



PUBLIC NOTICE

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Actions Taken Under Cable Landing License Act

Section 1.767(a) Cable Landing Licenses, Modifications, and Assignments or Transfers of Control of Interests in Cable Landing Licenses (47 C.F.R. § 1.767(a))

By the Chief, Telecommunications and Analysis Division, International Bureau:

Pursuant to An Act Relating to the Landing and Operation of Submarine Cables in the United States, 47 U.S.C. §§ 34-39 (Cable Landing License Act), Executive Order No. 10530, Exec. Ord. No. 10530 reprinted as amended in 3 U.S.C. § 301, and section 1.767 of the Commission's rules, 47 C.F.R. § 1.767, the following applications ARE GRANTED. These grants of authority are taken under section 0.261 of the Commission's rules, 47 C.F.R. § 0.261. 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.

These applications have been coordinated with the Department of State and other Executive Branch agencies pursuant to section 1.767(b) of the Commission's rules, 47 C.F.R. § 1.767(b), and consistent with procedures established with the Department of State. See Review of Commission Consideration of Applications under the Cable Landing License Act, IB Docket No. 00-106, Report and Order, 16 FCC Rcd 22167, 22192-93, paras. 51-52 (2001) (Submarine Cable Landing License Report and Order); Streamlined Procedures for Executive Branch Review of Submarine Cable Landing License Requests, State Department Media Note (Revised) (rel. Dec. 20, 2001) available at <http://2001-2009.state.gov/r/pa/prs/ps/2001/6951.htm>.

This public notice serves as each cable landing licensee's Cable Landing License, or modification thereto, pursuant to the Cable Landing License Act and sections 1.767 and 1.768 of the Commission's rules. Cable landing licensees should review carefully the terms and conditions of their licenses. Failure to comply with these terms and conditions or relevant Commission rules and policies could result in fines or forfeitures.

Submarine Cable Landing License
Grant of Authority

Date of Action: 01/12/2017

Acceptability for Filing Public Notice: Application filed by GTI Corporation, Globe Telecom, Inc., Hawaiian Telcom Services Company, Inc., RAM Telecom International, Inc., TeleGuam Holdings, LLC, d/b/a GTA TeleGuam, PT Telekomunikasi Indonesia International, and Telekomunikasi Indonesia International (USA) Inc. (together, the Applicants) for a license to land and operate a non-common carrier fiber-optic submarine cable network connecting the continental United States, Indonesia, the Philippines, Guam, and Hawaii, the Southeast Asia-US submarine cable system (SEA-US). The Application was placed on Public Notice on July 24, 2015. File No. SCL-LIC-20150626-00016, Public Notice, Streamlined Submarine Cable Landing License Applications Accepted for Filing, Report No. SCL-00165S (IB, July 24, 2015). No comments or oppositions were filed in response to the Public Notice. Applicants were granted Special Temporary Authority (STA) predicated upon the Applicants' assertions that the cable will not be put into commercial service until all necessary authorizations have been received. File No. SCL-STA-20160914-00018.

The Application has been coordinated with the Department of State and other Executive Branch agencies pursuant to section 1.767(b) of the Commission's rules, 47 C.F.R. § 1.767(b), and consistent with procedures established with the Department of State. See Review of Commission Consideration of Applications under the Cable Landing License Act, IB Docket No. 00-106, Report and Order, 16 FCC Rcd 22167, 22192-93, paras. 51-52 (2001) (Submarine Cable Landing License Report and Order); Streamlined Procedures for Executive Branch Review of Submarine Cable Landing License Requests, State Department Media Note (Revised) (rel. Dec. 20, 2001) available at <http://www.state.gov/r/pa/prs/ps/2001/6951.htm>. The Department of Homeland Security (DHS) filed a Petition to Adopt Conditions to Authorizations and Licenses on January 12, 2017. DHS has no objection to the Commission approving authority to land and operate the SEA-US cable system, provided that the Commission conditions approval on the commitment of GTI Corporation d/b/a GTI Telecom, Hawaiian Telcom Services Company, Inc., RAM Telecom International, Inc., and TeleGuam Holdings, LLC d/b/a GTA (each a SEA-US Mitigation Party and collectively the SEA-US Mitigation Parties) to abide by the undertakings set forth in the January 12, 2017, National Security Agreement between the SEA-US Mitigation Parties and DHS.

Actions Taken: (1) Grant of Cable Landing License to GTI Corporation et al. for the purpose of landing and operating a non-common carrier fiber-optic submarine cable system, connecting the continental United States, Indonesia, the Philippines, Guam, and Hawaii, and (2) grant of the Petition to Adopt Conditions to Authorizations and Licenses filed on January 12, 2017 by the Department of Homeland Security.

Licensee Information: The Applicants for the cable landing license for the SEA-US cable system are the following: (1) GTI Corporation (GTI), (2) Globe Telecom, Inc. (Globe), (3) Hawaiian Telcom Services Company, Inc. (HTSC), (4) RAM Telecom International, Inc. (RTI), (5) TeleGuam Holdings, LLC, d/b/a GTA TeleGuam (GTA), (6) PT Telekomunikasi Indonesia International (Telin), and (7) Telekomunikasi Indonesia International (USA) Inc. (Telkom USA).

(1) GTI is wholly-owned, on an indirect basis, by Globe. GTI is a Delaware corporation and provides U.S. facilities-based and resale international telecommunications services. GTI's ten percent or greater direct or indirect interest holders are: (1) GTI Business Holdings Inc., a Philippines corporation, directly owns 100% of GTI; (2) Globe Telecom, Inc. (Globe), a Philippines corporation, directly owns 100% of GTI Business Holdings Inc. and indirectly owns 100% of GTI; (3) SingTel International, a Singapore corporation, owns 47.2% of Globe's common shares, equal to a 21.5% total ownership interest in Globe; (4) Ayala Corporation, a Philippines holding company, owns 30.4% of Globe's common shares, equal to a 13.9% total ownership interest in Globe; (5) Asiacom, a Philippines holding company, owns 100% of Globe's preferred shares, equal to a 54.4% total interest in Globe; (6) SingTel, a Singapore holding company, owns 100% of SingTel International; and (7) Temasek, a Singapore investment holding company that is wholly-owned by the Government of Singapore through the Ministry for Finance, owns 52% of SingTel.

(2) Globe is a competitive telecommunications carrier in the Philippines, and is organized under the laws of the Philippines. Globe's ten percent or greater direct or indirect interest holders are: (1) Singapore Telecommunications International Private Ltd. (SingTel International), a Singapore corporation, owns 47.2% of Globe's common shares, equal to a 21.5% total ownership interest in Globe; (2) Ayala Corporation, a Philippines holding company, owns 30.4% of Globe's common shares, equal to a 13.9% total ownership interest in Globe; (3) Asiacom Philippines, Inc. (Asiacom), a Philippines holding company, owns 100% of Globe's preferred shares, equal to a 54.4% total ownership interest in Globe; (4) Singapore Telecommunications Limited (SingTel), a Singapore holding company, owns 100% of SingTel International; and (5) Temasek Holdings (Private) Ltd (Temasek), a Singapore investment holding company that is wholly-owned by the Government of Singapore through the Ministry for Finance, owns 52% of SingTel. Other public shareholders own 22.4%, in aggregate, of Globe's common share, equal to a 10.2% total ownership interest in Globe.

(3) HTSC is a Delaware corporation and provides a telecommunications and other services in Hawaii. HTSC's ten percent or greater direct or indirect interest holders are: (1) Hawaiian Telcom Communications, Inc. (HTCI), a Delaware corporation, directly owns 100% of HTSC; (2) Hawaiian Telcom Holdco, Inc. (HT Holdco), a Delaware corporation, directly owns 100% of HTCI, and indirectly owns 100% of HTSC; (3) Black Diamond Capital Management, L.L.C., a Delaware investment corporation, owns 23.1% of HT Holdco's shares, equal to an indirect ownership interest of 23.1% in HTSC; and (4) Twin Haven Capital Partners, L.L.C., a Delaware investment corporation, owns a 21.9% of HT Holdco's shares, equal to an indirect ownership interest of 21.9% in HTSC.

(4) RTI is a Delaware corporation and develops global telecommunications infrastructure and large-scale data connectivity. RTI's ten percent or greater direct or indirect interest holders are: (1) Mr. Russell Matulich, a U.S. citizen, owns 75.1% of RTI's common shares, equal to a 52.6%, fully diluted ownership interest in RTI; (2) Mr. David Yuile, an Australian citizen, owns 13.9% of RTI's common shares, equal to a 9.7%, fully diluted ownership interest in RTI; and (3) LSF Capital Ltd, a Singapore investment corporation, owns 83.3% of RTI's preferred shares, equal to a 25%, fully diluted ownership interest in RTI. The remaining 12.7% ownership interests in RTI are held by individuals or entities from WTO Member countries.

(5) GTA is a limited liability company organized under Delaware law, and is a telecommunications carrier in Guam. GTA is a direct, wholly-owned subsidiary of AP TeleGuam Holdings, Inc. (APTH), a Delaware holding company. APTH is owned, directly and indirectly, by a series of investment companies organized under the laws of the Cayman Islands, Hong Kong, Ireland, and Japan. These investment companies are ultimately owned primarily by three individuals: Mr. Douglas Stringer, a U.S. citizen, Mr. Richard L. Folsom, a U.S. citizen, and Mr. Taisuke Sasanuma, a Japanese citizen. APTH's ten percent or greater ownership interests are held, on a direct basis, by the following three private equity companies: (1) AP Cayman Partners II, L.P., a Cayman Islands investment company (24.73%); (2) Advantage Partners IV, ILP, a Japan investment company (42.08%); and (3) Japan Ireland Investment Partners, an Ireland investment company (25.52%). APTH's ten percent or greater indirect ownership interests are held by the following companies and individuals; (4) AP Cayman Partners II General Partner, L.P., a Cayman Islands investment company (29.37% held through its 0.1% equity interest in AP Cayman Partners II, L.P. and its 0.1% equity interest in a separate U.S. partnership that holds 4.64% of APTH's shares); (5) Cayman Capital Management II, Inc., a Cayman Islands investment company (29.37% held through its 0.1% equity interest in AP Cayman Partners II General Partner, L.P.); (6) Mr. Douglas R. Stringer, a U.S. citizen (29.37% through his 100% ownership of Cayman Capital Management II, Inc.); (7) AP IV GP Partnership, a Japan investment company (42.08% through its 1% equity interest in Advantage Partners IV, ILP); (8) AP IV GP Co, Ltd, a Japan investment company (42.08% through its 1% equity interest in AP IV GP Partnership); (9) Japan Ireland Investment Partners, Ltd, a Cayman Islands Investment company (25.52% through its 99% direct equity ownership of Japan Ireland Investment Partners and its 1% indirect equity ownership in Japan Ireland Investment Partners); (10) AP5 Co., Ltd, a Japan investment company (25.52% through its 100% ownership interest in Japan Ireland Investment Partners, Ltd.); (11) Advantage Partners, Inc., a Japan investment company (67.6% through its 100% ownership interest in AP5 Co., Ltd., and its 100% ownership interest in AP IV GP Co, Ltd; (12) Advantage Partners, Ltd., a Hong Kong investment company (67.6% through its 100% ownership interest in Advantage Partners, Inc.); (13) Richard L. Folsom, a U.S. citizen (60.04% aggregate, indirect ownership interest in APTH through his (a) 43.4% direct ownership interest in Advantage Partners, Ltd. (29.34% indirect interest in APTH), (b) 42.966% limited partner interest in AP IV GP Partnership (18.08% indirect interest in APTH), and (c) 42.966% limited partner interest in AP Cayman Partners II General Partner, L.P. (12.62% indirect interest in APTH); and (14) Mr. Taisuke Sasanuma, a Japanese citizen (60.04% aggregate, indirect ownership interest in APTH through his (a) 43.4% direct ownership interest in Advantage partners, Ltd. (29.34% indirect interest in APTH), (b) 42.966% limited partner interest in AP IV GP Partnership (18.08% indirect interest in APTH), and (c) 42.966% limited partner interest in AP Cayman Partners II General Partner, L.P. (12.62% indirect interest in APTH). Mr. Folsom and Mr. Sasanuma, when voting together, but not separately, have the capability to appoint or terminate the appointment of the sole director of APTH, who, in turn, has the capability to appoint or terminate the appointment of GTA's board members. GTA, APTH, and Telkom USA have filed a series of applications seeking approval to transfer control of GTA from APTH to Telkom USA. If approved, GTA will become a wholly-owned, indirect subsidiary of Telkom USA. See Applications Filed For The Transfer Of Control Of TeleGuam Holdings, LLC To Telekomunikasi Indonesia International (USA) Inc. And Request For Declaratory Ruling On Foreign Ownership, WC Docket No. 15-148, Public Notice, 30 FCC Rcd 6498 (WCB 2015).

(6) Telin is an Indonesian corporation and provides network services and international telecommunications services. Telin is wholly-owned, on a direct basis, by Perusahaan Perseroan (Persero) PT Telekomunikasi Indonesia Tbk. (Telkom Indonesia), Indonesia's principal telecommunications carrier and network operator. The Indonesian government owns 52.56% of Telkom Indonesia's Series B common shares, and owns, on an indirect basis, 52.56% of Telin. The remaining 47.44% of Telkom Indonesia's Series B common shares are publicly-traded on the New York Stock Exchange and Indonesia stock exchange.

(7) Telkom USA, a Delaware corporation, is a direct, wholly-owned subsidiary of Telin, which, in turn, is wholly-owned, on a direct basis, by Telkom Indonesia. The Indonesian government owns 52.56% of Telkom Indonesia's Series B common shares, and owns, on an indirect basis, 52.56% of Telin. The remaining 47.44% of Telkom Indonesia's Series B common shares are publicly-traded on the New York Stock Exchange and Indonesia stock exchange.

Cable Design and Capacity: The SEA-US cable system will consist of two subsystems, with each subsystem containing three segments with two optical fiber pairs per segment, for a total of twelve optical fiber pairs. The SEA-US West subsystem (segments 1-3) will connect Indonesia, the Philippines and Guam, and the SEA-US East subsystem (segments 4-6) will connect Guam, Hawaii, and California. Together, SEA-US, along with associated cable landing stations, will consist of the following: (1) Segment 1 will connect a newly constructed cable landing station at Kauditan, Indonesia with Branch Unit 1, located off the coast of the Philippines, (2) Segment 2 will connect Branch Unit 1 with a newly constructed cable landing station at Davao, the Philippines, and (3) Segment 3 will connect Branch Unit 1 with a newly constructed cable landing station at Piti, Guam, (4) Segment 4 will connect the newly constructed cable landing station at Piti, Guam with Branch Unit 2, located off the coast of Oahu, Hawaii, (5) Segment 5 will connect Branch Unit 2 with HTSC's existing inter-island cable landing station at Makaha, Hawaii, which will be augmented for the SEA-US Hawaii landing, and (6) Segment 6 will connect Branch Unit 2 with an existing cable landing station at Hermosa Beach, California. The cable system will have an initial configuration capacity of 1.6 terabits per second (Tb/s), and a total design capacity of 20 Tb/s using 100 gigabit wavelength technology. The SEA-US cable system will total approximately 15,000 kilometers in length.

Ownership of the Cable System and Landing Points: The SEA-US system is a consortium system owned by seven members. Five of the seven members own and control cable landing stations in the United States, and five consortium members own or control a five percent or greater interest in the cable system. The ownership interests and control held by members in each cable landing station, and the ownership interests and control of the basic infrastructure of the SEA-US cable system are as follows: (1) GTI, RTI and Telkom USA will jointly own and operate the cable station located at Hermosa Beach, California. GTI and RTI will hold a 22.12% and a 39.82% ownership interest, respectively, in segments 4, 5, and 6 of SEA-US-East, and GTI will hold a 50% ownership interest in segment 3 of SEA-US-West; (2) HTSC will own and operate the Makaha, Hawaii cable landing station and will hold a 13.27% ownership interest in segments 4, 5, and 6 of SEA-US East; (3) GTA will own and operate the cable landing station located at Piti, Guam and will hold a 2.65% ownership interest in segments 4, 5, and 6 of SEA-US East; (4) Globe will own and operate the cable landing station located at Davao, Philippines, and will hold a 100% ownership interest in segment 2 of SEA-US-West; and (5) Telin will own and operate the cable landing station located at Kauditan, Indonesia, and will hold a 100% ownership interest in segment 1 of SEA-US West, a 50% ownership interest in segment 3 of SEA-US-West, and a 22.12% ownership interest in segments 4, 5, and 6 of SEA-US-East. The SEA-US system will also include two branching units, each owned in equal half-shares by GTI and Telin, which may be used for future connection to cable systems located in the Republic of Palau and the island of Yap in the Federated States of Micronesia. These systems will be owned and operated separately from SEA-US system. Telkom USA holds no ownership interest in the SEA-US cable.

Regulatory Status of the Cable: The Applicants propose to operate the cable system on a non-common carrier basis. They state that by routing the cable south of the Philippines, the SEA-US system will avoid the disaster-prone Luzon Strait between the northern Philippines and Taiwan and the coastal areas of Japan, thereby enhancing the continuity of communications between the United States and Southeast Asia. The Applicants also state that competition will be increased on these routes, that the cable will compete with a variety of cable systems on these routes and other domestic routes, and that the system will support additional economic activity in Guam and Hawaii that will serve as hubs for

—connectivity across the four regions of Asia, Japan, Australia/New Zealand, and the United States. Application at 8-10. The Applicants further state that they will not offer capacity to the public indifferently, but rather use the available capacity for their own internal needs, and provide available capacity to customers on particularized terms and conditions pursuant to individually negotiated indefeasible rights of use (IRUs) and capacity leases. —

Applicants have provided information and demonstrated that the proposed operation of the cable on a non-common carrier basis satisfies the requirements set forth in *National Association of Regulatory Utility Commissioners v. FCC*, 525 F.2d 630, 642 (D.C. Cir 1976) (NARUC I), cert. denied, 425 U.S. 992 (1976). See also *Submarine Cable Landing License Report and Order*, 16 FCC Rcd at 22202-22203, paras. 69-70; *Review of Commission Consideration of Applications under the Cable Landing License Act*, IB Docket No. 00-106, Notice of Proposed Rulemaking 15 FCC Rcd 20789, 20815-20818, paras. 62-67.

Conditions and Requirements: Applicants shall comply with the routine conditions specified in section 1.767(g)(1)-(14) of the Commission's rules, 47 C.F.R. § 1.767(g)(1)-(14), and with the requirements of section 1.768 of the Commission's rules, 47 C.F.R. § 1.768 (notifications and prior approval for submarine cable landing licensees that are or propose to become affiliated with a foreign carrier).

Telin and Telkom USA are affiliated with foreign carriers that are presumed to have market power in Indonesia. Telin and Telkom USA each agree to accept and abide by the reporting requirements in section 1.767(l) of the Commission's rules, 47 C.F.R. § 1.767(l), for the U.S.-Indonesia route.

We grant the Petition to Adopt Conditions to Authorizations and Licenses (Petition) filed in this proceeding on January 12, 2017 by the Department of Homeland Security. Accordingly, we condition grant of this application on GTI Corporation d/b/a GTI Telecom (GTI), Hawaiian Telecom Services Company, Inc. (HT), RAM Telecom International, Inc. (RTI), and TeleGuam Holdings, LLC d/b/a GTA (GTA) (each a SEA-US Mitigation Party and collectively the SEA-US Mitigation Parties) abiding by the commitments and undertakings contained in the National Security Agreement between the SEA-US Mitigation Parties and the Department of Homeland Security (2017 NSA). A failure to comply and/or remain in compliance with any of these commitments and undertakings shall constitute a failure to meet a condition of the cable landing license and thus grounds for declaring the license terminated without further action on the part of the Commission. Failure to meet a condition of the license may also result in monetary sanctions or other enforcement action by the Commission. A copy of the Petition and the 2017 NSA are publicly available and may be viewed on the FCC website through the International Bureau Filing System (IBFS) by searching for SCL-LIC-20150626-00016 and accessing "Other filings related to this application" from the Document Viewing area.
