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November 9, 2006

VIA HAND DELIVERY

Marlene H. Dortch
Secretary
Federal Communications Commission
International Bureau – Policy
PO Box 358115
Pittsburgh, PA 15251-5115

Re: **FLAG Telecom Group Limited Application for Special Temporary Authority**

Dear Ms. Dortch:

Enclosed is the original, four copies, and one stamp and return copy of the FLAG Telecom Group Limited Application for Special Temporary Authority related to its cable landing license (SCL-LIC-19990301-00005). The application has been submitted with a facsimile copy of the signature page. We will submit the original signature page under separate cover when we receive it.

Please contact us if you have any questions about this filing.

Respectfully submitted,



Christopher C. Tai
Rhonda M. Bolton
Brendan Kasper
Petra A. Vorwig
Counsel for FLAG Telecom Group Limited

READ INSTRUCTIONS CAREFULLY
BEFORE PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE

Approved by OMB
3060-0589
Page 1 of 1

(1) LOCK BOX # 358115		SPECIAL USE ONLY	
		FCC USE ONLY	
SECTION A - PAYER INFORMATION			
(2) PAYER NAME (if paying by credit card enter name exactly as it appears on the card) FLAG Telecom Group Limited		(3) TOTAL AMOUNT PAID (U.S. Dollars and cents) \$965.00	
(4) STREET ADDRESS LINE NO. 1 Milner House			
(5) STREET ADDRESS LINE NO. 2 18 Parliament Street			
(6) CITY Hamilton		(7) STATE N/A	(8) ZIP CODE HM12
(9) DAYTIME TELEPHONE NUMBER (include area code) +44 207 478 9540		(10) COUNTRY CODE (if not in U.S.A.) BM	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(11) PAYER (FRN) 0010621449		(12) FCC USE ONLY	
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C) COMPLETE SECTION BELOW FOR EACH SERVICE. IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(13) APPLICANT NAME FLAG Telecom Group Limited			
(14) STREET ADDRESS LINE NO. 1 Milner House			
(15) STREET ADDRESS LINE NO. 2 18 Parliament Street			
(16) CITY Hamilton		(17) STATE N/A	(18) ZIP CODE HM12
(19) DAYTIME TELEPHONE NUMBER (include area code) + 44 207 478 9540		(20) COUNTRY CODE (if not in U.S.A.) BM	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(21) APPLICANT (FRN) 0010621449		(22) FCC USE ONLY	
COMPLETE SECTION C FOR EACH SERVICE. IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(23A) CALL SIGN/OTHER ID SCL-LIC-19990301-00005	(24A) PAYMENT TYPE CODE CUT	(25A) QUANTITY 1	
(26A) FEE DUE FOR (PTC) \$965.00	(27A) TOTAL FEE \$965.00	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			
CERTIFICATION STATEMENT I, <u>Brendan Kasper</u> , certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief.			
SIGNATURE <u>Brendan Kasper</u>		DATE <u>11/9/06</u>	
SECTION E - CREDIT CARD PAYMENT INFORMATION			
MASTERCARD _____ VISA _____ AMEX _____ DISCOVER _____			
ACCOUNT NUMBER _____		EXPIRATION DATE _____	
I hereby authorize the FCC to charge my credit card for the service(s)/authorization herein described.			
SIGNATURE _____		DATE _____	

As explained in greater detail below, FLAG inadvertently failed to obtain Commission authorization prior to a series of transactions that resulted in a transfer of ultimate control over FLAG. Accordingly, concurrent with the filing of this STA request, FLAG is filing an application seeking Commission approval of the transfer of control. However, FLAG requests special temporary authority to continue operating its facilities and serving its customers pending the Commission's consideration of the transfer of control application. Grant of this STA request is therefore in the public interest because it will allow FLAG to avoid any discontinuity of service to the public.

Background and Request for STA

FLAG had been controlled indirectly by Reliance Communications Ventures Limited ("RCVL") as a result of the transfer by Reliance Industries Limited ("RIL") of its various telecommunications entities to RCVL.² As a result of this transfer, RCVL exercised *de jure* and *de facto* control over FLAG, holding an aggregate indirect ownership interest of 65.9120% in FLAG. However, the corporate structure assumed by RCVL (which was renamed Reliance Communications Ventures Limited ("RCOM") on June 7, 2006)³ was extremely complicated and

condition and to include the pro forma condition in 47 C.F.R. § 1.767(g)(7) of the Commission's rules as an amendment to paragraph (5) of the License. See IBFS File Nos. SCL-MOD-20040211-00005, SCL-MOD-20040211-00006. Subsequently, in September, 2005, FLAG filed an application for consent to the *pro forma* change in control that occurred when Reliance Industries Limited ("RIL") assumed *de jure* control over FLAG. IBFS File No. SCL-T/C-20050929-0018. Finally, on November 30, 2005, the Commission approved the transfer of control of FLAG from the ultimate parent company, RIL, to a new ultimate parent company, Reliance Communications Ventures Limited ("RCVL"). See IBFS File No. SCL-T/C-20051011-00026.

² See Notification of Consummation dated February 17, 2006 - IBFS File No. SCL-T/C-20051011-00026. RCVL's name was changed to RCOM on June 7, 2006. Hereinafter, RCOM shall also mean RCVL, as appropriate.

³ Hereinafter, RCOM shall also mean RCVL, as appropriate.

included a number of intermediate companies with cross ownership interests as well as outside minority shareholders in some of the intermediate companies. Specifically, Mr. Anil Ambani held a 20.4543% non-controlling interest in FLAG through his acquisition of interests in various intermediate companies in the chain of ownership between RCVL and FLAG.⁴ And Mrs. Kokilaben Ambani held a 13.6337% non-controlling interest in FLAG by obtaining equity interests in various intermediate companies.⁵ The corporate structure pre-September 14, 2006 is depicted in Attachment A hereto.

In an effort to rationalize and simplify its corporate structure, RCOM has sought to eliminate certain intermediate companies and convert the interests held by minority shareholders in some of those intermediate companies into interests in RCOM itself.⁶ In a series of complex transactions that were approved by the High Court of Judicature at Bombay and the High Court of Gujarat at Ahmedabad (both in India), RCOM was able to eliminate most of the intermediate companies in the ownership chain between it and FLAG and assume their assets and liabilities. On September 14, 2006, it completed this process by issuing additional shares of stock to the former minority shareholders of certain of the now-eliminated intermediate companies. As a result of this "Scheme of Amalgamation," RCOM now owns 100% of FLAG. In turn, Mr. Ambani now holds an aggregate 42.90% interest in RCOM via three separate means: (i) through his near complete ownership of Reliance Innoventures Limited ("RIVL"), which holds a 0.56%

⁴ FLAG timely notified the Commission of Mr. Ambani's acquisition of this 20.4543% non-controlling interest in FLAG on October 10, 2005.

⁵ FLAG timely notified the Commission of Mrs. Ambani's acquisition of this 13.6337% non-controlling interest in FLAG on March 21, 2006.

⁶ A full description of the transactions and the resulting division of ownership is provided in FLAG's transfer of control application filed simultaneously with this STA application. See *FLAG Atlantic-1 Submarine Cable Landing License, Application for Authority Pursuant to the Cable Landing License Act for Transfer of Control*, File No. _____, (filed Nov. 9, 2006).

direct interest in RCOM and a 100% indirect interest in AAA Communication Private Limited (“AAACPL”) that, in turn, holds a 29.11% interest in RCOM; (ii) through his near complete ownership of Anadha Enterprise Private Limited (“AEPL”), which holds a 13.14% direct interest in RCOM; and (iii) through his 0.09% direct interest in RCOM. By virtue of these holdings, Mr. Ambani now exercises *de facto* control over both RCOM and FLAG. Mrs. Ambani now holds an aggregate 21.96% interest in RCOM via two separate means: through her near complete ownership of Bhavan Mercantile Private Limited (“BMPL”), which holds a 21.73% direct interest in RCOM; and through her 0.23% direct interest in RCOM. The post-September 14, 2006, simplified ownership structure is depicted in Attachment B hereto.

Unfortunately, FLAG inadvertently failed to seek prior Commission authorization for the series of restructuring steps that resulted in the transfer of control to Mr. Ambani as of September 14, 2006. Upon discovering the error, FLAG sought immediately to rectify the situation and to institute safeguards against future occurrences.⁷ As one of the corrective measures, FLAG is filing simultaneously with this application a transfer of control application requesting Commission approval of the transfer of control over FLAG from RCOM to Mr. Ambani.⁸ In the meantime, however, FLAG requests this STA to continue operating its facilities

⁷ Upon learning of the error, FLAG promptly contacted the Commission to schedule a meeting to inform the Commission of the situation and to seek Commission guidance on the corrective steps needed. This meeting was held on October 10, 2006, with members of the Policy Division of the International Bureau. In addition, FLAG has taken steps to familiarize appropriate personnel with the Commission’s regulatory requirements regarding transfers of control to ensure that similar mistakes do not occur in the future. Finally, FLAG will ensure that counsel is consulted concerning any future corporate restructurings or other transactions that could require an application or other disclosure to the Commission.

⁸ FLAG Atlantic-1 Submarine Cable Landing License Application for Authority Pursuant to the Cable Landing License Act for Transfer of Control, File No. _____, (filed Nov. 9, 2006)

and serving its customers pending Commission approval of its transfer of control application. Accordingly, grant of this STA request is in the public interest because it will allow FLAG to avoid any discontinuity of service to the public.

FLAG acknowledges that the grant of this STA request will not prejudice any action the Commission may take on the underlying application seeking Commission approval of the transfer of control of FLAG. FLAG further acknowledges that this STA can be revoked by the Commission upon its own motion without a hearing.

Information Required Under Section 1.767

§ 1.767(a)(1)

FLAG Telecom Group Limited
Milner House
18 Parliament Street
Hamilton HM12
Bermuda
Telephone: +44 207 478 9540
Attn: Mr. Mark Prudden

§ 1.767(a)(2)

FLAG is a corporation organized under the laws of Bermuda.

§ 1.767(a)(3)

Correspondence concerning this application should be directed to:

FLAG Telecom Group Limited
Sovereign Court
635 Sipson Road
Sipson, West Drayton
Middlesex UB7 0JE
United Kingdom
Attn: Mr. Mark Prudden

with a copy to:

Christopher Tai
Steptoe & Johnson LLP

1330 Connecticut Avenue, NW
Washington, DC 20036
Telephone: 202-429-3000

§ 1.767(a)(8)

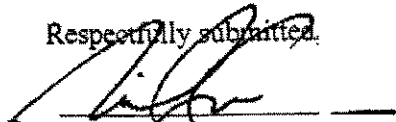
See FLAG's transfer of control application filed simultaneously with this request.⁹

§ 1.767(a)(9)

FLAG hereby certifies that it accepts and will abide by the routine conditions specified in paragraph (g) of Section 1.767 of the Commission's rules.

⁹ See *FLAG Atlantic-1 Submarine Cable Landing License, Application for Authority Pursuant to the Cable Landing License Act for Transfer of Control*, File No. _____, (filed Nov. 9, 2006).

Respectfully submitted,



Michael Sauer
Authorized Signatory
FLAG Telecom Group Limited
Milner House
18 Parliament Street
Hamilton HM12
Bermuda

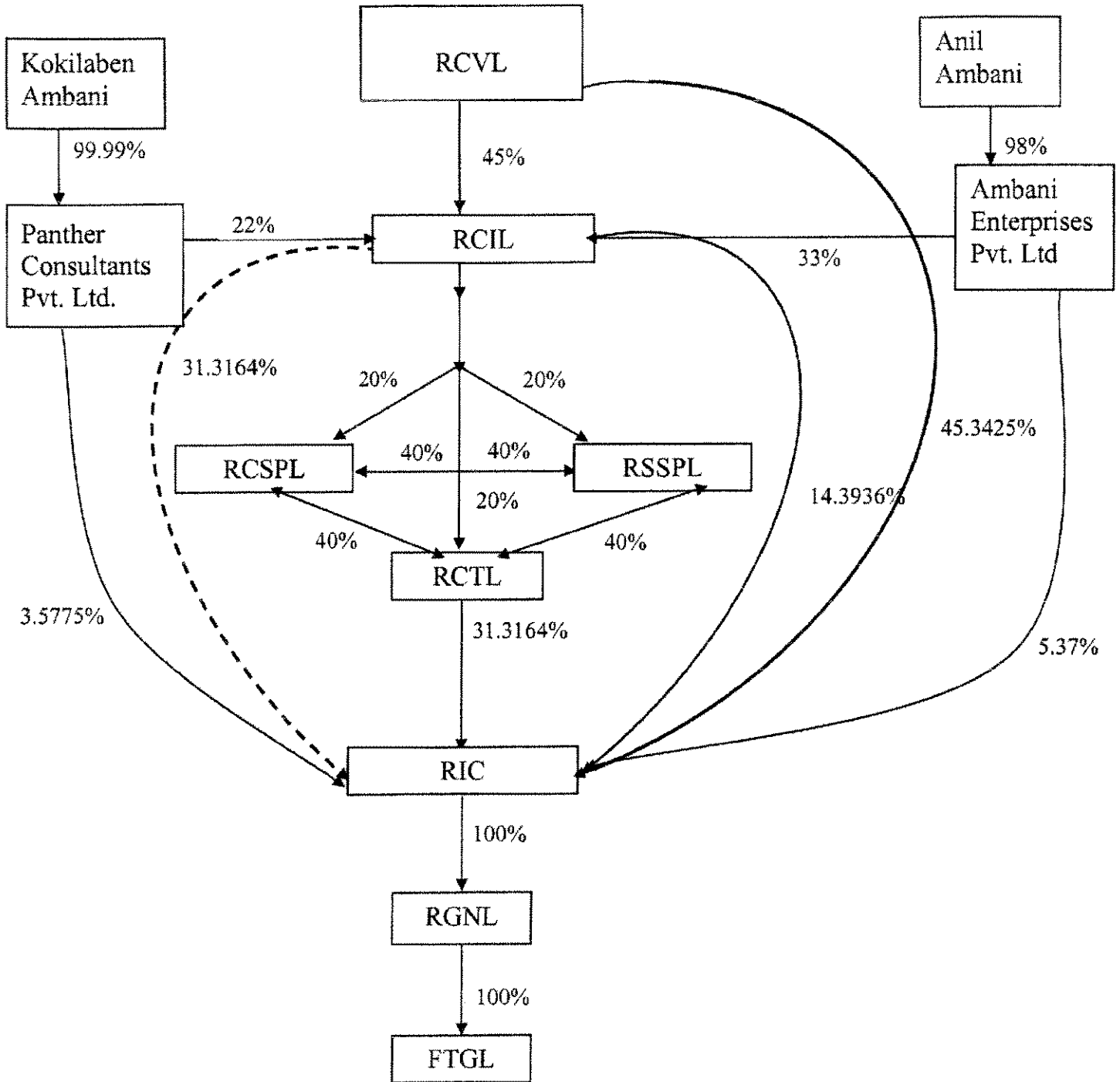
Christopher C. Tai
Rhonda M. Bolton
Petra A. Vorwig
Stephoe & Johnson LLP
1330 Connecticut Avenue NW
Washington, DC 20036
(202) 429-3000

Counsel for Applicants

Dated: November 9th, 2006

Attachment A

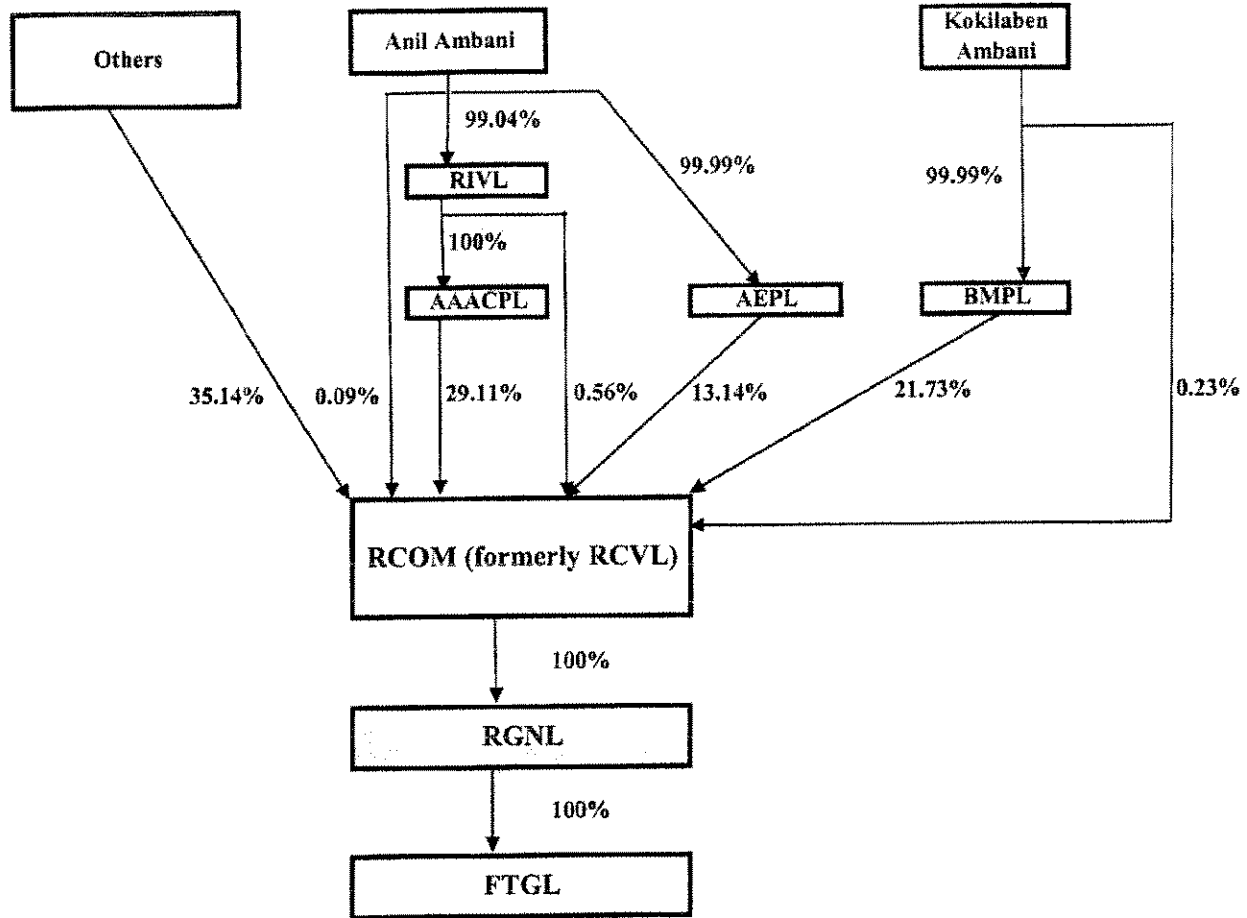
FLAG CORPORATE STRUCTURE - Prior to Sep. 14, 2006



“RCVL” is Reliance Communication Ventures Limited
“RCIL” is Reliance Communications Infrastructure Limited
“RCSPL” is Reliance Communications Solutions Private Limited
“RSSPL” is Reliance Software Solutions Private Limited
“RCTL” is Reliance Communications Technologies Limited
“RIC” is Reliance Infocomm Limited
“RGNL” is Reliance Gateway Net Limited
“FTGL” is FLAG Telecom Group Limited, the cable landing licensee

Attachment B

FLAG CORPORATE STRUCTURE - After September 14, 2006



"Others" includes a diverse array of Indian and non-Indian institutional and individual investors

"RIVL" is Reliance Innoventures Limited

"AAACPL" is AAA Communication Private Limited

"AEPL" is Anadha Enterprise Private Limited

"BMPL" is Bhavan Mercantile Private Limited

"RCOM" is Reliance Communications Limited

"RCVL" is Reliance Communication Ventures Limited

"RGNL" is Reliance Gateway Net Limited

"FTGL" is FLAG Telecom Group Limited, the cable landing licensee

WARNING: THIS CHECK IS PROTECTED BY SPECIAL SECURITY GUARD PROGRAM FEATURES

15-122
540

CHECK NUMBER: **428056**
CHECK DATE: 11/09/2006
VENDOR NUMBER: 0261

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WASHINGTON, D.C. 20036-1795
(202) 429-3000

WACHOVIA BANK, N.A.
OF WASHINGTON, D.C.

\$965.00*****

NINE HUNDRED SIXTY-FIVE AND 00/100 Dollar

VOID AFTER 180 DAYS

PAY TO THE ORDER OF

FEDERAL COMMUNICATIONS COMMISSION



AUTHORIZED SIGNATURE

⑆ 4 28056 ⑆ ⑆ 05400 ⑆ 2 20 ⑆ 200003 258898 7 ⑆