

## ATTACHMENT 1

### Application to Transfer Control of Easynet Group Inc. to EGHL (UK) Limited

#### **Answer to Question 10**

##### ***Transferor Contact Information***

David Gormley  
Company Secretary  
British Sky Broadcasting Group Plc.  
Grant Way  
Isleworth, TW7 5QD  
United Kingdom  
Telephone: 44-870-2403000

##### ***Transferee Contact Information***

David Rowe  
Managing Director  
EGHL (UK) Limited  
Chancellor House  
5 Thomas More Square  
London, E1W 1YW  
Telephone: 44-207-0325200

*With a copy to:*

Daniel Sasaki  
Lloyds TSB Development Capital Limited  
One Vine Street  
London, W1J 0AH  
United Kingdom  
Telephone: 44-207-758-3680

##### ***Prior International Section 214 Authorizations***

Easynet Group Inc. ("Easynet Inc.") holds global facilities-based and global resale authority pursuant to Section 63.18(e)(2) of the Commission's Rules. (File No. ITC-214-19971216-00791).

EGHL (UK) Limited holds no international Section 214 authorizations.

## **Answer to Question 11**

Pursuant to Section 63.18(h) of the Commission's rules, the relevant ownership information listing the entities directly or indirectly holding a ten percent or greater interest in transferee EGHL (UK) Limited is below.

### ***Direct Ownership***

Name: EGHL Limited  
Address: Chancellor House,  
5 Thomas More Square  
London, E1W 1YW  
United Kingdom  
Citizenship: Incorporated in England and Wales  
Principal Business: Holding company  
Percentage Held: 100%

### ***Indirect Ownership***

Pursuant to the note to Section 63.18(h) of the Commission's rules, the following entities indirectly own 10 percent or more of EGHL (UK) Limited:

Lloyds TSB Development Capital Limited ("LDC")  
One Vine Street  
London, W1J 0AH  
United Kingdom

Incorporated in England and Wales  
Investment company  
58.38%

OBS 2010 LP  
Quay 2  
139 Fountainbridge  
Edinburgh, EH3 9QG  
United Kingdom

Incorporated in Scotland  
Co-investment fund, which is managed by LDC  
12.513%

David Rowe  
42 Arkwright Road  
London, NW3 6BH  
United Kingdom

British citizen  
12.75%

### **Answer to Question 12**

EGHL (UK) Limited has interlocking directorates with certain affiliated foreign carriers. The following identifies each interlocking officer/director.

Name: David Rowe  
EGHL (UK) Limited Position: Managing Director  
Foreign Carrier Position: Director  
(Country of operation): EGHL (UK) Limited subsidiaries operating in Belgium, France, Spain, Netherlands, Italy, Hong Kong, USA and China.

Name: Richard Croft  
EGHL (UK) Limited Position: Director / General Counsel  
Foreign Carrier Position: Director  
(Country of operation): EGHL (UK) Limited subsidiaries operating in Spain

### **Answer to Question 13**

#### ***Description of Transaction***

Under the proposed transaction, EGHL (UK) Limited, a private limited company incorporated in the United Kingdom, will purchase the entire issued share capital of the Easynet group of companies (the "Easynet Group"), including Easynet Limited, which currently is controlled by the British Sky Broadcasting Group. Easynet Inc, the holder of Section 214 authority to provide international telecommunications on a global facilities and resale basis, is a wholly-owned subsidiary of Easynet Limited. EGHL (UK) Limited therefore requests the Commission to approve the transfer of control of Easynet Inc. to EGHL (UK) Limited in accordance with Section 214 of the Communications Act of 1934, as amended.

#### ***Public Interest Statement***

The transfer of control of Easynet Inc. from the British Sky Broadcasting Group to EGHL (UK) Limited poses no risk of anticompetitive impact on the U.S. international telecommunications market. Easynet Inc. holds only a very small share of the U.S. market and therefore has no ability to adversely affect competition in the U.S. market.

In addition, EGHL (UK) Limited does not possess foreign market power that will harm U.S. consumers. The Commission has concluded that the exercise of foreign market power in the United States "could harm U.S. consumers through increases in prices, decreases in quality, or

reductions in alternatives in end-user markets . . . This risk occurs when a U.S. carrier is affiliated with a foreign carrier that has sufficient market power on the foreign end of a route to affect competition adversely in the U.S. market."<sup>1</sup> When it acquires the Easynet Group, EGHL (UK) Limited will become affiliated with various foreign carriers, identified below, that provide wholesale and retail broadband Internet access services and business data communications services. Each of the foreign affiliates, however, is a non-dominant Internet access service provider in its respective home country. As such, there is no evidence that consumers or the international Internet access services market will be harmed by the transfer of control of Easynet Inc. from the British Sky Broadcasting Group to EGHL (UK) Limited.

#### **Answer to Question 14**

Easynet Inc. is affiliated with a foreign carrier because its indirect parent post the transaction, EGHL (UK) Limited, will have direct and indirect subsidiary operations within the following countries: United Kingdom, France, Germany, The Netherlands, Belgium, Italy, Spain, Hong Kong, China and Switzerland. These subsidiaries are authorized to provide telecommunications services.

#### **Answer to Question 15**

Easynet Inc. is affiliated with the foreign carriers identified below because it will indirectly be a wholly-owned subsidiary of EGHL (UK) Limited, which either directly or indirectly controls the foreign carriers. The affiliated foreign carriers are:

<b><i>United Kingdom:</i></b>	Easynet Limited
<b><i>France:</i></b>	Easynet SAS
<b><i>Germany:</i></b>	Easynet Gmbh
<b><i>The Netherlands:</i></b>	Easynet Holdings BV, Easynet Group Nederland B.V., Concepts Information Communication Technology Holding BV and Concepts Information Communication Technology Fiber & Wireless BV
<b><i>Belgium:</i></b>	Easynet Belgium
<b><i>Italy:</i></b>	Easynet Italia SpA
<b><i>Spain:</i></b>	Easynet España SAU and Star Telecomunicaciones Avanzadas SL

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<sup>1</sup> *Aerial Communications, Inc. and Voicestream Wireless Holding Corp.*, 15 FCC Rcd 10089, 10107 (2000) (citing *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market*, 12 FCC Rcd 23891, 23951-54 (1997)).

*Switzerland:* Easynet AG

*Hong Kong:* Easynet Telecom (Hong Kong) Ltd and Hong Kong Easynet Technology Co. Ltd

*China:* Yunnan Easynet Technology Co. Ltd

**Answer to Question 16**

Pursuant to Section 63.10 of the Commission's rules, EGHL (UK) Limited and Easynet Inc. request "non-dominant" status on all the routes between the United States and the destination countries listed above in which Section 214 holder Easynet Inc.'s current parent, the Easynet Group, is authorized to provide service as a foreign carrier.

Each of the destination countries is a member of the World Trade Organization. None of the foreign carrier affiliates is a monopoly provider of communications services and each lacks 50 percent market share in the international transport and local access markets on the foreign end of its respective U.S.-international route. Therefore, EGHL (UK) Limited and Easynet Inc. are presumptively classified as non-dominant on all of the U.S.-international routes identified above.

Each of the above foreign affiliates is authorized in its respective home country to provide telecommunications services.

**Answer to Question 20**

This application qualifies for streamlined processing under Section 63.12(c)(1)(ii) of the Commission's rules. As demonstrated above, EGHL (UK) Limited and Easynet Inc. qualify for a presumption of non-dominance under Section 63.10(a)(3) of the Commission's rules for the routes between the United States and the identified foreign countries.