



# PUBLIC NOTICE

FEDERAL COMMUNICATIONS COMMISSION  
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**Report No. SCL-00204S**

**Wednesday November 1, 2017**

## **Streamlined Submarine Cable Landing License Applications Accepted For Filing**

Unless otherwise specified, the following procedures apply to the applications listed below:

The applications listed below have been found, upon initial review, to be acceptable for filing and subject to the streamlined processing procedures set forth in section 1.767 of the Commission's rules, 47 C.F.R. § 1.767. Pursuant to the Submarine Cable Landing License Act, 47 U.S.C. §§ 34-39, and Executive Order No. 10530, reprinted as amended in 3 U.S.C. § 301, each applicant seeks: (a) the grant of a cable landing licensee; (b) the modification of a cable landing license; and/or (c) the assignment or transfer of control of an interest in a submarine cable landing license.

Pursuant to its decision in Review of Commission Consideration of Applications under the Cable Landing License Act, IB Docket No. 00-106, FCC 01-332, 16 FCC Rcd 22167 (2001) and section 1.767 of the rules, the Commission will take action upon these applications within forty-five (45) days after release of this public notice, unless the Commission has informed the applicant in writing that the application, upon further examination, has been deemed ineligible for streamlined processing.

Ex parte communications between outside parties and Commission staff concerning these applications are permitted subject to the Commission's rules for "permit-but-disclose proceedings." See 47 C.F.R. § 1.1206. Filings relating to this application must be received within 14 days of this notice. Such filings will not necessarily result in an application being deemed ineligible for streamlined processing.

Copies of all applications listed here are available for public inspection in the FCC Reference and Information Center, located in room CY-A257 at the Portals 2 building, 445 12th Street, SW, Washington DC 20554. The center can be contacted at (202) 418-0270. People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to [fcc504@fcc.gov](mailto:fcc504@fcc.gov) or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 1-888-835-5322 (tty). All applications listed are subject to further consideration and review, and may be returned and/or dismissed if not found to be in accordance with the Commission's rules, regulations, and other requirements.

## Submarine Cable Landing License

Application filed by GU Holdings Inc. (GU Holdings), Edge Cable Holdings USA, LLC (Edge USA), and Pacific Light Data Communication Co. Ltd. (PLDC) (collectively the "Applicants") for a license to operate a non-common carrier fiber-optic submarine telecommunications cable extending between the continental United States and Hong Kong, Taiwan, and the Philippines, the Pacific Light Cable Network (PLCN). Applicants filed supplements to the application on August 4, 2017, September 12, 2017, and October 26, 2017.

PLCN will be a high capacity digital fiber-optic system landing in five locations (one in each of California, Hong Kong, and Taiwan, and two in the Philippines) with two main segments: submarine Segment S and terrestrial Segment T. Segment S, the main trunk between the United States and Hong Kong, will have six fiber pairs. Segment S1 will have the following branching units (BU) that comprise sub-segments of the main segment S: BU1 to Taiwan (segment S2); BU2 and BU3 to the Philippines (segments S3 to Aurora, Philippines and S4 to San Fernando La Union, Philippines); and BU4, a branch stub (segment S5) that is still under the Applicants' consideration. The system will have capacity of 120 terabits per second and a total length of approximately 13,000 kilometers.

The Applicants state that PLCN will help connect U.S. businesses and Internet users with Asia, the world's leading Internet market. Specifically, Applicants say that PLCN will (i) help connect U.S. Internet users and businesses to Asia, (ii) increase competition on the trans-Pacific route, and (iii) enhance service quality, redundancy, and resilience of communications system in the region. Applicants say that PLCN will compete directly with existing and other planned systems on the U.S.-Hong Kong route, and predict that this competition will increase bandwidth supply and spur service innovation and lower prices for consumers of international communications services.

The PLCN landing stations will be located in El Segundo, California; Hong Kong; Toucheng Township, Taiwan; Aurora, Philippines; and San Fernando La Union, Philippines. The El Segundo, Hong Kong, and Taiwan landing stations will be located in existing facilities. Both landing station facilities in the Philippines will be newly constructed.

PLCN's main trunk between the United States and Hong Kong will have six fiber pairs to be owned and controlled by the three Applicants and their affiliates in percentages described below. The two branches to the Philippines will be wholly-owned and controlled by Edge USA's affiliate Edge Network Services Limited (Edge). The Applicants state that the branch to Taiwan will be wholly owned by Google Cable Bermuda Ltd. (GCB) or a wholly-owned affiliate of Google LLC.

The Applicants and their affiliates will own the landing stations and segments as follows:

(1) Pursuant to a Joint Build Agreement between the Applicants (or their affiliates), PLDC will be the Hong Kong landing party for the PLCN cable. PLDC will have a 66.67% participation interest and 66.67% voting interest in all geographic portions of Segment S1 (U.S.-Hong Kong). PLDC will have a 100% participation interest and 100% voting interest in Segment S5 (BU4 and branch stub), if constructed. PLDC will have a 100% participation interest and 100% voting interest in Segment T1 (terrestrial link between Hong Kong cable landing station and Hong Kong terminal station). PLDC will have a 100% participation interest and 100% voting interest in Segment T2 (terrestrial link between the Hong Kong cable landing station and Hong Kong terminal station (diverse from Segment T1)).

(2) GU Holdings will be the landing party in El Segundo. GU Holdings will have a 16.67% participation interest and 16.67% voting interest in the U.S. territorial waters portion of Segment S1.

(3) Chunghwa Telecom Co., Ltd., a telecommunications operator in Taiwan, will be the landing party in Taiwan pursuant to a contract with a GCB. GCB will have a 16.67% participation interest and 16.67% voting interest in the international waters portion of Segment S1. GCB or a local affiliate will have a 16.67% participation interest and 16.67% voting interest in the Hong Kong territorial waters portion of Segment S1. GCB or a local affiliate will have a 100% participation interest and 100% voting interest in Segment S2 (BU1 to Taiwan).

(4) Edge USA will have a 16.67% participation interest and 16.67% voting interest in the U.S. territorial waters portion of Segment S1.

(5) The Applicants state that Bases Development Conversion Authority (a Philippines government instrumentality) and the Department of Information and Communications Technology (an administrative entity of the Executive Branch of the Philippine Government) are the intended landing parties in the Philippines pursuant to a future contract with Edge. Edge will have a 16.67% participation interest and 16.67% voting interest in the international waters portion of Segment S1. Edge will also have a 100% participation interest and 100% voting interest in Segment S3 (BU2 to Aurora, Philippines). Edge will have a 100% participation interest and 100% voting interest in Segment S4 (BU3 to San Fernando La Union, Philippines). Edge will also have a 100% participation interest and 100% voting interest in Segment T3 (terrestrial link between Philippines cable landing stations).

(6) Edge Network Services Hong Kong Limited will have a 16.67% participation interest and 16.67% voting interest in the Hong Kong territorial waters portion of Segment S1.

The Applicants state that they intend to enter into contractual arrangements with third parties for support services in connection with the operation and management of the network operations center (NOC) to be located in the United States. The Applicants state that the U.S. NOC will manage access to the U.S. common infrastructure pursuant to a contract with Applicants (or their affiliates). The Applicants state that the NOC contract will give Applicants control over the NOC in all matters related to PLCN. The Applicants will advise the Commission once a vendor is selected.

Applicants have entered into a United States Landing Party Agreement that will govern the relationship between the Applicants at the U.S. landing station. The Applicants state that they intend to enter into contractual arrangements with Equinix, Inc. (Equinix) for support services in connection with the operation and management of U.S. facilities associated with PLCN, including the landing and terminal equipment associated with the U.S. landing. Equinix is the sole owner of the land and building where the PLCN cable will land in El Segundo (the LA4 data center).

Applicants assert that GU Holdings alone will own and control the U.S. landing station located in El Segundo, California under Commission rules, and as such contend that Equinix is not required to be an applicant under 47 CFR § 1.1767(h)(1). They state that the arrangements with Equinix regarding the relationship of the Applicants and Equinix demonstrate that Equinix will not have the ability to significantly affect operations of the PLCN cable system. These arrangements include:

- Within the landing facility at Equinix, each Applicant will have a separate cage for their separate fiber pairs.
- An additional cage will house common equipment to serve all of Applicants' fiber pairs.
- GU Holdings will be able to access the cage that houses the common equipment and each of the Applicants' separate cages.
- Edge USA and PLDC will have access to their respective cages only.
- Equinix will not have access to the cages except at the direction of GU Holdings.
- Edge USA and PLDC may direct Equinix to access their separate cages to provide specified ancillary services.

In the alternative, Applicants request a waiver of Section 1.767(h)(1) so that Equinix does not have to be an applicant/licensee.

The Applicants propose to operate PLCN on a non-common carrier basis. They state that although PLCN will add important additional capacity on the U.S.-Hong Kong route, several alternative facilities on existing and proposed cable systems (e.g., the Asia-America Gateway) provide competition. Applicants state that more generally, the U.S.-Hong Kong route is served by systems landing in Japan, Korea, and China, such as FASTER, Japan-U.S. Cable Network, Pacific Crossing-1, TGN-Pacific, Trans-Pacific Express, and Unity, which provide onward connectivity to Hong Kong via numerous intra-Asia submarine cable systems (e.g., APCN-2 and APG). Applicants state that the U.S.-Philippines and U.S.-Taiwan routes are served by competing systems that would preclude PLCN from becoming a bottleneck facility on those routes. The Applicants state that the U.S.-Taiwan route is served directly by TPE and FASTER and will soon be served by the NCP cable. The Applicants state that the U.S.-Philippines route is directly served by the AAG cable, which will soon be joined by SEA-US. The Applicants state that like with the U.S.-Hong Kong route, the U.S.-Philippines and U.S.-Taiwan routes are served by a variety of systems that land in Japan, Korea, and China that provide onward connectivity to Taiwan and the Philippines. Due to these alternate facilities, the Applicants believe that they should not be required to serve the public indiscriminately. The Applicants further state that PLCN capacity will be used either by Applicants to meet their own bandwidth needs or made available to third parties based on individually tailored agreements. The Applicants assert that PLCN will improve the redundancy and resiliency of the communications network in the Asia region. The Applicants note that the PLCN will interconnect, directly and indirectly, with many of the existing and planned regional and international cables.

GU Holdings Inc. is 97% owned by Google International LLC and 3% owned by YouTube, LLC, which are each wholly owned by Google LLC (a technology search services and advertising company), which in turn is wholly owned by XXVI Holdings Inc., which in turn is wholly owned by Alphabet Inc., and all of which are organized in the state of Delaware. According to the Applicants, the following persons (all U.S. citizens), as of Feb. 13, 2017, have a 10% or greater voting or equity interest in Alphabet Inc.: Larry Page (42.3% of Class B common stock); and Sergey Brin (41.0% of Class B common stock). No other individual or entity has 10% or greater direct or indirect voting or equity interest in GU Holdings. Together, the shares held by Mr. Page and Mr. Brin account for more than 50% of the voting interests in Google.

Edge Cable Holdings USA, LLC is a wholly owned, direct subsidiary of Facebook, Inc. Both Edge USA and Facebook, Inc. are organized in the state of Delaware. Facebook, Inc.'s principal business is software and technology. According to the Applicants, the following persons (all U.S. citizens), as of December 31, 2016, have a 10% or greater direct or indirect interest in Edge USA: CZI Holdings, LLC (CZI) owns 13.9% of Facebook, Inc.'s outstanding shares and 51.96% voting interest in Facebook, Inc.; and Mark Zuckerberg, Chairman and CEO of Facebook, who owns all of CZI's membership interests, and together with his other ownership positions in Facebook, Inc., owns approximately 14.35% of Facebook's outstanding shares and hold an approximate 59.58% voting interest in Facebook that includes (a) a 51.96% voting interest for shares he holds directly or controls through CZI and (b) a 6.3% voting interest that he has authority to vote pursuant to voting agreements with (i) Dustin Moskovitz, Trustee of the Dustin Moskovitz 2008 Annuity Trust and (ii) Dustin Moskovitz, Trustee of the Dustin A. Moskovitz Trust. CZI is engaged in philanthropy and is organized in Delaware. The Applicants state that Facebook shares trade publicly on NASDAQ and as of the most recent measurable date (Dec. 31, 2016), Facebook has no 10% or great direct or indirect shareholders other than CZI and Mr. Zuckerberg.

Pacific Light Data Communication Co., Ltd. is a communications service provider and a private company organized under the laws of Hong Kong. PLDC is wholly owned by PLD Holdings Limited, a holding company organized in the British Virgin Islands, which is in turn wholly owned by China Culture Silicon Valley Limited, a holding company organized in Hong Kong, which is in turn wholly owned by Mr. Wei, Junkang, a citizen of Hong Kong SAR of China. Mr. Wei, Junkang's principal business is business investment in information technology.

All Applicants each agree to abide by the routine conditions specified in section 1.767(g) of the Commission's rules, 47 C.F.R. § 1.767(g).

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## REMINDERS:

Applicants must certify that neither the applicant nor any party to the application is subject to a denial of federal benefits by federal and/or state courts under authority granted in 21 U.S.C. § 862. See C.F.R. §§ 1.2001-1.2003.

By this notice, we inform the public that submarine cable landing license applications and international section 214 applications that are part of larger transactions involving multiple Commission licenses or authorizations may involve "extraordinary circumstances" as referenced in Review of Commission Consideration of Applications under the Cable Landing License Act, Report and Order, 16 FCC Rcd 22167 (2001) and Rules and Policies on Foreign Participation in the U.S. Telecommunications Market, Report and Order and Order on Reconsideration, 12 FCC Rcd 23891 (1997), paras. 327-28, Order on Reconsideration, 15 FCC Rcd 18158 (2000). Additionally, these extraordinary circumstances may result where Executive Branch agencies petition the Commission to defer decision on certain transactions pending the resolution of potential national security, law enforcement, foreign policy and trade policy issues. Accordingly, these applications may not be acted on within the 90-day review period that the Commission has established as the period of time normally required to reach a decision on non-streamlined cable landing licenses and international section 214 applications. This notice shall serve as public notice to applicants that, in these circumstances, additional time may be required for Commission review and final action. No additional formal public notice will be provided routinely with respect to specific applications in the event that the applicable review period extends beyond 90 days.