



PUBLIC NOTICE

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DA No. 02-3453
December 13, 2002

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, Policy 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 application 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 upon release of this public notice. 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.

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.

The Commission most recently amended its rules applicable to submarine cable landing licenses in *Review of Commission Consideration of Applications under the Cable Landing License Act*, IB Docket No. 00-106, FCC 01-332 (rel. Dec. 14, 2001), 67 Fed. Reg. 1615 (Jan. 14, 2002). An updated version of sections 1.767 and 1.768 of the rules is available at <http://www.fcc.gov/ib/pd/pf/telecomrules.html>. See also http://hraunfoss.fcc.gov/edocs_public/attachmatch/DA-02-598A1.pdf for a March 13, 2002 Public Notice; http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-01-332A1.pdf for the December 14, 2001 Report and Order.

SCL-T/C-20020925-00092

Impsat Fiber Networks, Inc., (Transferor)
Impsat Fiber Networks, Inc. (Debtor-in-Possession)
(Transferee)

PRO FORMA TRANSFER AND
TRANSFER OF CONTROL

Action Taken: Grant of authority for *pro forma* transfer of control of an interest held by Impsat USA, Inc. in the cable landing license to operate the AMERICAS II submarine cable system from Impsat Fiber Networks, Inc. (Impsat), transferor, to Impsat Fiber Networks, Inc., as Debtor-in-Possession (Impsat DIP), transferee; and grant of authority to transfer control of the interest held by Impsat USA, Inc. in the cable landing license for the AMERICAS II submarine cable system from Impsat DIP, transferor, to the new shareholders of Impsat, transferee.

Conditions and Requirements: See *AT&T Corp. et al.*, Cable Landing License, File No. SCL-98-003, SCL-98-003A, 13 FCC Rcd 22540 (1998). Licensee shall comply with the requirements of Section 1.768 (notifications and prior approval for submarine cable landing licensees that are or propose to become affiliated with a foreign carrier), 47 C.F.R. § 1.768. See also 47 C.F.R. § 1.767(g) (1) (14).

This grant is conditioned on Impsat notifying the Commission of any 10% or greater direct or indirect shareholders of Impsat including the information required under sections 1.767 and 63.18(h) of the rules, or certifying that there are no 10% or greater shareholders, within five business days after the ownership of Impsat is conclusively established. See 47 C.F.R. §§ 1.767, 63.18(h).

This grant is conditioned on Impsat providing an interlocking directorate certification within five business days after the appointment of Impsat's board of directors. See 47 C.F.R. § 63.18(h).

Licensee Information: Impsat USA is a corporation organized under the laws of the State of Delaware, and is wholly owned by Impsat DIP, a Delaware holding company based in Buenos Aires, Argentina. Impsat USA is one of several consortium members that jointly hold a cable landing license to operate the AMERICAS II submarine cable system between Florida, Puerto Rico, the U.S. Virgin Islands, Martinique, Curacao, Trinidad, Venezuela, French Guiana, and Brazil. Impsat filed for reorganization under Chapter 11 of the bankruptcy laws on June 11, 2002. Impsat USA did not participate in the Chapter 11 filing. The proposed transaction will occur pursuant to a Plan of Reorganization under the supervision of a bankruptcy court.

Pursuant to the Plan of Reorganization, as described in the application, all existing equity in Impsat Fiber Networks will be extinguished, approximately \$525 million of indebtedness represented by Impsat Fiber Networks' \$300 million Senior Notes due 2005 and its \$225 million Senior Notes due 2008 will be converted and exchanged into 98% of the outstanding new common stock of Impsat Fiber Networks, and other indebtedness of, or guarantees by, Impsat Fiber Networks, including its \$125 million Senior Notes due 2003, will be exchanged for convertible notes, warrants to acquire common stock, and other reduced amounts of restructured indebtedness.

Morgan Stanley & Company Incorporated (Morgan Stanley), York Capital Management (York) and Merrill Lynch Asset Management (Merrill Lynch) are expected to hold approximately 18%, 16.2%, and 12.5% of the reorganized company's newly issued common stock, respectively. Impsat management will receive approximately 2% of the newly issued common stock. The remaining equity in Impsat is

expected to be widely dispersed among stockholders, with no single stockholder controlling the reorganized company.

Impsat USA does not anticipate any change in its foreign carrier affiliations as a result of the reorganization of its parent company. Impsat USA certifies that it is affiliated with the following foreign carriers: Impsat S.A. (Argentina); Impsat S.A. (Colombia); Telecomunicaciones Impsat S.A. (Venezuela); Impsatel del Ecuador S.A. (Ecuador); Impsat S.A. de C.V. (Mexico); Impsat Comunicacoes Ltda. (Brazil); Impsat Chile S.A. (Chile); and Impsat Peru S.A. (Peru). Impsat USA asserts that none of its foreign carrier affiliates possesses market power. Impsat USA further certifies that it and Impsat do not own or control, nor are they affiliated with any entity that owns or controls, a foreign cable landing station in any of the cable's destination markets. According to Impsat USA, based on its reasonable diligence, as well as the advice of Impsat, to the best of the latter's knowledge and belief, none of Morgan Stanley, York, or Merrill Lynch owns or controls, or is affiliated with an entity that owns or controls, a foreign cable landing station in any of the cable's destination markets.

Interlocking Directorates: Impsat USA states that it has interlocking directorates with its foreign carrier affiliates.

Regulatory Status of Cable: AMERICAS II cable system is operated on a common carrier basis. *See AT&T Corp. et al.*, 13 FCC Rcd 22540.

Cable Design and Capacity: *See* File No. SCL-98-003, SCL-98-003A.
