



# PUBLIC NOTICE

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**Report No. SCL-00219S**

**Wednesday August 8, 2018**

## **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 upon further examination an application is 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.

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 NTT America, Inc. (NTT America), NTT Communications Corporation (NTT Com), Edge Cable Holdings USA, LLC (Edge USA), HKT Global (Singapore) Pte. Ltd (HKTGS), PLDT, Inc., (PLDT), SoftBank Corp. (SoftBank), and Vadata, Inc. (Vadata, collectively with NTT America, NTT Com, Edge USA, HKTGS, PLDT, and SoftBank, the Applicants) for a license to land and operate within the United States a non-common carrier fiber-optic submarine cable system connecting Hermosa Beach, California; Cloverdale, Oregon; Maruyama and Shima, Japan; and Daet, the Philippines (JUPITER system). On August 1, 2018, Applicants filed a supplement and an amendment to the application to add specific landing point information for the Oregon landing.

The JUPITER system will consist of three segments: (1) the Main Trunk will have five fiber pairs and will connect an existing cable landing station in Maruyama, Japan and an existing cable landing station in Shima, Japan with an existing cable landing station in Hermosa Beach, California; (2) the Oregon Branch will have two fiber pairs and will connect a branching unit on the Main Trunk with an existing cable landing station in Cloverdale, Oregon; and (3) the Philippines Branch will have two fiber pairs and will connect an existing cable landing station in Daet, Philippines with a branching unit on the Main Trunk. JUPITER will have a total design capacity of 12 Terrabits per second (Tbps) per fiber pair (for a total of 60 Tbps). JUPITER will have a total length of 14,557 kilometers. Applicants intend to commence commercial operation of the system in the first calendar quarter of 2020.

Applicants state that the JUPITER system will provide significant new capacity on routes where capacity demand continues to increase substantially each year. Further, the Applicants state that the system will provide geographically-diverse data center connectivity for certain of JUPITER's owners.

The initial ownership and control of the Main Trunk of the JUPITER system will be the following: (1) NTT Com (12.5% equity and voting interest); (2) Edge USA will hold a 25% equity and voting interest in the U.S. territory portion of the system, Edge Network Services Limited (Edge Network) will hold a 25% equity and voting interest in the portion of the system located in international waters, and Edge Network Services Limited (Japan Branch) (Edge Network Japan) will hold a 25% equity and voting interest in the portion of the system located in Japanese territory; (3) HKTGS (12.5% equity and voting interest); (4) PLDT (25% equity and voting interest); (5) SoftBank (12.5% equity and voting interest); and (6) Vadata (12.5% equity and voting interest). Applicants state that because neither Edge Network nor Edge Network Japan will use the U.S. endpoints of the JUPITER system, neither of these entities is required to be a joint applicant for the cable landing license.

In the event that Edge USA and its affiliates decide to equip a second fiber pair on the system, the ownership and control of the Main Trunk of the JUPITER system will be the following: NTT Com (10% equity and voting interest); (2) Edge USA will hold a 40% equity and voting interest in the U.S. territory portion of the system, Edge Network will hold a 40% equity and voting interest in the portion of the system located in international waters, and Edge Network Japan will hold a 40% equity and voting interest in the portion of the system located in Japanese territory; (3) HKTGS (10% equity and voting interest); (4) PLDT (20% equity and voting interest); (5) SoftBank (10% equity and voting interest); and (6) Vadata (10% equity and voting interest).

The ownership and control of the Oregon Branch will be the following: Edge USA will hold a 100% equity and voting interest in the U.S. territory portion of the system, and Edge Network will hold a 100% equity and voting interest in the portion of the system located in international waters.

PLDT will hold a 100% equity and voting interest in the Philippines Branch.

The ownership and control of each of the cable landing stations are: (1) SoftBank owns and controls the existing cable landing station in Maruyama, Japan; (2) NTT Com owns and controls the existing cable landing station in Shima, Japan; (3) RTI-Infrastructure, Inc. (RTI-I) owns the existing landing station in Hermosa Beach, California and NTT America will control JUPITER's use of the landing station, and; (4) Microsoft Infrastructure Group, LLC (MIGL) owns the existing cable landing station at Cloverdale, Oregon, and Edge USA will control JUPITER's use of the landing station; and (5) PLDT owns and controls the existing cable landing station at Daet, Philippines.

Applicants request a waiver of section 1.767(h)(1) of the Commission's rules, 47 CFR § 1.767(h)(1), so that RTI-I need not be a joint applicant for the JUPITER cable landing license. Section 1.767(h)(1) requires that "[a]ny entity that owns or controls a cable landing station in the United States" shall be "applicants for, and licensees on, a cable landing license." 47 CFR § 1.767(h)(1). According to Applicants, RTI-I will have no ability to affect significantly JUPITER system's operation, and inclusion of RTI-I as a joint applicant is not necessary to ensure compliance by the Applicants collectively, or by NTT America as the Hermosa Beach landing party controlling the landing arrangements and contracting with RTI-I, with the Cable Landing License Act, the Commission's cable landing license rules, or the terms of any cable landing license.

Applicants state that for JUPITER's Hermosa Beach landing, NTT America seeks to enter into an agreement with RTI-I granting NTT America an indefeasible right of use (IRU) for RTI-I's beach manhole and one of its bore pipes in Hermosa Beach and for a conduit connecting the beach manhole with RTI-I's existing, highly-secure, and purpose-built cable landing station. Under the contemplated agreement, RTI-I will also grant to NTT America a long-term lease for collocation space for power feed equipment in RTI-I's cable landing station; NTT America, on behalf of the Applicants, will have exclusive control over this space. NTT America, at the Applicants' direction, will have exclusive control over the power feed equipment that they will locate in RTI-I's cable landing station. NTT America will retain operational authority over the JUPITER landing facilities in Hermosa Beach and provide direction to RTI-I in all matters relating to JUPITER. The terminal equipment for all of JUPITER's fiber pairs will not be located in the RTI-I cable landing station, but instead within CoreSite's highly-secure, state-of-the-art LA 2 data center in Los Angeles. Further, NTT America will seek to ensure that both the IRU and lease agreements will have initial 15-year terms, with the option of two five-year extensions that may be exercised at NTT America's sole discretion, for a maximum of 25 years each.

Applicants also request a waiver of section 1.767(h)(1) so that MIGL need not be a joint applicant for the JUPITER cable landing license. According to Applicants, MIGL will have no ability to affect significantly JUPITER's operation, and inclusion of MIGL as a joint applicant is not necessary to ensure compliance with the Cable Landing License Act, the Commission's cable landing license rules, or the terms of any cable landing license. Applicants state that for JUPITER's Oregon landing, Edge USA will construct beach manhole and bore pipes in Pacific City. Under the contemplated agreement, Edge USA will secure long-term rights from MIGL for collocation space for power feed equipment in MIGL's cable landing station and will have exclusive control over this space. Edge USA will have exclusive control over the power feed equipment that it will locate in MIGL's cable landing station. Edge USA will retain operational authority over the JUPITER landing facilities in Oregon and provide direction to MIGL in all matters relating to JUPITER. The terminal equipment for all of

JUPITER's fiber pairs in the state of Oregon will not be located in the MIGL cable landing station, but instead at Flexential Brookwood Data Center in Hillsboro, Oregon. Further, Edge USA will ensure that the contemplated agreement has an initial 15-year term, with the option of two five-year extensions that may be exercised at Edge USA's sole discretion, for a maximum term of 25 years.

Applicants propose to operate the JUPITER system on a non-common carrier basis. They state that capacity will not be sold indifferently to the user public. Rather the JUPITER system will provide NTT America, NTT Com, HKTGS, PLDT, and SoftBank with capacity to support their wholesale capacity businesses in Asia and the Americas, offering bulk capacity to particular carrier, enterprise, and government customers pursuant to individually-negotiated IRUs and capacity leases. Applicants also state that the JUPITER system will provide Edge USA and its affiliates with capacity to support Facebook's global platform to connect its users and data centers. They state that the JUPITER system will provide Vadata and its affiliates with capacity to support Amazon's cloud services offerings and connect its data centers. Further, the Applicants state that the JUPITER system will enhance competition by competing vigorously with other submarine cable systems on the U.S.-Japan route (i.e., FASTER, Japan-U.S., New Cross Pacific, Pacific Crossing-1, Tata Global Network-Pacific, Trans-Pacific Express, and Unity systems) and the U.S.-Philippines route (i.e., Asia America Gateway and SEA-US systems). In addition, the JUPITER system will also compete with Asia Submarine-cable Express, APCN 2, EAC/C2C, and Southeast Asia Japan Cable, which provide connectivity between the Philippines and Japan.

NTT America, a Delaware corporation, is a wholly-owned subsidiary of NTT Com, a Japanese entity. NTT America will serve as the California landing party and control the California cable landing station for the JUPITER system. NTT Com will hold participation and voting interests in the Main Trunk of the JUPITER system, and also own and control the Shima cable landing station for the JUPITER system. The ten percent or greater direct or indirect interest holders of NTT America and NTT Com are: (1) Nippon Telegraph and Telephone Corporation (NTT), a Japanese entity (100% voting and equity interest in NTT Com); and (2) Japanese Ministry of Finance (32.39% voting and equity interest in NTT). The remainder of NTT's shares trade publicly on the Tokyo Stock Exchange. Applicants state that as of June 30, 2017, no NTT shareholder holds an interest sufficient to give it a ten percent or greater direct or indirect interest in NTT America or NTT Com.

Edge USA, a Delaware corporation, is a wholly-owned, direct subsidiary of Facebook, Inc. (Facebook), a Delaware corporation. Edge USA and its affiliates will hold participation and voting interests in the Main Trunk and Oregon Branch of the JUPITER system. The ten percent or greater direct or indirect interest holders of Facebook are: (1) CZI Holdings, LLC (CZI), a Delaware company (13.79% of Facebook's outstanding shares and 52.73% voting interest in Facebook); and (2) Mark Zuckerberg, a U.S. citizen who serves as Chairman and CEO of Facebook (100% ownership interest in all of CZI's member interests and, together with his other ownership positions in Facebook, owns approximately 13.26% of Facebook's outstanding shares and holds an approximate 59.9% voting interest in Facebook that includes: (a) a 52.18% voting interest for shares he holds directly or controls through CZI; and (b) a 6.6% voting interest that he has authority to vote pursuant to voting agreements with (i) Dustin Moskovitz, Trustee of The Dustin Moskovitz 2008 Annuity Trust dated March 10, 2008, and (ii) Dustin Moskovitz, Trustee of The Dustin A. Moskovitz Trust dated December 27, 2005. Facebook's shares trade publicly on the NASDAQ Stock Market. Applicants state that as of March 31, 2018, no other individual or entity holds a ten percent or greater direct or indirect interest in Facebook or Edge USA.

HKTGS, a Singapore entity, is an indirect subsidiary of PCCW Limited, a Hong Kong entity. HKTGS will hold participation and voting interests in the Main Trunk of the JUPITER system. The ten percent or greater direct or indirect interest holders of HKTGS are: (1) PCCW Communications (Holdings) Limited (PCCW Holdings), a British Virgin Islands entity (100% equity and voting interest in HKTGS); (2) HKT (International) Limited (HKT International), a British Virgin Islands entity (100% equity and voting interest in PCCW Holdings); (3) Hong Kong Telecommunications HKT (CI) Limited (HKT CI Limited), a Cayman Islands entity (100% equity and voting interest in HKT International); (4) HKT Holdings Limited (HKT Holdings), a Cayman Islands entity (100% equity and voting interest in HKT CI Limited); (5) HKT Group Holdings Limited (HKT Group Holdings), a Cayman Islands entity (100% equity and voting interest in HKT Holdings); (6) HKT Limited, a Cayman Islands entity (100% equity and voting interest in HKT Group Holdings); (7) HKT Trust, a trust constituted on November 7, 2011 under the laws of Hong Kong and managed by HKT Management Limited, a Hong Kong entity (the assets of the HKT Trust are held by HKT Management Limited, and the shares of the HKT Trust are stapled to the shares of HKT Limited and listed on the Hong Kong Stock Exchange); (8) HKT Management Limited (100% equity and voting interest in HKT Limited in its capacity as trustee and manager of the HKT Trust); (8) CAS Holding No. 1 Limited (CAS Holding), a British Virgin Islands entity (direct approximate 51.97% of the issued share stapled units of the HKT Trust and HKT Limited; and 100% equity and voting interest in HKT Management Limited); (9) PCCW Limited (100% equity and voting interest in CAS Holding); (10) Pacific Century Regional Developments Limited (Pacific Century Regional), a Singapore entity (beneficially holds (i) an approximate 22.72% equity and voting interest in PCCW Limited and (ii) an approximate 1.74% voting and equity interest in HKT Trust and HKT Limited); (11) Pacific Century Group (Cayman Islands) Limited (Pacific Century Cayman Islands), a Cayman Islands entity (holds (i) an approximate 43.82% equity and voting interest in Pacific Century Regional; and (ii) 100% equity and voting interest in Anglang Investments Limited, a British Virgin Islands entity, which holds an approximate 44.12% equity and voting interest in Pacific Century Regional); (12) Pacific Century International Limited (Pacific Century International), a Cook Islands entity (beneficially holds 100% equity and voting interest in Pacific Century Cayman Islands); (13) Pacific Century Group Holdings Limited (Pacific Century Group Holdings), a British Virgin Islands entity (beneficially holds (i) 100% equity and voting interest in Pacific Century International; (ii) 100% equity and voting interest in Borsington Limited, a British Virgin Islands entity which beneficially holds an approximate 0.63% equity and voting interest in Pacific Century Regional; (iii) an approximate 0.01% equity and voting interest in Pacific Century Regional; (iv) an approximate 2.27% equity and voting interest in PCCW Limited; and (v) an approximate 0.17% equity and voting interest in the HKT Trust and HKT Limited); (14) Ocean Star Management Limited (Ocean Star Management), a Bermuda entity (100% equity and voting interest in Pacific Century Group Holdings as trustee for The Ocean Unit Trust and The Starlite Unit Trust, both trusts constituted under the laws of Bermuda and which hold no voting or equity interests of Pacific Century Group Holdings); (15) OS Holdings Limited, a Bermuda entity (direct 100% equity and voting interest in Ocean Star Management); (16) China Unicom Group Corporation (BVI) Limited (China Unicom), a British Virgin Islands entity (approximate 18.46% equity and voting interest in PCCW Limited); China United Network Communications Group Company Limited (China United Network), a Chinese entity (direct 100% equity and voting interest in China Unicom); (17) State-Owned Assets Supervision and Administration Commission of the State Council of the People's Republic of China (98.4% equity and voting interest in China United Network). PCCW Limited is a publicly held company listed on the Hong Kong Stock Exchange. Applicants state that the most recent date of measurement of shareholder interests is based on disclosure with the Hong Kong Stock Exchange on February 13, 2017. Applicants state that no other individuals or entities hold a ten percent or greater direct or indirect voting or equity ownership interest in HKTGS, including any other individuals or entities that may hold a direct or indirect ownership interest in OS Holdings Limited, PCCW Limited, Pacific Century Regional, the HKT Trust, or HKT Limited.

PLDT, a Philippines corporation, will hold participation and voting interests in the Main Trunk of the JUPITER system and the Philippines Branch. It will also own and control the Daet, Philippines, cable landing station at which the JUPITER system will land. Applicants state that PLDT has the following ten percent or greater direct or indirect interest holders as of February 28, 2018: (1) Philippine Telecommunications Investment Corporation (PTIC), a Philippines entity (3.91% equity interest (based on outstanding capital stock) and 7.11% voting interest (based on outstanding voting stock) in PLDT); (2) Metro Pacific Resources, Inc. (MPRI), a Philippines entity (3.24% equity interest (based on outstanding capital stock) and 5.89% voting interest (based on outstanding voting stock) in PLDT), (3) Semilion Enterprises Inc. (Semilion), a British Virgin Islands company (direct 3.54% common shares interest in PLDT); (4) First Pacific Company Limited (First Pacific Company), a Hong Kong entity whose shares trade publicly on The Stock Exchange of Hong Kong Limited (in aggregate, controls a 25.57% common shares and 15.09% voting interest in PLDT, through its indirect interests in its affiliates, PTIC and MPRI, and wholly-owned subsidiary, Semilion); (5) NTT Com (1.90% equity interest (based on outstanding capital stock) and 3.45% voting interest (based on outstanding voting stock) in PLDT); (6) NTT DOCOMO, Inc. (NTT DOCOMO), a Japanese entity (4.70% equity interest (based on outstanding capital stock) and 8.56% voting interest (based on outstanding voting stock) in PLDT); (7) NTT (100% voting and equity interest in NTT Com and 63.32% voting and equity interest in NTT DOCOMO); (8) Japanese Ministry of Finance (32.39% voting and equity interest in NTT); (9) BTF Holdings, Inc. (BTF Holdings) (22.52% equity interest (based on outstanding capital stock) and 40.98% voting interest (based on outstanding voting stock) in PLDT), a Philippines entity that is controlled by the Board of Trustees for the Account of the Beneficial Trust Fund Created Pursuant to the Benefit Plan of PLDT Co. Based on a resolution adopted by the Board of Directors of BTF Holdings, the Chairman of the Board of PLDT, Manuel V. Pangilinan, a Philippines citizen, has been appointed as proxy or duly authorized representative of BTF Holdings to represent and vote the PLDT shares of voting preferred stock of BTF Holdings in the annual meeting of PLDT.

SoftBank, a Japanese corporation, is an indirect subsidiary of SoftBank Group Corp., a Japanese entity. SoftBank will hold participation and voting interests in the Main Trunk of the JUPITER system. It will also own and control the Maruyama cable landing station, one of the JUPITER system's two Japan landings. The ten percent or greater direct or indirect interest holders of SoftBank are: (1) SoftBank Group International GK (SoftBank Group International), a Japanese entity (direct 99.99% equity and voting interest in SoftBank); (2) SoftBank Group Corp (direct 100% equity and voting interest in SoftBank Group International); (3) Masayoshi Son, a Japanese citizen who is the Founder and Chairman of SoftBank Group Corp (direct 21% equity and voting interest in SoftBank Group Corp. as of September 30, 2017). Applicants state that no other person or entity holds a ten percent or greater direct or indirect equity or voting interest in SoftBank.

Vadata, a Delaware corporation, is a wholly-owned, indirect subsidiary of Amazon.com, Inc. (Amazon), a Delaware corporation. Vadata will hold participation and voting interests in the Main Trunk of the JUPITER system. The ten percent or greater direct or indirect interest holders of Vadata are: (1) Amazon.com Services, Inc. (Amazon.com Services), a Delaware corporation (100% equity and voting interest in Vadata); (2) Amazon (100% equity and voting interest in Amazon.com Services); (3) Jeffrey P. Bezos, a U.S. citizen who serves as Chairman, President and CEO of Amazon (approximate 16.3% of Amazon's outstanding shares as of December 31, 2017, and sole voting and investment power with respect to 78,886,458 shares and shared voting and investment power with respect to 6,822 shares). Amazon's shares trade publicly on the NASDAQ Stock Market. Applicants state that as of December 31, 2017, Amazon has no ten percent or greater direct or indirect shareholder other than Mr. Bezos.

All of the Applicants agree to accept and abide by the routine conditions specified in section 1.767(g) of the Commission's rules, 47 CFR § 1.767(g).

NTT America and NTT Com agree to comply with the reporting requirements in section 1.767(l) of the Commission's rules, 47 CFR § 1.767(l), for the U.S.-Japan route. PLDT agrees to comply with the reporting requirements in section 1.767(l) for the U.S.-Philippines route.

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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 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, extraordinary circumstances result where Executive Branch agencies petition the Commission to defer action on an application 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. 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.