PUBLIC NOTICE

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Report No. SCL-00282NS

Non-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. 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. These applications are not subject to the streamlined processing procedures set forth in Section 1.767 of the Commission's rules, 47 CFR § 1.767.

Filings relating to this application must be received within 14 days of this notice. 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.

These applications are being 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.

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 ninety (90) days after release of this public notice, unless it determines that additional time is needed.

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 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) and Edge Cable Holdings USA, LLC (Edge USA) (together, Applicants) for a license to operate a non-common carrier fiber-optic submarine cable system connecting the United States to Taiwan and the Philippines, the Pacific Light Cable Network (PLCN). The Applicants applied for a supplement on September 9, 2020.

The Applicants originally filed an application in 2017, along with Pacific Light Data Communication Co. Ltd. (PLDC), a Hong Kong entity, for a landing license to extend between the continental United States, Hong Kong, Taiwan, and the Philippines. See Streamlined Submarine Cable Landing License Applications Accepted for Filing, File No. SCL-LIC-20170421-00012, Public Notice, Report No. SCL-00204S (IB, rel. Nov. 1, 2017); Streamlined Submarine Cable Landing License Applications Accepted for Filing, File No. SCL-LIC-20170421-00012, Public Notice, Report No. SCL-00204S (IB, rel. Jan. 22, 2018). The Commission granted the Applicants and PLDC special temporary authority to construct and test the cable system prior to action on the application. See File Nos. SCL-STA-20180907-00033; SCL-STA-20190327-00011; SCL-STA-20190906-00032; and SCL-STA-20200313-00014. On April 8, 2020, the Commission granted GU Holdings special temporary authority to operate the cable system on a commercial basis between the United States and Taiwan, conditioned on GU Holdings abiding by the commitments and undertakings contained in the April 7, 2020 Provisional National Security Agreement for Special Temporary Authority between GU Holdings, on the one hand, and the Department of Justice (DOJ), the Department of Homeland Security (DHS) and the Department of Defense (DOD), on the other hand (Provisional NSA). See File No. SCL-STA-20200402-00015.

On June 17, 2020, the National Telecommunications and Information Administration, on behalf of the Committee for the Assessment of Foreign Participation in the United States Telecommunications Services Sector, filed a recommendation to deny the application in so far as it applied to PLDC and the landing in Hong Kong, and to grant the application for GU Holdings and Edge USA for the landings in Taiwan and the Philippines if GU Holdings and Edge USA reached final agreements with DOJ, DHS and DOD on specific mitigation measures that address the Executive Branch's national security concerns relevant to the U.S.-Taiwan and U.S.-Philippines portions of the cable system. Executive Branch Recommendation for a Partial Denial and Partial Grant of the Application for a Submarine Cable Landing License for the Pacific Light Cable Network, File Nos. SCL-LIC-20170421-00012, SCL-AMD-20171227-00025 (June 17, 2020). On August 27, 2020, GU Holdings, Edge USA and PLDC withdrew their joint application for a cable landing license for a system that would extend between the continental United States, Hong Kong, Taiwan, and the Philippines. See File Nos. SCL-LIC-20170421-00012 and SCL-AMD-20171227-00025.

GU Holdings and Edge USA now seek a cable landing license to connect the United States to Taiwan and the Philippines, for which the Executive Branch agencies made a recommendation to grant. Applicants propose that the license now cover the following elements of the PLCN, which has largely been constructed:

- The fiber pair owned by GU Holdings and its affiliates connecting the United States to Branching Unit 2 (Fiber Pair 2 on each of Segments S1.1.1, S1.1.2, and S1.2);
- The branch owned by GU Holdings' affiliates connecting Taiwan to Branching Unit 1, including the two fiber pairs on that branch (Segment S2);
- The fiber pair owned by Edge USA and its affiliates connecting the United States to Branching Unit 2 (Fiber Pair 1 on each of Segments S1.1.1, S1.1.2, and S1.2);
- The branch owned by Edge USA's affiliates connecting Baler, Philippines, to Branching Unit 2, including the two fiber pairs on that branch (Segment S3); and,
- Common equipment necessary to operate Fiber Pair 1 and Fiber Pair 2 between the United States and Taiwan, and the United States and the Philippines.

While the system is currently built to include additional fiber pairs and landings, the Applicants are not seeking authority to operate Fiber Pairs 3 through 6, which are owned by PLDC, or to operate Fiber Pair 1 and Fiber Pair 2 beyond Branching Unit 2, including Segments S1.3, and S1.4 (the original proposed connection to Hong Kong, the Hong Kong Path) and S4 (the original proposed connection to San Fernando, Philippines). While already built, Applicants state that the Hong Kong Path has been disconnected from the rest of the system, and the rest of the system will be operated independently and without the intervention of PLDC. GU Holdings controls access to Fiber Pairs 3 through 6 in the United States and will ensure that those fiber pairs are not usable to serve the Hong Kong Path absent future authorization. GU Holdings will also configure Branching Unit 1 to route all traffic on Fiber Pair 2 to Taiwan, and Edge USA will configure Branching Unit 2 to route all traffic on Fiber Pair 1 to the Philippines. As a result, the Applicants assert that the Hong Kong Path is not connected to the United States within the meaning of the Cable Landing License Act.

For purposes of this application, PLCN will consist of a main trunk between Los Angeles, California and Branching Unit 2 (the Main Trunk), which will have a total length of approximately 11,806 kilometers and consist of two fiber pairs with a design capacity of a minimum of 24 terabits per second (Tbps) per fiber pair using current technology. PLCN will have two branches off the Main Trunk: (1) a branch from Branching Unit 1 that connects Fiber Pair 2 from the Main Trunk to Toucheng, Taiwan (the Taiwan Branch) with a total length of approximately 693 kilometers, and (2) a branch from Branching Unit 2 that connects Fiber Pair 1 from the Main Trunk to Baler, Philippines (the Baler Branch) with a total length of approximately 678 kilometers. Each of the branches will consist of two fiber pairs with a design capacity of a minimum of 24 Tbps per fiber pair using current technology.

Edge USA will wholly own Fiber Pair 1 in the United States and U.S. territorial waters. Its affiliate, Edge Network Services Limited (Edge Network Services), will wholly own Fiber Pair 1 in international waters and the Philippines and Philippine waters. GU Holdings will wholly own Fiber Pair 2 in the United States and U.S. territorial waters. Its affiliate, Google Cable Bermuda Ltd, will wholly own Fiber Pair 1 in international waters and another affiliate, Google Taiwan Limited (GTL), will wholly own Fiber Pair 1 in Taiwanese waters and in Taiwan. Applicants state that Edge Network Services, Google Cable Bermuda Ltd. and GTL are not required to be applicants for the cable landing license under the Commission's rules, 47 CFR § 1.767(h)(2), because none of them will use the U.S. end points of the PLCN cable system.

Equinix LLC (Equinix) is the sole owner of the U.S. cable landing station for PLCN. GTL has contracted with Chunghwa Telecom Co., Ltd. (CHT), a telecommunications operator in Taiwan, to be the landing party in Taiwan. GTL has acquired from CHT space located at the existing
cable landing station in Toucheng, Taiwan. Edge Network Services has contracted with the Bases Development Conversion Authority (BCDA), a Philippines government instrumentality, and the Department of Information and Communications Technology (DICT), the administrative entity of the Executive Branch of the Philippine Government, which together will act as the landing parties in the Philippines. Edge Network Services has acquired from BCDA space in a newly built cable landing station in Baler, Philippines.

Applicants request a waiver of section 1.767(b)(1) so that Equinix is not required to be a joint applicant for cable landing license. Section 1.767(b)(1) requires that "any 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(b)(1). Applicants assert that Equinix will have no independent ability to affect operation of PLCN. According to the Applicants, within the U.S. cable landing station, each PLCN owner is assigned a separate cage for housing equipment supporting their individual fiber pairs (e.g., submarine line terminating equipment), and a fourth cage houses equipment supporting operation of all fiber pairs (e.g., power feeding equipment). GU Holdings, as U.S. landing party for PLCN, holds exclusive approval authority for all persons accessing any of these cages. Equinix will not have access to the cages, except: (i) to perform certain smart hands maintenance services as per GU Holdings' direction and instructions; (ii) to conduct work at the cages unrelated to the system, after providing GU Holdings advance notice and opportunity to supervise any such work; or (iii) in cases of emergency. The agreement with Equinix has a term of 20 years and, at the sole discretion of GU Holdings, may be extended for the life of the system. GU Holdings will thus retain operational authority over the U.S. landing of PLCN.

The Applicants propose to operate PLCN on a non-common carrier basis. 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 the Trans-Pacific Express (TPE), FASTER and New Cross Pacific (NCP) cables. The Applicants state that the U.S.-Philippines route is directly served by the Asia-America Gateway (AAG) and SEA-US cables. The Applicants state that the U.S.-Philippines and U.S.-Taiwan routes are served by a variety of systems that land in Japan and Korea that provide onward connectivity to Taiwan and the Philippines. Due to these alternate facilities, the Applicants state that PLCN will not be a bottleneck facility of the U.S.-Philippines and U.S.-Taiwan routes. The Applicants further state that PLCN capacity will be used either by Applicants and their affiliates to meet their own bandwidth needs or made available to third parties based on individually tailored agreements.

GU Holdings Inc. is wholly owned by Google International LLC. Google LLC has 97% voting and equity interest in Google International, and 3 is wholly owned by XXVI Holdings Inc. Alphabet Inc. has a more than 99% voting and equity interest in XXVI Holdings. All of these entities are organized in the state of Delaware. Alphabet's shares are public traded and, according to the Applicants, as of April 7, 2020, the only persons or entities with a 10% or greater direct or indirect equity or voting interest in Alphabet Inc are Larry Page, a U.S. citizen (45% of Class B common stock, giving him a 26.1% voting interest); and Sergey Brin, a U.S. citizen (41.4% of Class B common stock, giving him a 25.1% voting interest).

Edge USA, a Delaware limited liability company, is a wholly owned direct subsidiary of Facebook, Inc. (Facebook), a Delaware corporation that is publicly traded on the NASDAQ Stock Market. As of June 30, 2020, CZI Holdings, LLC (CZI) holds 12.49% equity and 51.96% voting interests in Facebook. Mark Zuckerberg, a U.S. citizen who serves as Chairman and CEO of Facebook, owns all of the member interest of CZI. He also holds approximately 12.9% of equity and 57.89% of voting interests in Facebook that include a 53.13% voting interest for shares he holds directly or controls through CZI and a 4.76% voting interest that he has authority to vote pursuant to voting agreements with Dustin Moskovitz as Trustee of The Dustin Moskovitz 2008 Annuity Trust dated March 10, 2008 and as Trustee of The Dustin A. Moskovitz Trust dated December 27, 2005. No other individual or entity has 10% or greater direct or indirect voting or equity interest in Facebook.

GU Holdings and Edge USA 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).

Pursuant to Commission practice, the application is being referred to the relevant Executive Branch agencies for their views on any national security, law enforcement, foreign policy or trade policy concerns related to the foreign ownership in the PLCN cable system.

INFORMATIVE

SCL-AMD-20171227-00025
GU Holdings Inc.

On August 27, 2020, GU Holdings Inc., Edge Cable Holdings USA, LLC, and Pacific Light Data Communication Co. Ltd. notified the Commission that they were withdrawing their application, and the amendment to the application, for a cable landing license to extend between the continental United States, Hong Kong, Taiwan, and the Philippines, the Pacific Light Cable Network.

SCL-LIC-20170421-00012
GU Holdings Inc.

On August 27, 2020, GU Holdings Inc., Edge Cable Holdings USA, LLC, and Pacific Light Data Communication Co. Ltd. notified the Commission that they were withdrawing their application, and the amendment to the application, for a cable landing license to extend between the continental United States, Hong Kong, Taiwan, and the Philippines, the Pacific Light Cable Network.

SCL-LIC-20180702-00019
AT&T Corp.

On September 10, 2020, the Chair of Committee for the Assessment of Foreign Participation in the United States Telecommunications Services Sector (Committee) notified the Commission that the Committee is conducting an initial review to assess whether granting the Application will pose a risk to the national security or law enforcement interests of the United States, pursuant to Executive Order 13913 (85 Fed Reg 19643 (April 8, 2020)).

SCL-MOD-20180605-00013
ARCO-1 USA, Inc.

On September 10, 2020, the Chair of Committee for the Assessment of Foreign Participation in the United States Telecommunications Services Sector (Committee) notified the Commission that the Committee is conducting an initial review to assess whether granting the Application will pose a risk to the national security or law enforcement interests of the United States, pursuant to Executive Order 13913 (85 Fed Reg 19643 (April 8, 2020)).
REMINDER:

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 47 C.F.R. §§ 1.2001–.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.

INFORMATIVE

SCL-STA-20200827-00037  GU Holdings Inc.

Request for special temporary authority (STA) filed by GU Holdings Inc. to allow the continued commercial operation of the portion of the Pacific Light Cable Network (PLCN) connecting the United States and Taiwan while the Commission considers the application for a cable landing license for the cable, SCL-LIC-20200827-00038. On April 8, 2020, the Commission granted GU Holdings special temporary authority to operate the PLCN cable system on a commercial basis between the United States and Taiwan, conditioned on GU Holdings abiding by the commitments and undertakings contained in the April 7, 2020 Provisional National Security Agreement for Special Temporary Authority between GU Holdings, on the one hand, and the Department of Justice, the Department of Homeland Security and the Department of Defense, on the other hand. See File No. SCL-STA-20200402-00015. GU Holdings seeks the same special temporary authority that the Commission granted on April 8, 2020.

Interested parties may file comments on or before September 18, 2020.

SCL-STA-20200828-00039  GU Holdings Inc.

Request for special temporary authority (STA) filed by GU Holdings Inc. to allow the continued construction and testing of the Pacific Light Cable Network while the Commission considers the application for a cable landing license for the cable, SCL-LIC-20200827-00038.

Interested parties may file comments on or before September 18, 2020.