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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

October 17, 2001

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EX PARTE OR LATE FILED

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: Ex Parte Presentation in IB Docket No. 96-261

Dear Ms. Salas:

Pursuant to Section 1.1204(a) of the Commission's rules, representatives of Atlantic Tele-Network, Inc. ("ATN") met with the International Bureau regarding ATN's petition for a waiver of the benchmark settlement rate on the U.S.-Guyana route. ATN was represented by Lewis Stern, Todd Daubert, and the undersigned attorney. The International Bureau was represented by Don Abelson, Linda Haller, Jackie Ruff and Ken Stanley.

During the meeting, ATN emphasized that its petition does not seek elimination of the benchmark rate, but rather a five-year extension of the transition period during which time the settlement rate on the U.S.-Guyana route would be proportionately phased down to the benchmark level. Further, ATN will meet the benchmark rate earlier if it achieves a teledensity in Guyana of 23, and it is willing to accept reasonable reporting and monitoring requirements. ATN asked to receive a final decision prior to the scheduled implementation of the benchmark rate for low-income countries on January 1, 2002, although the Bureau did not commit to issuing a decision by that date.

ATN indicated that the waiver is necessary because the severe loss of revenues it will suffer upon full implementation of the benchmark rate as of January 1, 2002 will severely harm infrastructure development and universal service in Guyana. The parties discussed whether granting ATN's petition would establish a precedent that

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many other foreign carriers could use to receive similar waivers. ATN pointed to the attached chart, also submitted with its reply comments, as evidence that ATN's past history of investment in Guyana is one that few other countries in the low-income category can come close to satisfying. As a result, the FCC need not grant the same waiver to all other low-income countries were it to grant ATN's petition.

The parties discussed audiotext traffic on the U.S.-Guyana route. ATN noted that U.S. audiotext traffic has long since ceased to be a significant traffic or revenue stream on the route. As noted in its reply comments, GT&T estimates that total U.S. audiotext traffic in 2001 will be less than 1.2 million minutes and represent less than 1% of GT&T's revenue stream from inbound international traffic. This is a substantial reduction from the mid-1990s, and GT&T expects that U.S. audiotext minutes will decline still further in 2002.

The parties also addressed the appropriate standard for waiving the benchmark standard. ATN expressed the view that the Commission has authority to grant waivers for good cause shown, and that the impact on Guyana is of the same magnitude as the Commission indicated could justify a waiver in the *Benchmark Order*, 12 FCC Rcd 19806, ¶ 174 (1997).

ATN updated the Bureau on the status of GT&T's negotiations with the Government of Guyana for the introduction of more competition into the telecommunications sector in Guyana. Current indications are that such negotiations could begin as early as mid-November, although it is also possible that they will be delayed until early next year. ATN indicated that granting its waiver request would facilitate such negotiations, and promote the further opening of the Guyanese market, by easing the rate rebalancing issues that the parties will have to resolve.

The attached materials were distributed at the meeting.

Respectfully submitted,



Robert J. Aamoth

cc: Donald Abelson
Linda L. Haller
Jackie Ruff
Kenneth B. Stanley
Parties of Record

ATTACHMENT

***EX PARTE PRESENTATION IN IB DOCKET NO. 96-261
PETITION FOR WAIVER OF THE BENCHMARK SETTLEMENT
RATE ON THE U.S.-GUYANA ROUTE
OCTOBER 16, 2001***

- I. ATN is seeking a limited extension of the benchmark rate transition period.
 - A. Five-year proportionate phase-down to the benchmark level.
 - B. Earlier elimination if teledensity reaches 23
 - C. Reasonable reporting or monitoring conditions.

- II. The waiver is essential to preserve network expansion and universal service.
 - A. Significant net loss of revenues from imposition of the benchmark rate.
 - B. No guaranteed rate rebalancing to make up the difference.
 - C. FCC policy to grant waivers to prevent undue foreign disruption.

- III. This waiver will not open the door for all other low-income countries.
 - A. ATN achievements over the past decade.
 - B. Investment compared to per capita GNP and local rates.

- IV. A waiver will assist in the transition to competition in Guyana.
 - A. Negotiations expected to begin formally as early as mid-November.
 - B. Mitigates difficult and political rate rebalancing issues.
 - C. Enhances likelihood of mutually acceptable transition plan.

ATTACHMENT A

Country	Teledensity, 2000 (1)	GNP per capita, 2000 (2)	Cost of Monthly Service, 1999 (US\$) (3)	Investment Overachievement Factor (4)
Kyrgyz Republic	8.00	270	0.57	519.82
<i>Guyana</i>	<i>8.36</i>	<i>770</i>	<i>1.65</i>	<i>65.80</i>
Mongolia	4.97	390	2.28	55.89
Laos	0.75	290	0.68	38.03
Zimbabwe	2.07	480	1.23	35.06
China	11.12	840	3.78	35.02
Armenia	15.53	520	10.42	28.66
Yemen	2.27	380	2.20	27.15
Gambia	2.30	330	2.62	26.60
Egypt	8.64	1,490	2.49	23.29
Nepal	1.16	220	2.84	18.57
Azerbaijan	10.36	610	9.45	17.97
Albania	3.65	1,100	1.99	16.67
Burundi	0.29	110	1.80	14.65
Ethiopia	0.37	100	2.60	14.23
Eritrea	0.79	170	3.76	12.36
Ghana	1.17	350	2.76	12.11
Sudan	1.24	320	3.54	10.95
India	3.20	460	6.49	10.72
Sierra Leone	0.39	130	2.94	10.20
Sri Lanka	4.06	870	5.20	8.97
Honduras	4.61	850	6.82	7.95
Bhutan	1.80	550	4.14	7.91
Pakistan	2.22	470	5.98	7.90
Vietnam	3.19	390	10.72	7.63
Malawi	0.44	170	4.17	6.21
Zambia	0.93	300	5.00	6.20
Nicaragua	3.04	420	12.73	5.69
Tajikistan	3.53	470	57.96	3.96
Kenya	1.01	360	6.46	4.34
Haiti	0.89	510	4.13	4.23
Senegal	2.17	500	11.37	3.82
Lesotho	1.10	540	5.61	3.63
Togo	0.92	300	8.78	3.49
Guinea-Bissau	0.70	180	12.39	3.14
Cote d'Ivoire	1.81	660	11.19	2.45
Mozambique	0.44	210	9.12	2.30
Burkina Faso	0.45	230	9.31	2.10
Guinea	0.79	450	8.88	1.98
Bangladesh	0.34	380	5.13	1.74
Mauritania	0.72	370	11.64	1.67
Benin	0.66	380	10.65	1.63
Cameroon	0.64	570	7.24	1.55
United States	69.97	34,260	19.87	1.03
Madagascar	0.36	260	16.24	0.85
Mali	0.25	240	12.23	0.85
Uganda	0.26	310	16.11	0.52
Chad	0.13	200	17.37	0.37
Tanzania	0.49	280	59.57	0.29
Central African Republic	0.26	290	39.10	0.23

- (1) Source: Basic Indicators, International Telecommunication Union (July 6, 2001) available at www.itu.int/ti/industryoverview/at_glance/basic00.pdf
- (2) Source: 2001 World Development Indicators database, World Bank (July 16, 2001) available at www.worldbank.org/data/databytopic/GNPPC.pdf
- (3) Source: Yearbook of Statistics, Telecommunications Services 1990-1999, International Telecommunication Union (February 2001)
Based on residential monthly subscription cost plus cost for 240 minutes, converted to US\$
- (4) The Investment Overachievement Factor is derived from the equation: $((\text{Teledensity}/(\text{GNP per capita} \times \text{Cost of Monthly Service})) \times 10,000$