

03-115



INTERNATIONAL SECTION 214 APPLICATION FOR OFFICIAL USE ONLY [Click here for INSTRUCTIONS.]

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APPLICANT INFORMATION

Enter a description of this application to identify it on the main menu: 214 transfer of control application

Form with sections: 1. Applicant (Pacific Telecom Inc.), 2. Contact (Kenneth D. Patrich), 3. Place of Incorporation (USA/Commonwealth of the Northern Mariana Islands), 4. Other Company(ies) and Place(s) of Incorporation, 5. Service Type(s) (Global or Limited Global Facilities-Based Authority).

<input checked="" type="checkbox"/> Global or Limited Global Resale Authority (Section 63.18(e)(2)) <input type="checkbox"/> Individual Facilities-Based Service (Section 63.18(e)(3)) <input type="checkbox"/> Individual Switched Resale Service (Section 63.18(e)(3)) <input type="checkbox"/> Individual Facilities-Based and Resale Service (Section 63.18(e)(3)) <input type="checkbox"/> Switched Services over Private Lines (ISR) (Section 63.16 and/or 63.18 (e)(3)) <input type="checkbox"/> Inmarsat and Mobile Satellite Service (Section 63.18(e)(3)) <input type="checkbox"/> Overseas Cable Construction (Section 63.18(e)(3)) <input type="checkbox"/> Individual Non-Interconnected Private Line Resale Service (Section 63.18(e)(3)) <input type="checkbox"/> Other (Section 63.18(e)(3))
6a. Is a fee submitted with this application? <input checked="" type="radio"/> If Yes, complete and attach FCC Form 159. If No, indicate reason for fee exemption (see 47 C.F.R. Section 1.1114). <input type="radio"/> Governmental Entity <input type="radio"/> Noncommercial educational licensee <input type="radio"/> Other (please explain):
6b. Fee Classification CUT
7. Destination Country(ies) (e.g., "Country X", "All international points", "All international points except Country X and Country Y" or "Countries X, Y, and Z only".) All international points except Dominican Republic and Venezuela.
8. Caption (description of authority requested, e.g., Application for Authority to Provide International Facilities-Based and Resold Services to All International Points Except Country X) By this Application, Applicants seek consent to a transfer of control of The Micronesian Telecommunications Corporation, the parent holding company of GTE Pacifica Inc., a non-dominant common carrier holding two international Section 214 authorizations, to Pacific Telecom Inc. Simultaneous with this Application, Pacific Telecom is filing applications to transfer control of a blanket domestic 214 authorization, two earth station licenses, a cable landing license and a cellular license held by GTE Pacifica, as well as a blanket domestic 214 authorization held by MTC. A list of all licenses and authorizations being transferred is attached hereto.
9. Does the applicant request streamlined processing pursuant to 47 C.F.R. Section 63.12? If yes, include in Attachment 1 a statement of how the application qualifies for streamlined processing. <input checked="" type="radio"/> Yes <input type="radio"/> No
10. If applying for authority to provide switched services over private lines pursuant to Section 63.16, provide the required showing in Attachment 1.

Applicant certifies that its responses to questions 11 through 17 are true:

11. If the applicant is a foreign carrier, or is affiliated (as defined in 47 C.F.R. Section 63.09(e)) with a foreign carrier, provide in Attachment 1 the information and certifications required by Section 63.18(i) through (m).
12. Does the applicant seek authority to provide service to any destination described in paragraphs (1) through (4) of Section 63.18(j)? If yes, list those destinations in Attachment 1 as a response to question 12. <input type="radio"/> Yes <input checked="" type="radio"/> No
13. Does the applicant seek authority to provide service to any destinations other than those listed in response to question 12 where it has an affiliation with a foreign carrier? If yes, list those destinations in Attachment 1 as a response to question 13. <input type="radio"/> Yes <input checked="" type="radio"/> No
14. [Section 63.18(h)] In Attachment 2, provide the name, address, citizenship and principal business of the applicant's ten percent or greater direct and indirect shareholders or other equity holders, and identify any interlocking directorates.

15. In Attachment 1, respond to paragraphs (d), (e)(3) and (g) of Section 63.18.	
16. By checking Yes, the undersigned certifies that neither applicant nor any other party to the application is subject to a denial of Federal benefits that includes FCC benefits pursuant to Section 5301 of the Anti-Drug Act of 1988, 21 U.S.C. Section 862, because of a conviction for possession or distribution of a controlled substance. <i>See 47 CFR 1.2002(b) for the meaning of "party to the application" for these purposes.</i>	<input checked="" type="radio"/> Yes <input type="radio"/> No
17. By checking Yes, the applicant certifies that it has not agreed to accept special concessions directly or indirectly from a foreign carrier with respect to any U.S. international route where the foreign carrier possesses sufficient market power on the foreign end of the route to affect competition adversely in the U.S. market and will not enter into such agreements in the future.	<input checked="" type="radio"/> Yes <input type="radio"/> No

CERTIFICATION

18. Typed Name of Person Signing Jose Ricardo Delgado	19. Title of Person Signing Director and Authorized Representative	
WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND / OR IMPRISONMENT (U.S. Code, Title 18, Section 1001), AND/OR REVOCATION OF ANY STATION AUTHORIZATION (U.S. Code, Title 47, Section 312(a)(1)), AND/OR FORFEITURE (U.S. Code, Title 47, Section 503).		
20. 1: <input type="checkbox"/> Joint App.	2: <input type="checkbox"/> Exhibit 1	3: <input type="checkbox"/> Ownership

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Menu

Telecommunications Corporation (“MTC”), the parent corporation of GTE Pacifica. This transaction will effect an indirect transfer of control of GTE Pacifica from BANZHI to Pacific Telecom.² For the reasons set forth in Section IV(p) below, Applicants respectfully request streamlined treatment of this Application pursuant to Section 63.12 of the Commission’s Rules, 47 C.F.R. § 63.12.

I. THE PARTIES

A. BANZHI

Verizon Communications Inc. (“Verizon”), through a series of wholly owned subsidiaries, owns 100% of the outstanding common stock of BANZHI, a corporation organized under the laws of Delaware. BANZHI is the current shareholder of MTC, the parent corporation of GTE Pacifica. GTE Pacifica, a wholly owned subsidiary of MTC, is a separate entity that provides international telecommunications services in the Commonwealth of the Northern Mariana Islands (“CNMI”). GTE Pacifica holds two Section 214 authorizations as detailed in Section IV(d) below. GTE Pacifica and MTC also hold separate blanket domestic Section 214 authorizations for which a separate application for transfer of control is being filed simultaneously.

B. Pacific Telecom

Pacific Telecom is a privately held corporation incorporated under the laws of the CNMI. Pacific Telecom does not hold any Section 214 authorizations.³

² Simultaneous with this Application, BANZHI and Pacific Telecom are filing applications to transfer control of two earth station licenses, a cable landing license, a cellular license, and a blanket domestic Section 214 authorization held by GTE Pacifica, as well as a blanket domestic 214 authorization held by MTC. A list of all licenses and authorizations being transferred is attached hereto.

³ Pacific Telecom is not affiliated with a former Commission licensee of similar name (Pacific Telecom, Inc.). Compare *Pacific Holdings, Inc. Transferor, and Century Telephone Enterprises, Inc. Transferee, For Consent to Transfer Control of Pacific Telecom, Inc.*, DA 91-2225, *Memorandum Opinion and Order*, 13 FCC Rcd 8891 (1997).

II. DESCRIPTION OF THE TRANSACTION

By this Application, BANZHI and Pacific Telecom jointly seek Commission approval for an indirect transfer of control, which will result from the transfer of all the capital stock of the current shareholder and parent company of GTE Pacifica, MTC. Specifically, Pacific Telecom will acquire 100% of the outstanding capital stock of MTC from BANZHI, the current shareholder of MTC. BANZHI is indirectly owned and controlled by Verizon through a series of wholly owned subsidiaries. The proposed transaction will result in a transfer of control of MTC and, in turn, will result in an indirect transfer of control of GTE Pacifica to Pacific Telecom. Immediately following the transaction, GTE Pacifica will continue to offer the services it currently offers to its customers under existing service arrangements.

III. PUBLIC INTEREST STATEMENT

Consummation of the proposed transaction is in the public interest. The transferee's one hundred percent shareholder, Prospector Investment Holdings Inc., has substantial experience in building and operating a telecommunications carrier (since divested) in the Philippines. See the "Petition of Pacific Telecom, Inc. For Declaratory Ruling Under Section 310(b)(4) of the Communications Act, As Amended" filed on this date by Pacific Telecom for further discussion of the public interest benefits of this proposed transaction.

IV. INFORMATION REQUIRED BY SECTION 63.18

(a) Name, address and telephone number:

Transferor: Bell Atlantic New Zealand Holdings, Inc.
c/o Christopher M. Bennett
1095 Avenue of the Americas
Room 3828
New York, NY 10036
Tel: (212) 395-0029
Fax: (212) 764-2739

Transferee: Pacific Telecom Inc.
c/o Kenneth D. Patrich
Wilkinson Barker Knauer, LLP
2300 N Street, NW
Suite 700
Washington, DC 20037
Tel: (202) 783-4141
Fax: (202) 783-5851

(b) Transferor: BANZHI is organized under the laws of the State of Delaware.

Transferee: Pacific Telecom is organized under the laws of the Commonwealth of the Northern Mariana Islands.

(c) Correspondence concerning this application should be sent to:

(For the Transferor)

Peter D. Shields
Jennifer Hindin
WILEY REIN & FIELDING LLP
1776 K Street, N.W.
Washington, D.C. 20006
Tel: (202) 719-7000
Fax: (202) 719-7049

with copies to:

Stephen B. Heimann
Associate General Counsel
Verizon Communications Inc.
1717 Arch Street, 32nd Floor
Philadelphia, PA 19103
Tel: (215) 963-6437
Fax: (215) 963-9195

(For the Transferee)

Kenneth D. Patrich
Timothy J. Cooney
Wilkinson Barker Knauer, LLP
2300 N Street, NW
Suite 700
Washington, DC 20037
Tel: (202) 783-4141
Fax: (202) 783-5851

with copies to:

Jose Ricardo Delgado
Prospector Investment Holdings Inc.
4/F SGV II Building
6758 Ayala Avenue
Makati City, Philippines
Tel: (632) 812-7711
Fax: (632) 812 7719

- (d) Transferor: BANZHI, through GTE Pacifica, holds a limited global facilities-based/global resale service license granted on July 10, 1997 in File No. ITC-214-19970502-00247. BANZHI, through GTE Pacifica, holds a 214 authorization to construct and operate the Commonwealth of the Northern Mariana Islands and Guam submarine cable in file ITC-ASG-19971211-00778. BANZHI's ultimate parent company, Verizon Communications Inc., holds additional Section 214 authorizations through various subsidiaries.

Transferee: Pacific Telecom has not previously received authority under Section 214 of the Act.

- (e) By this Application, Applicants seek authority to transfer control of MTC, the parent holding company of GTE Pacifica, a non-dominant international common carrier holding international Section 214 authority, to Pacific Telecom.
- (f) Not applicable.
- (g) Not applicable.
- (h) After completion of the transaction, the following persons or entities will hold a ten percent (10%) or greater ownership interest in international Section 214 authorization holder GTE Pacifica:

Name: The Micronesian Telecommunications Corporation
Address: P.O. Box 500306
Saipan, MP 96950
Citizenship: USA/CNMI Corporation
Percentage Held: 100% equity
Principal Business: Communications Investment

The following person will hold a direct ownership interest in MTC and a ten percent (10%) or greater indirect ownership interest in GTE Pacifica.

Name: Pacific Telecom Inc.
Address: c/o Kenneth D. Patrich
Wilkinson Barker Knauer, LLP
2300 N Street, NW

Suite 700
Washington, DC 20037
Citizenship: USA/CNMI Corporation
Percentage Held: 100%
Principal Business: Communications Investment

The following persons or entities will hold a direct ownership interest in Pacific Telecom and a ten percent (10%) or greater indirect ownership interest in GTE Pacifica upon consummation of the proposed transaction.

Name: Prospector Investment Holdings Inc.
Address: c/o Trident Trust (Cayman) Ltd.
One Capital Place
P.O. Box 847
Grand Cayman, B.W.I.
Percentage Held: 100% equity
Citizenship: U.K./Cayman Island Corporation
Principal Business: Communications Investment

The following persons or entities will hold an indirect ownership interest in Pacific Telecom and a ten percent (10%) or greater indirect ownership interest in GTE Pacifica upon consummation of the proposed transaction.

Name: Jose Ricardo Delgado
Address: 4/F SGV II Building
6758 Ayala Avenue
Makati City, Philippines
Percentage Held: 40% equity⁴
Citizenship: Philippines
Principal Business: Individual

Name: Ricardo C. Delgado
Address: 4/F SGV II Building
6758 Ayala Avenue
Makati City, Philippines
Percentage Held: 60% equity⁵
Citizenship: Philippines
Principal Business: Individual

⁴ Jose Ricardo Delgado holds a 40% direct ownership interest in Prospector Investment Holdings, Inc., which, in turn, will hold 100% of Pacific Telecom.

⁵ Ricardo C. Delgado holds a 60% direct ownership interest in Prospector Investment Holdings, Inc., which, in turn, will hold 100% of Pacific Telecom.

No member of Pacific Telecom's board of directors also serves on the board of directors of a foreign carrier.

- (i) Pacific Telecom certifies that it is not a foreign carrier and is not currently affiliated with any foreign carrier.
- (j) Pacific Telecom certifies that it does not seek to provide international telecommunications services to any destination country where:
 - (1) Pacific Telecom is a foreign carrier in that country; or
 - (2) Pacific Telecom controls a foreign carrier in that country; or
 - (3) Any entity that owns more than 25 percent of Pacific Telecom, or that controls Pacific Telecom, controls a foreign carrier in that country; or
 - (4) Two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate more than 25 percent of Pacific Telecom and are parties to, or the beneficiaries of, a contractual relation affecting the provision or marketing of international basic telecommunications services in the United States.⁶
- (k) Not applicable.
- (l) Not applicable.
- (m) Not applicable. Pacific Telecom has no foreign carrier affiliations and is therefore entitled to nondominant regulatory treatment on all routes.⁷
- (n) Pacific Telecom certifies that it has not agreed to accept special concessions, as defined in Section 63.14(b) of the Commission's Rules, 47 C.F.R. §63.14(b), directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route, and will not enter into such agreements in the future.
- (o) Pacific Telecom certifies, pursuant to Sections 1.2001 through 1.2003 of the Commission's Rules (implementing the Anti-Drug Abuse Act of 1988, 21 U.S.C.

⁶ Neither Prospector nor Citadel currently holds an equity interest in any telecommunications common carrier. For the sake of full disclosure, however, Pacific Telecom notes the fact that Citadel holds convertible interests in Textron Corporation ("Textron"), a small Philippines corporation (less than \$2 million in annual revenues). Textron is a systems integrator that provides corporate customers with broadband connectivity via satellite and radio microwave. Although Textron has been granted a Philippines telecommunications franchise to provide such services, it has not received authority from the national telecommunications commission to act as a common carrier. Indeed, Textron provides no voice communications services and is not affiliated with any telecommunications common carrier in the Philippines. Moreover, Citadel currently has no involvement in day-to-day management of Textron.

⁷ GTE Pacifica is currently regulated as dominant on the Dominican Republic, Venezuela and Gibraltar routes. These restrictions will *not* apply to GTE Pacifica upon consummation of the transaction.

§ 3301), that it is not subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

- (p) Pacific Telecom requests streamlined processing of this application pursuant to Section 63.12 of the Commission's Rules. This Application qualifies for streamlined processing because Pacific Telecom has no affiliation with a foreign carrier, has no affiliation with a dominant U.S. carrier whose international switched or private line services Pacific Telecom seeks authority to resell, and does not seek authority to provide switched basic services over private lines to a country for which the Commission has not previously authorized the provision of such services. The parties will not consummate the transaction until all other necessary Commission approvals are obtained.

V. CONCLUSION

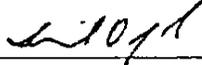
For the reasons stated herein, Bell Atlantic New Zealand Holdings, Inc. and Pacific Telecom Inc. respectfully submit that the public interest, convenience and necessity would be furthered by grant of this Application for consent to an indirect transfer of control of the two Section 214 authorizations held by GTE Pacifica to Pacific Telecom.

Respectfully submitted,

**BELL ATLANTIC NEW ZEALAND
HOLDINGS, INC.**

PACIFIC TELECOM INC.

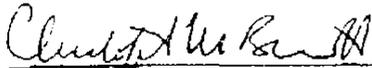
By: _____
Christopher M. Bennett
General Counsel and Secretary
Bell Atlantic New Zealand
Holdings, Inc.

By:  _____
Jose Ricardo Delgado
Director and Authorized Representative
Pacific Telecom Inc.

Dated: April 18, 2003

Respectfully submitted,

**BELL ATLANTIC NEW ZEALAND
HOLDINGS, INC.**

By: 
Christopher M. Bennett
General Counsel and Secretary
Bell Atlantic New Zealand
Holdings, Inc.

PACIFIC TELECOM INC.

By: _____
Jose Ricardo Delgado
Director and Authorized
Representative
Pacific Telecom Inc.

Dated: April 18, 2003

**FCC Authorizations Held by The Micronesian Telecommunications Corporation and GTE
Pacifica Inc.**

International Section 214 Authorizations

ITC-214-19970502-00247;
ITC-ASG-19971211-00776;
ITC-97-779-AL
ITC-97-288

214 Authorization for Facilities-Based and Resale (Switched and Private Line Non-Interconnected and Interconnected where lawful), excluding the Dominican Republic and Venezuela (GTE Pacifica)

ITC-ASG-19971211-00778;
ITC-97-778-AL

214 Authorization to Construct and Operate the MTC Interisland Cable System Between the Commonwealth of the Northern Mariana Islands and Guam Granted By ITC-92-140 [8 FCC Rcd 750 (1993)] (GTE Pacifica)

Cable Landing License

SCL-92-003-AL

Cable Landing License to Land and Operate the MTC Interisland Cable System Between the Commonwealth of the Northern Mariana Islands and Guam Granted by SCL-92-003 [8 FCC Rcd 750 (1993)] (GTE Pacifica)

Earth Station Authorizations

SES-LIC-20000414-00563;
E000164

C-band transmit/receive earth station to provide digital voice/data services (GTE Pacifica)

SES-RWL-20001006-01900;
Ka-34

C-band transmit/receive earth station to provide digital voice/data services (GTE Pacifica)

Wireless Telecommunications Authorization

KNKN616

Common Carrier Radio License for Cellular Radio Telephone Service (GTE Pacifica)

Domestic Section 214 Authorization

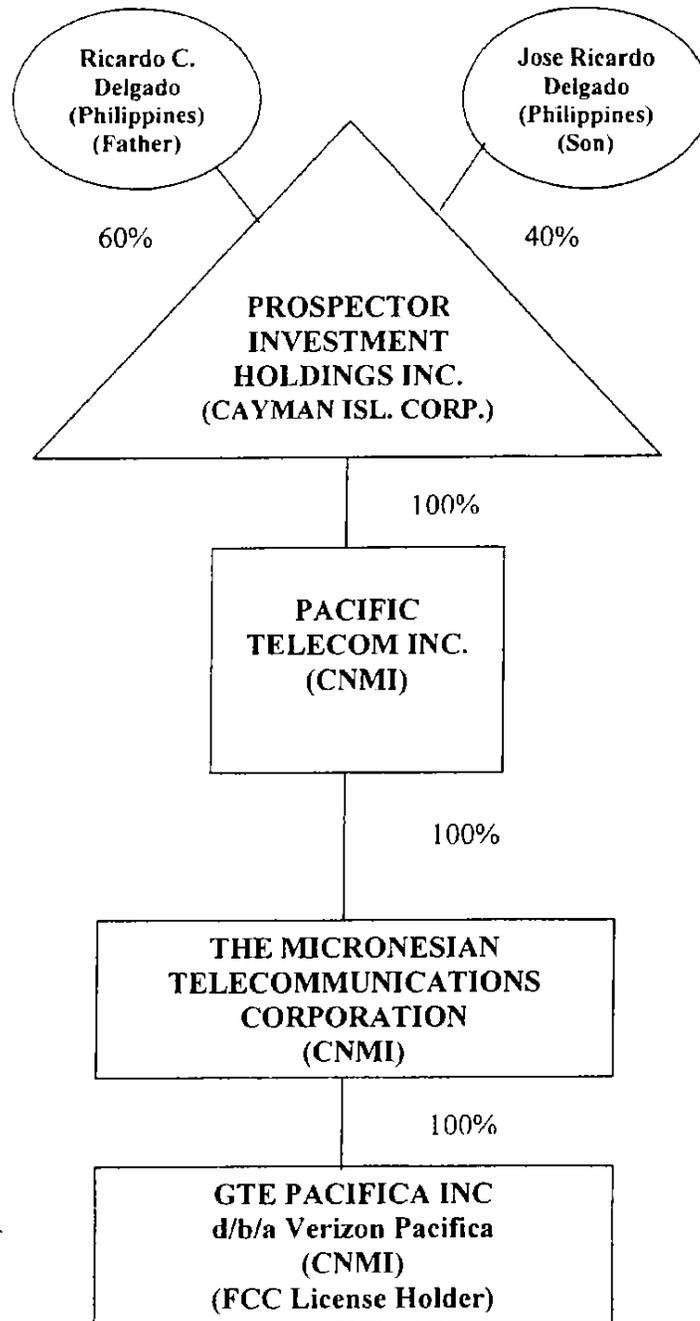
Blanket Authorization

Domestic Interstate 214 Authorization for CNMI and Guam Inter-exchange Carrier Operations (GTE Pacifica)

Blanket Authorization

Domestic Interstate 214 Authorization for CNMI Local Exchange Carrier Operations (Micronesian Telecommunications Corporation)

**PACIFIC TELECOM INC.
OWNERSHIP STRUCTURE**



(CNMI) =
incorporated in
Commonwealth of
Northern Mariana
Islands

**FCC Authorizations Held by The Micronesian Telecommunications Corporation and GTE
Pacifica Inc.**

International Section 214 Authorizations

ITC-214-19970502-00247;
ITC-ASG-19971211-00776;
ITC-97-779-AL
ITC-97-288

214 Authorization for Facilities-Based and Resale
(Switched and Private Line Non-Interconnected and
Interconnected where lawful), excluding the Dominican
Republic and Venezuela (GTE Pacifica)

ITC-ASG-19971211-00778;
ITC-97-778-AL

214 Authorization to Construct and Operate the MTC
Interisland Cable System Between the Commonwealth
of the Northern Mariana Islands and Guam Granted By
ITC-92-140 [8 FCC Rcd 750 (1993)] (GTE Pacifica)

Cable Landing License

SCL-92-003-AL

Cable Landing License to Land and Operate the MTC
Interisland Cable System Between the Commonwealth
of the Northern Mariana Islands and Guam Granted by
SCL-92-003 [8 FCC Rcd 750 (1993)] (GTE Pacifica)

Earth Station Authorizations

SES-LIC-20000414-00563;
E000164

C-band transmit/receive earth station to provide digital
voice/data services (GTE Pacifica)

SES-RWL-20001006-01900;
Ka-34

C-band transmit/receive earth station to provide digital
voice/data services (GTE Pacifica)

Wireless Telecommunications Authorization

KNKN616

Common Carrier Radio License for Cellular Radio
Telephone Service (GTE Pacifica)

Domestic Section 214 Authorization

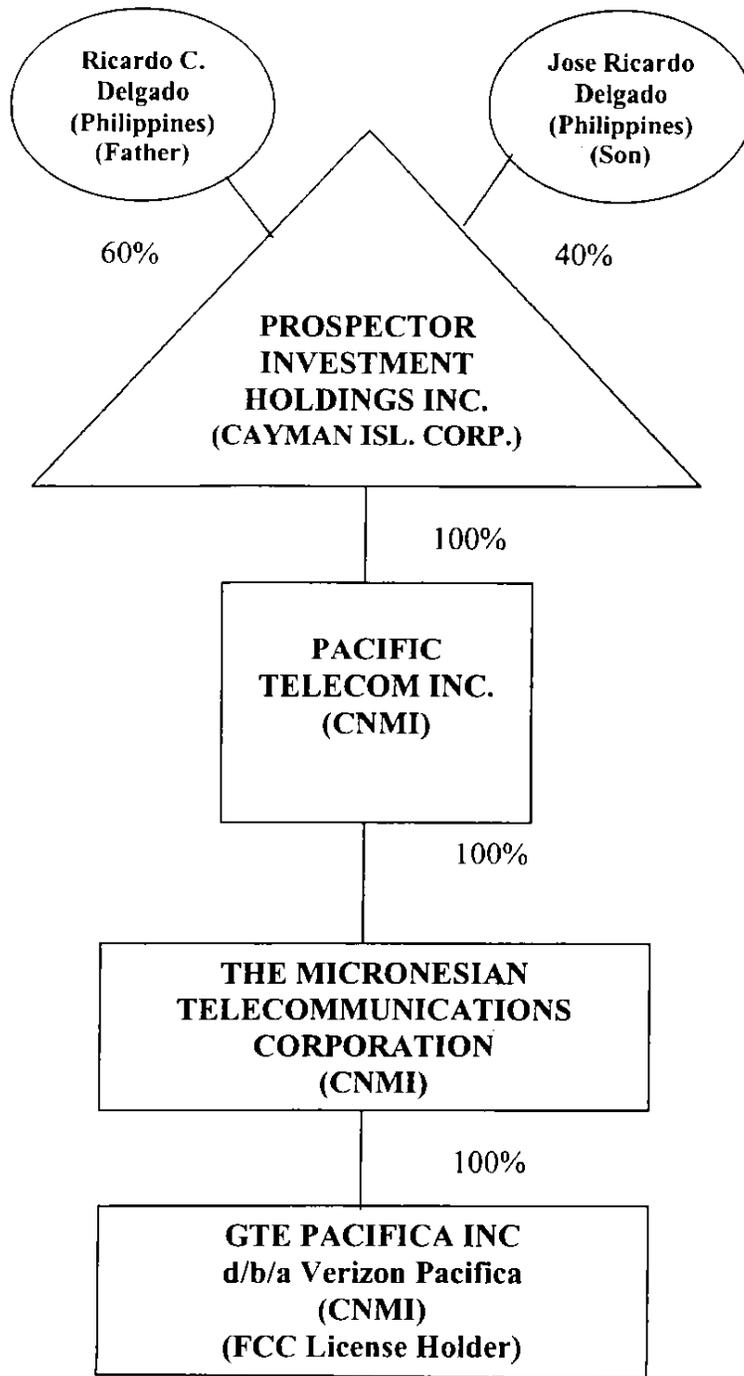
Blanket Authorization

Domestic Interstate 214 Authorization for CNMI and
Guam Inter-exchange Carrier Operations (GTE Pacifica)

Blanket Authorization

Domestic Interstate 214 Authorization for CNMI Local
Exchange Carrier Operations (Micronesian
Telecommunications Corporation)

**PACIFIC TELECOM INC.
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