



PUBLIC NOTICE

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DOMESTIC SECTION 214 APPLICATION GRANTED FOR THE TRANSFER OF CONTROL OF G3 TELECOM USA INC. TO TELEHOP COMMUNICATIONS INC.

WC Docket No. 14-74

On May 14, 2014, G3 Telecom USA Inc. (G3 Telecom USA) and Telehop Communications Inc. (Telehop) (together, Applicants) filed an application pursuant to section 63.03 of the Commission's rules to transfer control of G3 Telecom USA to Telehop.¹ G3 Telecom USA offers resold interstate telecommunications services throughout the U.S. and resold intrastate telecommunications services in California, Georgia, Illinois, Michigan, Nevada, New Jersey, New York, Ohio, Texas, and Virginia. Telehop, a publicly-held corporation organized under the laws of Ontario, Canada, provides resold long distance services and interconnected Voice over Internet Protocol services within Canada.

On May 27, 2014, the Wireline Competition Bureau (Bureau) released a Public Notice requesting comment on this application.² On June 18, 2014, the Department of Justice, including the Federal Bureau of Investigation, with the concurrence of the Department of Homeland Security (collectively, the Executive Branch Agencies), filed a letter requesting that the Commission defer action on this application while they reviewed potential national security, law enforcement, and public safety issues.³ We deferred action on the application in response to the Executive Branch Agencies' request.⁴

On May 5, 2015, the Federal Bureau of Investigation (FBI) submitted a Petition to Adopt Conditions to Authorizations and Licenses (Petition).⁵ In the Petition, the FBI advises the Commission that it has no objection to the Commission granting its consent in this proceeding, provided the Commission conditions its consent on the assurance of G3 Telecom USA and Telehop to abide by the

¹ 47 C.F.R. § 63.03; see 47 U.S.C. § 214. *Domestic Section 214 Application Filed for the Transfer of Control of G3 Telecom USA Inc. to Telehop Communications Inc.*, WC Docket No. 14-74, Public Notice, 29 FCC Rcd 5751 (Wireline Comp. Bur. 2014) (*G3 Telecom USA Public Notice*).

² *G3 Telecom USA Public Notice* at 1-2.

³ See Letter from Siobhan E. Dupuy, U.S. Department of Justice, to Marlene H. Dortch, FCC, WC Docket No. 14-74 (filed June 18, 2014).

⁴ *Notice of Removal of Domestic Section 214 Application from Streamlined Treatment*, WC Docket No. 14-74, Public Notice, 29 FCC Rcd 7369 (Wireline Comp. Bur. 2014).

⁵ Petition to Adopt Conditions to Authorizations and Licenses, WC Docket No. 14-74 and File No. ITC-T/C-20140513-00150 (filed May 5, 2015).

commitments and undertakings set forth in the April 24, 2015 Letter of Agreement (LOA) from them to the FBI.⁶ The FBI filed the Petition and LOA in WC Docket No. 14-74 on May 5, 2015.

The Bureau finds, upon consideration of the record, that grant of the application, subject to compliance with the Petition, will serve the public interest, convenience, and necessity. Upon consummation of the transaction, the resulting entity will have a market share in the U.S. interstate interexchange market of less than 10 percent, and will provide competitive telephone exchange services or exchange access services exclusively in geographic areas served by a dominant local exchange carrier in the U.S. that is not a party to the transaction. In addition, no party to the transaction is dominant with respect to any domestic service.

Consistent with Commission precedent, the Bureau accords the appropriate level of deference to the Executive Branch Agencies' expertise on national security and law enforcement issues.⁷ Therefore, pursuant to section 214 of the Act, 47 U.S.C. § 214, and sections 0.91 and 0.291 of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, the Bureau hereby grants the Application discussed in this Public Notice subject to compliance with the LOA described above. A failure to comply with and/or remain in compliance with any of the provisions of the LOA shall constitute a failure to meet a condition of this authorization and thus grounds for declaring the underlying authorizations terminated without further action on the part of the Commission. Failure to meet a condition of this authorization may also result in monetary sanctions or other enforcement action by the Commission.

Pursuant to section 1.103 of the Commission's rules, 47 C.F.R. § 1.103, the grant is effective upon release of this Public Notice. Petitions for reconsideration under section 1.106 or applications for review under section 1.115 of the Commission's rules, 47 C.F.R. §§ 1.106, 1.115, may be filed within 30 days of the date of this Public Notice.

For further information, please contact Jodie May, Wireline Competition Bureau, Competition Policy Division, (202) 418-0913.

⁶ *Id.* at 1-2.

⁷ The Commission considers national security, law enforcement, foreign policy, and trade policy concerns when analyzing a transfer of control or assignment application in which foreign ownership is an issue. *See Amendment of the Commission's Regulatory Policies to Allow Non-U.S. Licensed Satellites Providing Domestic and International Service in the United States*, Report and Order, 12 FCC Rcd 24094, 24170-72, paras. 178-82 (1997); *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market*, IB Docket No. 97-142, Market Entry and Regulation of Foreign Affiliated Entities, IB Docket No. 95-22, Report and Order and Order on Reconsideration, 12 FCC Rcd 23891, 23919-21, paras. 61-66 (1997) (*Foreign Participation Order*), Order on Reconsideration, 15 FCC Rcd 18158 (2000). In assessing the public interest, the Commission considers the record and accords the appropriate level of deference to Executive Branch expertise on national security and law enforcement issues. *See Foreign Participation Order*, 12 FCC Rcd at 23919-21, paras. 61-66.