



# PUBLIC NOTICE

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**Report No. SCL-00081**

**DA No. 09-408**  
**Friday February 20, 2009**

## **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 applications ARE GRANTED. These grants of authority are taken under section 0.261 of the Commission's rules, 47 C.F.R. § 0.261. 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, 16 FCC Rcd 22167 (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](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](http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-01-332A1.pdf) for the December 14, 2001 Report and Order.

Submarine Cable Landing License

Grant of Authority

Date of Action: 02/13/2009

Acceptability for Filing Public Notice: The Application was placed on Public Notice on July 18, 2008. See MFS CableCo US, Inc. and Cedar Cable Ltd. Application for Authority to Operate a Non-Common Carrier Fiber-Optic Submarine Cable System extending between the United States and Bermuda, the CB-1 System, File No. SCL-LIC-20080603-00011, Non-Streamlined Submarine Cable Landing License Applications Accepted for Filing Public Notice, Report No. SCL-00070NS (Int'l Bur., July 18, 2008). No comments or oppositions to the application were filed in response to the Public Notice.

The Application has been 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, 22192-193, 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://www.state.gov/r/pa/prs/ps/2001/6951.html> The Department of Homeland Security and the Department of Justice filed a Petition to Adopt Conditions to Authorizations and Licenses on February 13, 2009.

Actions Taken: Grant of Cable Landing License to MFS CableCo US, Inc. ("Verizon") and Cedar Cable Ltd. ("Cedar", collectively with Verizon, the "Applicants") for the purpose of operating a non-common carrier fiber-optic submarine cable system extending between the United States and Bermuda, the CB-1 System.

Licensee Information: MFS CableCo US, Inc. is an indirect, wholly-owned subsidiary of Verizon Communications. Verizon Communications is a publicly traded company in which no person or entity holds a 10 percent or greater direct or indirect equity or voting interest.

Cedar is a company organized under the laws of Bermuda. Cedar is 67% owned by Chancery Holdings Limited, a wholly-owned subsidiary of KeyTech Limited ("KeyTech"), and 33% owned by Connect Ltd. ("Connect"), all of which are organized in Bermuda. KeyTech is publicly traded on the Bermuda Stock Exchange and owns The Bermuda Telephone Company Limited, Bermuda's incumbent local telecommunications provider. Utilico Investment Trust PLC, a UK investment company publicly traded on the London Stock Exchange, holds a 12.1% voting and equity interest in KeyTech. Utilico Investment Trust PLC is in turn 50.1% owned by General Provincial Life Pension Fund (L) Limited ("GPLPF"), a Malaysian holding company whose trustees control the entire issued share capital of GPLPF and whose sole beneficiary is Carmelita Naomi Roamer, a British citizen residing in South Africa.

Connect Ltd., a Bermuda Internet Service Provider, is wholly owned by North Rock Communications Ltd., a Bermuda holding company, which in turn is 78.2% owned by North Rock Ventures Ltd., also a Bermuda holding company. North Rock Ventures Ltd. is wholly owned by Halney Limited, a Bermuda holding company acting as a nominee company for two Bermudian citizens.

Cable Design and Capacity: The CB-1 System will utilize the northern portion of the Gemini System, which was retired and deactivated on December 29, 2004. The Gemini System was comprised of two submarine segments, a northern segment between Rhode Island and the United Kingdom ("Gemini North") and a southern segment between New Jersey and the United Kingdom ("Gemini South"). The northern segment will be recovered and redeployed to a landing station in Paget, Bermuda. This redeployment will not disturb the existing buried submarine cable from the U.S. landing point in Charlestown, Rhode Island to a divert point in 2200 meter water depth. A short section of the cable will be recovered from the divert point out to the 200 nautical mile exclusive economic zone of the United States ("200 nautical mile economic zone").

The initial capacity of the CB-1 cable system will be 20 Gbps, one active fiber pair carrying 4 x 10 Gbps traffic streams as two "collapsed loops" creating 2 x 10 Gbps traffic streams. Another fiber pair will initially be inactive to be used as standby. The use of new technology over the existing wet plant could extend the CB-1 System's design capacity to 160 Gbps per fiber pair.

Ownership of the Cable System and Landing Points: Verizon will own: (1) the physical part of the submarine cable up to the 200 nautical mile economic zone; (2) the Charlestown, Rhode Island cable station building; (3) the terrestrial cable located in the United States between the beach manhole and the Charlestown, Rhode Island cable station; (4) the U.S. terminal equipment; and (5) the U.S. backhaul. Cedar will own all of the CB-1 System capacity within the 200 nautical mile economic zone. Verizon will grant Cedar an IRU for (1) use of the submarine cable and repeaters from the Charlestown, Rhode Island beach manhole to the 200 nautical mile economic zone; (2) use of the terrestrial cable from the beach manhole to the Charlestown, Rhode Island cable station; and (3) use of the terminal equipment in the Charlestown, Rhode Island cable station. Cedar will own the multiplexing equipment to be located at 60 Hudson Street, New York, New York.

Cable Co., a Bermuda company under the same ownership structure as Cedar, will own both the physical part and all the capacity of the CB-1 System from Bermuda to the 200 nautical mile economic zone. In Bermuda, The Bermuda Telephone Company Limited ("BTC"), the incumbent local telecommunications provider in Bermuda and an affiliate of Cedar and Cable Co., will own the Paget cable station, the backhaul, and the Hamilton Exchange, where end users will have fiber access to connect to the cable system. Cable Co. will own the equipment in both the Hamilton Exchange and the Paget cable station, and receive from BTC an end-to-end cable support service which will include the route from Devonshire Bay (where the beach manhole will be located) to the Paget cable station and on to the Hamilton Exchange. Cable Co. will be responsible for the maintenance of the wet plant of the CB-1 System, jointly cooperating with Verizon for the maintenance of the CB-1 System cable and repeaters located within U.S. territorial waters.

Regulatory Status of Cable: The Applicants will operate the CB-1 System on a non-common carrier basis. They state that there are sufficient existing or planned facilities on the route or on alternative routes to prevent them from exercising market power. They also state that capacity will not be sold indifferently to the user public, but will be used by the Applicants and offered to other carriers on terms tailored to their particular needs. Application at 7-9.

Applicants have provided information and demonstrated that the proposed operation of the cable on a non-common carrier basis satisfies the requirements set forth in National Association of Regulatory Utility Commissioners v. FCC, 525 F.2d 630, 642 (D.C. Cir 1976) (NARUC I), cert. denied, 425 U.S. 992 (1976). See also Submarine Cable Landing License Report and Order, 16 FCC Rcd at 22202-22203, paras. 69-70; Review of Commission Consideration of Applications under the Cable Landing License Act, IB Docket No. 00-106, Notice of Proposed Rulemaking 15

Conditions and Requirements: Applicants shall comply with the routine conditions set out in section 1.767(g)(1)-(14) of the Commission's rules. See 47 C.F.R. § 1.767(g)(1)-(14), and with the requirements of section 1.768 of the Commission's rules, 47 C.F.R. § 1.768 (notifications and prior approval for submarine cable landing licensees that are or propose to become affiliated with a foreign carrier).

Applicants "shall at all times comply with any requirements of United States government authorities regarding the location and concealment of the cable facilities, buildings, and apparatus for the purpose of protecting and safeguarding the cables from injury or destruction by enemies of the United States of America." 47 C.F.R. § 1.767(g)(3). The International Bureau will inform the licensees of specific requirements in connection with this condition.

Cedar is affiliated with a carrier in Bermuda, a World Trade Organization Member country, and agrees to accept and abide by the reporting requirements in section 1.767(l) of the Commission's rules, 47 C.F.R. § 1.767(l), for the U.S. - Bermuda route.

We grant the Petition to Adopt Conditions to Authorizations and Licenses (Petition) filed in this proceeding on February 13, 2009, by the Department of Homeland Security and the Department of Justice. Accordingly, we condition grant of this application on Verizon Business Global, LLC and its affiliates abiding by the commitments and undertakings contained in their February 11, 2009, Agreement with the Department of Homeland Security. A copy of the Petition and the February 11, 2009, Agreement are publicly available and may be viewed on the FCC website through the International Bureau Filing System (IBFS) by searching for SCL-LIC-20080603-00011 and accessing "Other filings related to this application" from the Document Viewing area.

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