

The instant application seeks Federal Communications Commission (“Commission”) approval for the transfer of control of the international Section 214 authority of Cascabel Networks, LLC (“Cascabel” or “Applicant”) pursuant to an assignment of Cascabel member interests between the individuals described below:

The “Transferors”

Mr. Carlos Flores
Mr. Miguel Angel Ballesteros

The “Transferees”

Mr. Simon Masri
Mr. Ricardo Flores
Mr. Salomon Masri
Mr. Ernesto Polin

Pursuant to two separate member interest assignment agreements executed on January 1, 2011 (the “Transaction”), Transferors assigned all member interests in Cascabel to Transferees. Since the Transaction was already consummated, a transfer of control has already occurred. To the extent it is necessary to remain in compliance with Commission requirements,¹ Applicant has also submitted concurrently a request for STA while the instant application is pending.

ANSWER TO QUESTION 10:

In response to 47 C.F.R. § 63.18(c), please direct all correspondence concerning this application to the following counsel for Cascabel Networks, LLC:

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In response to 47 C.F.R. § 63.18(d), Applicant has previously received authority under Section 214 of the Act to provide facilities-based, Section 63.18(e)(1), and resale, Section 63.18(e)(2), international services under File No. ITC-214-20070425-00160 (granted 12/13/2007). The Transferors and Transferees, as individuals, have not previously received authority under Section 214 of the Act.

¹ Applicant believes that international Section 214 authority is arguably unnecessary for the types of service it provides. The only service offered by Applicant is the international termination of voice over internet protocol (VoIP) traffic originated by unaffiliated carrier customers in the U.S. Applicant offers its services only to carrier customers on a private contractual basis (*i.e.*, not on a common carrier basis). Notwithstanding the foregoing, Applicant obtained international Section 214 authority for business purposes as some foreign carriers will only contract with U.S. entities which possess such authority.

ANSWER TO QUESTION 11:

Prior to the Transaction, the following individuals held, directly or indirectly, at least ten (10) percent of the equity in Applicant as determined by successive multiplications in the manner specified in the note to Section 63.18(h) of the Commission’s rules:

Name/Address	% of Shares	Citizenship	Principal Business
Mr. Carlos Flores 1211 San Dario Avenue Suite 225 Laredo, TX 78040	50%	USA	Telecommunications
Mr. Miguel Angel Ballesteros Lazaro Cardenas # 4408 Colonia las Torres 64930 Monterrey, N. L. Mexico	50%	Mexico	Telecommunications

After the Transaction, the following individuals held, directly or indirectly, at least ten (10) percent of the equity in Applicant as determined by successive multiplications in the manner specified in the note to Section 63.18(h) of the Commission’s rules:

Name/Address	% of Shares	Citizenship	Principal Business
Mr. Simon Masri 10370 Richmond Av Suite 1125 Houston, TX 77042	30.5%	Mexico	Telecommunications
Mr. Ricardo Flores 10370 Richmond Av Suite 1125 Houston, TX 77042	30.5%	USA	Telecommunications
Mr. Salomon Masri 10370 Richmond Av Suite 1125 Houston, TX 77042	30.5%	Mexico	Telecommunications

ANSWER TO QUESTION 12:

The Applicant has interlocking directorates (*i.e.*, persons or entities who perform the duties of “officer or director” in an authorized U.S. international carrier who also performs such duties for any foreign carrier) as described below.

Mr. Simon Masri serves as a Manager and President of Cascabel, and also serves as an officer or director of the following foreign carriers:

POSITION / TITLE	CARRIER NAME	COUNTRY
Managing Member	Bicentel SA de CV	Mexico

Mr. Ricardo Flores serves as a Manager and Vice President of Cascabel, and also serves as an officer or director of the following foreign carriers:

POSITION / TITLE	CARRIER NAME	COUNTRY
Managing Member	Bicentel SA de CV	Mexico

Mr. Salomon Masri serves as a Manager and Treasurer of Cascabel, and also serves as an officer or director of the following foreign carriers:

POSITION / TITLE	CARRIER NAME	COUNTRY
Managing Member	Bicentel SA de CV	Mexico

Mr. Ernesto Polin serves as a Manager and Secretary of Cascabel, and also serves as an officer or director of the following foreign carriers:

POSITION / TITLE	CARRIER NAME	COUNTRY
Managing Member	Bicentel SA de CV	Mexico

ANSWER TO QUESTION 13:

The transfer of control of Applicant’s international Section 214 authority took place through the assignment of member interests from the Transferors to the Transferees pursuant to two separate member interest assignment agreements. The Transaction was consummated on January 1, 2011. Prior to the Transaction, Cascabel’s member interests were held equally by Mr. Carlos Flores (50%) and Mr. Miguel Angel Ballesteros (50%). Subsequent to the Transaction, Cascabel’s member interests were held by Mr. Simon Masri (30.5%), Mr. Ricardo Flores (30.5%), Mr. Salomon Masri (30.5%) and Mr. Ernesto Polin (8.5%). The Transaction assigned the member interests in Cascabel as follows:

Mr. Carlos Flores’ 50% member interest was assigned to:	Mr. Miguel Angel Ballesteros’ 50% member interest was assigned to:
Mr. Ricardo Flores (30.5%) Mr. Salomon Masri (11%) Mr. Ernesto Polin (8.5%)	Mr. Simon Masri (30.5%) Mr. Salomon Masri (19.5%)

ANSWERS TO QUESTION 14 AND QUESTION 15:

Cascabel is not a foreign carrier. However, upon consummation of the transaction, Cascabel became affiliated with foreign carriers (*i.e.*, any entity that is authorized within a foreign country to engage in the provision of international telecommunications services offered to the public in that country) through the ownership interests of its Members, as described below. If the application is granted, Cascabel would be authorized to provide service to the destination countries in which it has foreign carrier affiliations through Members who own more than 25% of Cascabel, as described below.

Mr. Simon Masri, a 30.5% Member of Cascabel, either controls or has a greater than 25 percent ownership interest in the following entities which are authorized within a foreign country to engage in the provision of international telecommunications services to the public in that country:

Foreign Carrier Name	Country
Bicentel SA de CV	Mexico

Mr. Ricardo Flores, a 30.5% Member of Cascabel, either controls or has a greater than 25 percent ownership interest in the following entities which are authorized within a foreign country to engage in the provision of international telecommunications services to the public in that country:

Foreign Carrier Name	Country
Bicentel SA de CV	Mexico

Mr. Salomon Masri, a 30.5% Member of Cascabel, either controls or has a greater than 25 percent ownership interest in the following entities which are authorized within a foreign country to engage in the provision of international telecommunications services to the public in that country:

Foreign Carrier Name	Country
Bicentel SA de CV	Mexico

ANSWER TO QUESTION 16:

Applicant requests classification as “non-dominant” between the U.S. and the country listed in response to Questions 14 and 15: Mexico.

Cascabel qualifies for a presumptive classification as non-dominant under Section 63.10(a)(3) of the Commission’s rules. Cascabel’s foreign affiliates, as described in the response to Questions 14 and 15, are not monopoly providers of telecommunications services in their respective countries. Each of the foreign affiliates lacks 50% of the market share in the international transport and the local access markets on the foreign end of the applicable route. Accordingly, Cascabel would be presumptively classified as non-dominant with respect to each route.²

² See 47 C.F.R. § 63.10(a)(3). Furthermore, the Commission presumes that Telefonos de Mexico (TelMex), which is unaffiliated with the instant Applicant, is the foreign carrier which possesses market power in the destination market of Mexico. See *The International Bureau Revises and Reissues the Commission’s List of Foreign Telecommunications Carriers that Are Presumed to Possess Market Power in Foreign Telecommunications Markets*, Public Notice, DA 07-233, January 26, 2007.

Additionally, Applicant is a reseller that provides international services solely through the resale of unaffiliated U.S. facilities-based carriers' international services (either directly or indirectly through the resale of another U.S. resale carrier's international services). Accordingly, Applicant would be presumptively classified as non-dominant for the provision of such service.³

ANSWER TO QUESTION 20:

Applicant requests streamlined processing of the application. The application qualifies for streamlined processing for the following reasons.

- Applicant qualifies for a presumption of non-dominance under Section 63.10(a)(3) of the Commission's rules, as detailed in its response to Question 16.⁴
- Applicant's foreign carrier affiliates are resellers and do not own any facilities (*i.e.*, an ownership, indefeasible-right-of-user, or leasehold interest in bare capacity in international or domestic telecommunications facilities) in the destination markets.⁵
- The affiliated destination markets are WTO Member countries and the Applicant qualifies for a presumption of non-dominance under Section 63.10(a)(4).⁶

EXPLANATION FOR RESPONSE TO QUESTION 22

Question 22 requests that Applicant certify, in part, that "the authorization(s) will not be assigned or that control of the authorization(s) will not be transferred until the consent of the Federal Communications Commission has been given." The Transaction has already been consummated and the transfer of control of Applicant's authorizations has already occurred. Consequently, Applicant is unable to affirmatively provide a certification in response to Question 22 and has, instead, designated "No" as its response.

³ See 47 C.F.R. § 63.10(a)(4).

⁴ See 47 C.F.R. § 63.12(c)(1)(ii).

⁵ See 47 C.F.R. § 63.12(c)(1)(iii).

⁶ See 47 C.F.R. § 63.12(c)(1)(iv).