

Ladies and Gentlemen:

This letter outlines the commitments made by FLAG Services; Reliance Globalcom Services Inc. (formerly Yipes Enterprise Services, Inc.) ("RGSI"), a wholly-owned indirect subsidiary of FLAG Services; and Vanco to the U.S. Department of Justice ("DOJ"), including the Federal Bureau of Investigation ("FBI"), in order to address national security, law enforcement, and public safety concerns raised with regard to the applications of Vanco and FLAG Services seeking Federal Communications Commission ("FCC") consent to transfer control of Vanco to FLAG Services under Section 214 of the Communications Act of 1934, as amended.

Each of Vanco US and Vanco Solutions is a U.S. corporation that holds an FCC authorization to provide international facilities-based and resold services to all international points under Section 214 of the Communications Act of 1934, as amended. Vanco provides managed data networking services by means of a "virtual network" that

consists of infrastructure leased by Vanco from facilities-based carriers and resold to Vanco's customers.

FLAG Services and its affiliates Reliance Communications Limited, Reliance Gateway Net Limited, Reliance Globalcom Limited (formerly FLAG Telecom Group Limited), Yipes Holdings, Inc., and RGSI, together with DOJ and the U.S. Department of Homeland Security, are all parties to a certain agreement effective as of November 30, 2007 (the "Agreement"), the entry into which was a condition of the FCC's grant of the application in FCC File No. ITC-T/C-20071002-00407. All capitalized terms used in this letter that are not defined herein shall have the meanings given them in the Agreement.

FLAG Services, RGSI, and Vanco (collectively "the Companies") agree that, for purposes of the Agreement, the term "Communications Service Providers" shall be deemed to include Vanco.

The Companies agree that, for purposes of the Agreement, the term "Domestic Communications Infrastructure" shall be deemed to include the following: (a) transmission, switching, bridging and routing equipment (including software and upgrades) used by or on behalf of Vanco to provide, process, direct, control, supervise or manage Domestic Communications; (b) facilities and equipment used by or on behalf of Vanco physically located in the United States; and (c) facilities to control the equipment described in (a) and (b) above, but does not include (i) equipment or facilities provided to Vanco by unrelated third parties for resale, except to the extent that such facilities or equipment is under the actual control of Vanco or (ii) equipment or facilities provided by entities with which Vanco has contracted for peering, interconnection, roaming, long distance, or other similar arrangements on which the Parties may agree, nor equipment or facilities used by service providers other than Vanco that are interconnecting communications providers.

The Companies agree that, for all Vanco customer billing records, subscriber information, and any other related information used, processed, or maintained in the ordinary course of business relating to communications services offered by Vanco in the United States ("U.S. Records"), Vanco will store copies of such U.S. Records in the United States and will make such U.S. Records available in the United States in response to lawful U.S. process. The Companies further agree that neither RGSI nor Vanco will store U.S. Records in a location outside of the United States other than the United Kingdom without the prior written consent of DOJ. For these purposes, U.S. Records shall include information subject to disclosure to a U.S. Federal or state governmental entity under the procedures specified in Sections 2703(c) and (d) and Section 2709 of Title 18 of the United States Code.

The Companies represent that all services currently provided by RGSI and Vanco in the United States are either private network services or non-facilities-based Internet access services, which the Companies understand are exempt from the "assistance capability" requirements of Section 103 of the Communications Assistance for Law Enforcement Act ("CALEA"), 47 U.S.C. § 1002. In the event that RGSI or Vanco begins to offer products or services in the United States that are subject to Section 103 of

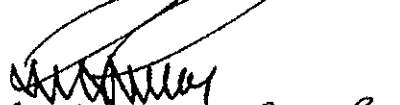
CALEA, the Companies agree to notify DOJ of such products or services pursuant to Section 4.11 of the Agreement and to assess the CALEA capabilities of the Domestic Communications Infrastructure, taking into account such new services, pursuant to Section 4.10 of the Agreement.

Finally, at the request of the USG Parties, the Companies hereby confirm their understanding that transferring the Domestic Communications Infrastructure to other Affiliates would not relieve the Companies of their obligations under the Agreement or this letter except as the USG Parties may otherwise agree in writing. The Companies shall ensure that any such Affiliate takes all measures necessary to ensure satisfaction of the terms of the Agreement and this letter.

We understand that, upon execution of this letter by authorized representatives of FLAG Services, RGSI, and Vanco, DOJ and FBI shall notify the FCC that DOJ and FBI have no objection to the FCC's grant of the Vanco applications filed with the FCC.

Sincerely,

~~FLAG TELECOM GROUP SERVICES LIMITED~~



R.H. LILEY - Director

RELIANCE GLOBALCOM SERVICES, INC.

VANCO SOLUTIONS, INC.

VANCO US LLC

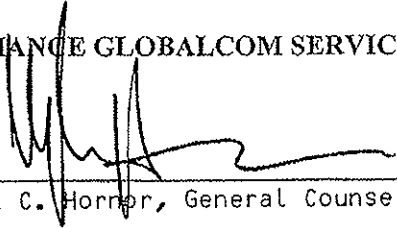
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Sincerely,

FLAG TELECOM GROUP SERVICES LIMITED

RELIANCE GLOBALCOM SERVICES, INC.



Mark C. Horner, General Counsel

VANCO SOLUTIONS, INC.

VANCO US LLC

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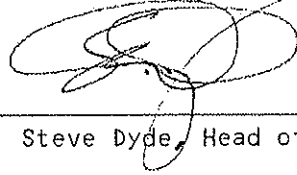
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FLAG TELECOM GROUP SERVICES LIMITED

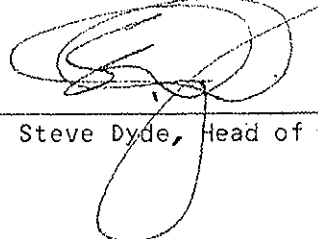
RELIANCE GLOBALCOM SERVICES, INC.

VANCO SOLUTIONS, INC.



Steve Dyde, Head of Legal, Group Company Secretary

VANCO US LLC



Steve Dyde, Head of Legal, Group Company Secretary

DATED: 12/19/08

cc: Tara K. Giunta, Esq.
Paul, Hastings, Janofsky & Walker LLP
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Washington, D.C. 20005
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