

The instant application seeks Federal Communications Commission (“Commission”) approval for the transfer of control of the international Section 214 authority of IPBTEL, LLC (“IPBTEL” or “Applicant”). The transfer of control occurred as of January 1, 2008 due to IPBTEL acceptance of two new members through capital contributions (the “Transaction”),¹ thereby diluting the controlling interest of the Applicant’s previous controlling member. As a result, control of IPBTEL shifted from Mr. Ricardo Flores (the “Transferor”) to Mr. Simon Masri (the “Transferee”).²

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, Applicant has also submitted concurrently a request for STA while the instant application is pending.³

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 IPBTEL, 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 switched services under File No. ITC-214-20040426-00159 (granted 5/21/2004). The Transferors and Transferees, as individuals, have not previously received authority under Section 214 of the Act.

ANSWER TO QUESTION 11:

¹ The two new members of Applicant are Mr. Simon Masri and Mr. Salomon Masri.

² Mr. Simon Masri became both a Manager and President of the Applicant. Thus, he is in effect the current controlling member. Mr. Ricardo Flores remains a Manager of the Applicant.

³ Applicant believes that international Section 214 authority is arguably unnecessary for the types of services it provides. The only services offered by Applicant are the international termination of voice over internet protocol (“VoIP”) traffic which is 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.

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. Ricardo Flores 10370 Richmond Av Suite 1125 Houston, TX 77042	80%	USA	Telecommunications
Mr. Ernesto Polin 10370 Richmond Av Suite 1125 Houston, TX 77042	20%	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, meaning 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 IPBTEL, 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 IPBTEL, 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 IPBTEL, 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 IPBTEL, 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 occurred as of January 1, 2008 due to IPBTEL acceptance of two new members, Mr. Simon Masri and Mr. Salmon Masri, through capital contributions. The Transaction diluted the controlling interest of Applicant's previous controlling member, Mr. Ricardo Flores. As a result, control was transferred from Mr. Ricardo Flores to Mr. Simon Masri, who became both a Manager and President of Applicant. Prior to the Transaction, IPBTEL's member interests were held by Mr. Ricardo Flores (80%) and Mr. Ernesto Polin (20%). Subsequent to the Transaction, IPBTEL'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%).

ANSWERS TO QUESTION 14 AND QUESTION 15:

IPBTEL is not a foreign carrier. However, upon consummation of the transaction, IPBTEL 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, IPBTEL 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 IPBTEL, as described below.

Mr. Simon Masri, a 30.5% Member of IPBTEL, 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 IPBTEL, 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 IPBTEL, 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.

IPBTEL qualifies for a presumptive classification as non-dominant under Section 63.10(a)(3) of the Commission’s rules. IPBTEL’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, IPBTEL would be presumptively classified as non-dominant with respect to each route.⁴

⁴ 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.⁵

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 16.⁶
- 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.⁷
- The affiliated destination markets are WTO Member countries and the Applicant qualifies for a presumption of non-dominance under Section 63.10(a)(4).⁸

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.

⁵ See 47 C.F.R. § 63.10(a)(4).

⁶ See 47 C.F.R. § 63.12(c)(1)(ii).

⁷ See 47 C.F.R. § 63.12(c)(1)(iii).

⁸ See 47 C.F.R. § 63.12(c)(1)(iv).