



PUBLIC NOTICE

Federal Communications Commission
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DA 04-2856
Released: September 1, 2004

DOMESTIC SECTION 214 APPLICATION FILED FOR TRANSFER OF CONTROL OF GT GROUP TELECOM (USA) LLC, FROM 360NETWORKS TO BCE NEXXIA

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 04-325

Comments Due: September 15, 2004
Reply Comments Due: September 22, 2004

On August 18, 2004, GT Group Telecom Services (USA) Corp. (“GT Corp.” or “Assignor”), 360networks (USA) Inc. (“360networks” or “Transferor”) and BCE Nexxia Corporation (“BCE Nexxia” or Transferee”) (collectively, Applicants) filed an application pursuant to sections 63.03 and 63.04 of the Commission’s rules¹ requesting authority for the transfer of control of GT LLC from 360networks to BCE Nexxia, on an expeditious basis.²

Applicants assert that this transaction is entitled to presumptive streamlined treatment pursuant to section 63.03(b)(2)(i) of the Commission’s rules because, immediately following consummation of the proposed transactions: (1) the Applicants and their affiliates combined will hold less than a 10% share of the interstate, interexchange market; (2) the Applicants and their affiliates do not provide U.S. local exchange services, and; (3) none of the Applicants or their Affiliates are dominant with respect to any U.S. domestic service.³

Bell Canada, which indirectly owns 100% of BCE Nexxia, has entered into an agreement with 360networks Corporation, the ultimate parent company of 360networks, GT Corp., and GT LLC, pursuant to which 360networks and GT Corp. will assign to GT LLC certain assets,

¹ 47 C.F.R. §§ 63.03, 63.04; *see also* 47 U.S.C. § 214.

² Applicants have also filed a transfer of control application related to international services. Any action on this domestic section 214 application is without prejudice to Commission action on other related pending applications.

³ 47 C.F.R. § 63.03(b)(2)(i).

including equipment, domestic and international customers, and GT Corp's. 360networks will hold a majority interest in GT LLC, and GT Corp, will hold the remaining minority interest. BCE Nexxia will then acquire from 360networks and GT Corp, all of the limited liability company interest of GT LLC. As a result of this proposed transaction, GT LLC will become a wholly owned subsidiary of BCE Nexxia.

The Applicants state the proposed U.S. transaction is part of a larger transaction through which Bell Canada is acquiring substantially all of the Canadian operations of 360networks Corporation. Only a small part of 360networks Corporation's U.S. operations are involved in this transaction. The U.S. operations to be acquired by BCE Nexxia are largely comprised of certain U.S.-Canada transmission facilities and related U.S. domestic connecting circuits to associated U.S. points of presence ("POPs"). These facilities are used primarily by 360networks and GT Corp. to provide cross-border services to customers located in Canada, although there are a small number of U.S. customers who receive service on the domestic links. Canadian regulatory approval for the proposed transaction is expected by the end of September 2004.

On May 25, 2004, 360networks Corporation (the ultimate corporate parent of 360networks and GT Corp.) and certain affiliates agreed to sell substantially all of their Canadian assets, including GT Corp., to Bell Canada. As part of the proposed transaction, Bell Canada also agreed to purchase selected northern U.S. interconnection assets and related liabilities. Accordingly, on August 11, 2004, Bell Canada and 360networks Corporation and its wholly-owned U.S. subsidiaries, 360networks, GT Corp, and certain other affiliates, executed a U.S. purchase agreement (the "Purchase Agreement"), whereby: (i) in connection with the Purchase Agreement, prior to closing 360networks and GT Corp. will assign on a *pro forma* basis to GT LLC certain assets related to their U.S.-Canada interconnection operations that utilize POPs in New York, Massachusetts, Michigan, Illinois, Minnesota, Montana and Washington, including fiber optic facilities, customer accounts, and GT Corp.'s international 214 authorization; (ii) in consideration for the *pro forma* assignment of the assets, 360networks will hold a majority, and GT Corp. a minority, of the limited liability interest of GT LLC; and (iii) at closing, 360networks and GT Corp. will sell and Bell Canada will purchase all of the limited liability company interests of GT LLC. On August 12, 2004, Bell Canada assigned all of its rights and obligations under the Purchase Agreement to BCE Nexxia.

Applicants assert that consummation of the proposed transaction will serve the public interest, the Applicants also state this transaction is pro-competitive in Canada as well. Moreover, Bell Canada state they have already agreed to assign retail customer contracts in eastern Canada to an unrelated third party subsequent to the closing of the Canadian transaction. In western Canada, where Bell Canada is non-dominant in all product markets, the acquisition of facilities will strengthen Bell Canada's ability to compete in that market.

GENERAL INFORMATION

The transfer of control identified herein has been found, upon initial review, to be acceptable for filing as a streamlined application. The Commission reserves the right to return any transfer of control application if, upon further examination, it is determined to be defective

and not in conformance with the Commission's rules and policies. Interested parties may file **comments on or before September 15, 2004** and **reply comments on or before September 22, 2004**.⁴ Unless otherwise notified by the Commission, Applicants are permitted to transfer control on the 31st day after the date of this notice.⁵ Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by filing paper copies. *See Electronic Filing of Documents in Rulemaking Proceedings*, 63 Fed. Reg. 24121 (1998).

Comments filed through the ECFS can be sent as an electronic file via the Internet to <<http://www.fcc.gov/e-file/ecfs.html>>. Generally, only one copy of an electronic submission must be filed. If multiple docket or rulemaking numbers appear in the caption of this proceeding, however, commenters must transmit one electronic copy of the comments to each docket or rulemaking number referenced in the caption. In completing the transmittal screen, commenters should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions for e-mail comments, commenters should send e-mail to ecfs@fcc.gov, and should include the following words in the subject line "get form <your e-mail address>." A sample form and directions will be sent in reply.

Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, commenters must submit two additional copies for each additional docket or rulemaking number. Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). The Commission's contractor, Natek, Inc., will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class mail, Express Mail, and Priority Mail should be addressed to 445 12th Street, SW, Washington, D.C. 20554. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

In addition, one copy of each pleading must be sent to each of the following:

- (1) The Commission's duplicating contractor, Best Copy and Printing, Inc., 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554; e-mail: www.bcpweb.com; phone: (202) 488-5300 fax: (202) 488-5563;

⁴ *See* 47 C.F.R. § 63.03(a).

⁵ Such authorization is conditioned upon receipt of any other necessary approvals from the Commission in connection with the proposed transaction.

- (2) Tracey Wilson, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C212, Washington, D.C. 20554; e-mail: tracey.wilson-parker@fcc.gov;
- (3) Alex Johns, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-B418, Washington, D.C. 20554; e-mail: alexis.johns@fcc.gov;
- (4) Julie Veach, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C124, Washington, D.C. 20554; e-mail: julie.veach@fcc.gov;
- (5) James Bird, Office of General Counsel, 445 12th Street, S.W., Room 8-C824, Washington, D.C. 20554; e-mail: james.bird@fcc.gov.

Filings and comments are also available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, SW, Room CY-A257, Washington, DC, 20554. They may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, SW, Room CY-B402, Washington, DC 20554, telephone: 202-488-5300, fax: 202-488-5563, or via e-mail www.bcpweb.com.

For further information regarding the transfer of control application, please contact Tracey Wilson, at (202) 418-1394, or Alex Johns at (202) 418-1167.

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