



PUBLIC NOTICE

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INTERNATIONAL BUREAU TELECOMMUNICATIONS DIVISION GRANTS CABLE LANDING LICENSES

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

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, and are effective immediately. 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.

The International Bureau placed these applications on public notice in Report No. TEL-00479NS (Dec. 26, 2001). No comments were filed. On December 21, 2001, the International Bureau transmitted these applications to the U.S. Department of State (State), U.S. Department of Commerce/National Telecommunications and Information Administration (NTIA), and U.S. Department of Defense (DOD) for Executive Branch review. The International Bureau's letter began a 30-day review period that concluded with prior approval from State, after coordination with NTIA and DOD. *See* www.state.gov/r/pa/prs/ps/2001/index.cfm?docid=6951.

SCL-ASG-20011220-00025

Level 3 International, Inc. (Assignor)
Pacific Networks Limited (Assignee)

PRO FORMA ASSIGNMENT OF LICENSE

Action Taken: Grant of Authority to assign interest in Japan-U.S. Cable Network (JUSCN) cable landing license from Level 3 International, Inc. to its wholly-owned subsidiary Pacific Networks Limited.

Licensee Information: Level 3 International, Inc., a Delaware corporation, is a provider of international communications and information services and holds an 11.57324-percent voting interest and a 9.17313-percent equity interest in JUSCN. Level 3 International is an indirect wholly-owned subsidiary of Level 3 Communications, Inc., a publicly traded Delaware corporation that has no 10-percent-or-greater shareholders. Pacific Networks Limited is a wholly-owned subsidiary of Level 3 International. Pacific Networks certifies it is not a foreign carrier but is affiliated with several foreign carriers, including a foreign carrier, Level 3 Communications, Ltd. (Japan), that lacks market power in JUSCN's destination market of Japan, a WTO Member.

Interlocking Directorates: Pacific Networks Limited has interlocking directorates with foreign carriers in Germany, Hong Kong, Belgium, Netherlands, France, Bermuda, and Japan (Level 3 Communications Ltd. (Japan)).

Public Interest Finding: Pro forma assignment. *See* 47 C.F.R. § 63.24.

Regulatory Status of Cable: JUSCN is a private cable (consistent with *NARUC I*, 525 F.2d 630, 642 (D.C. Cir. 1976), cert. denied, 425 U.S. 992 (1976)); *see Japan-U.S. Cable*, 14 FCC Rcd 13066 (1999).

Design and Capacity: *See Japan-U.S. Cable*, 14 FCC Rcd 13066 (1999).

Landing Point Information: United States and Japan. *See* SCL-LPN-19990806-00013 (filed Aug. 6, 1999).

SCL-T/C-20011220-00026

Level 3 Communications, Inc. (Transferor)
Reach Global Networks Limited (Transferee)
Pacific Networks Limited (Licensee)

TRANSFER OF CONTROL

Action Taken: Grant authority to transfer control of Pacific Networks Limited, including its interest in the Japan-U.S. Cable Network (JUSCN) landing license, from Level 3 Communications, Inc. to Reach Global Networks Ltd.

Licensee Information: Level 3 Communications provides global communications and information services, and two of its subsidiaries—Level 3 Communications, LLC and Level 3 (Bermuda) Limited—hold section 214 authorizations, and a third subsidiary holds the cable landing license for the Yellow cable system between the United States and the United Kingdom. A fourth subsidiary, Level 3 International, Inc., is the direct parent of Pacific Networks Limited.

Reach Global Networks Ltd. (RGNL), the owner of cable and network assets in international waters, including a 0.18083-percent voting interest and a 1.26131-percent equity interest in JUSCN, is a wholly-owned subsidiary of Reach Ltd., a Bermuda company. Another Reach Ltd. subsidiary, Reach Networks Hong Kong, holds a 2.36781-percent equity interest, but no voting interest, in JUSCN. Reach Ltd., an international carrier of voice, private line, and IP data services that holds an international section 214 authorization, is a joint venture indirectly owned by Telstra Corporation Limited (Telstra) and Pacific Century CyberWorks Limited (PCCW). Telstra is a publicly traded Australian telecommunications company that is 50.1 percent owned by the Commonwealth Government of Australia. PCCW is a publicly traded Hong Kong company engaged in communications technology businesses. PCCW's shareholders include: (1) Pacific Century Regional Developments Limited, a publicly traded Singapore company that is 75.3-percent owned by Richard Li, a Hong Kong citizen, along with Pacific Century Group Holdings Limited and Pacific Century Diversified Limited, Hong Kong companies wholly owned by Richard Li, which together own 37.4 percent of PCCW; (2) UBS AG, a London branch office of UBS

AG, a publicly traded Swiss company with no 10-percent-or-greater shareholders, owning 14.5 percent of PCCW; and (3) Cable & Wireless plc, a U.K. holding company for telecommunications operations worldwide and with no 10-percent-or-greater shareholders, owning 14.4 percent of PCCW.

RGNL certifies that it is not a foreign carrier but is affiliated with foreign carriers in Taiwan, Hong Kong, Canada, New Zealand, Australia, the United Kingdom, India, Sri Lanka, Indonesia, Korea, Malaysia, the Philippines, Singapore, Thailand, and Japan (Reach Holdings Singapore Japan Branch, Reach Services Japan KK, Reach Networks Japan KK, and PCCW Communications (Japan) KK). RGNL states that its foreign affiliates lack market power in the JUSCN's destination market of Japan, a WTO Member.

Interlocking Directorates: RGNL has an interlocking directorate with a New Zealand affiliate.

Public Interest Finding: After the transfer of control, RGNL will own an approximately 11.75 percent capacity and voting interest in JUSCN, and therefore will be one of the larger owners among the JUSCN cable landing licensees. The Commission previously has reviewed the qualifications of RGNL's parents – Reach Ltd., Telstra and PCCW – in granting them or their subsidiaries section 214 international authority and in approving the assignment of Telstra's JUSCN cable landing license interests to RGNL. *See* File No. SCL-T/C-20011220-00026, at 7. The U.S.-Japan route is served by a number of competing submarine cables, and the acquisition poses no competitive concerns. Additionally, RGNL and its affiliates lack market power in Japan, a WTO Member destination market.

Regulatory Status of Cable: JUSCN is a private cable (consistent with *NARUC I*, 525 F.2d 630, 642 (D.C. Cir. 1976), cert. denied, 425 U.S. 992 (1976)); *see Japan-U.S. Cable*, 14 FCC Rcd 13066 (1998).

Design and Capacity: *See Japan-U.S. Cable*, 14 FCC Rcd 13066 (1999).

Landing Point Information: United States and Japan. *See* SCL-LPN-19990806-00013 (filed Aug. 6, 1999).
