



PUBLIC NOTICE

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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, Telecommunications and Analysis 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.

These applications have 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, 22192-93, 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>.

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.

Submarine Cable Landing License
Grant of Authority

Date of Action: 12/09/2016

Acceptability for Filing Public Notice: The Application was placed on Public Notice on May 4, 2015. See GU Holdings Inc. et al., Application for a license to land and operate a non-common carrier fiber-optic submarine telecommunications cable, the Monet Cable System (Monet), extending between the continental United States and Brazil, File No. SCL-LIC-20150408-00008, Public Notice, Streamlined Submarine Cable Landing License Applications Accepted for Filing, Report No. SCL-00163S (IB, May 4, 2015). No comments or oppositions were filed in response to the Public Notice. Applicants were granted Special Temporary Authority (STA) predicated upon the Applicants' assertions that the cable will not be put into commercial service until all necessary authorizations have been received. See File No. SCL-STA-20160630-00014.

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, 22192-93, 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://www.state.gov/ir/pa/prs/ps/2001/6951.htm>. The Department of Homeland Security (DHS) filed a Petition to Adopt Conditions to Authorizations and Licenses on December 8, 2016. DHS has no objection to the Commission approving authority to land and operate the Monet Cable System, provided that the Commission condition approval on the commitment of GU Holdings Inc. to abide by the undertakings set forth in the December 6, 2016 Letter of Assurances provided to DHS.

Actions Taken: (1) Grant of Cable Landing License to GU Holdings Inc. et al. for the purpose of landing and operating a non-common carrier fiber-optic submarine cable system, the Monet Cable System, linking the continental United States and Brazil, and (2) grant of the Petition to Adopt Conditions to Authorizations and Licenses filed on December 8, 2016 by the Department of Homeland Security.

Licensee Information: The Applicants for the cable landing license for the Monet Cable System are the following: (1) GU Holdings Inc. (GU Holdings), (2) Algar Telecom S/A (Algar Telecom), (3) Angola Cables S/A (Angola Cables), and (4) Administracion Nacional de Telecomunicaciones (ANTEL).

(1) GU Holdings, a Delaware corporation, is an indirect, wholly-owned subsidiary of Google Inc. (Google), a Delaware corporation, which, in turn, is wholly-owned, on a direct basis, by Alphabet Inc. (Alphabet), a Delaware holding company. The 10 percent or greater voting or equity interest in Alphabet is held by: (1) Mr. Larry Page, a U.S. citizen (42.4% of Class B common stock, representing 27.4% voting power), and (2) Mr. Sergey Brin (41.7% of Class B common stock, representing 27.4% voting power).

(2) Algar Telecom is a telecommunications company organized under the laws of Brazil, which is a Member Country of the World Trade Organization (WTO). Algar S/A Empreendimentos E Participacoes (Algar S/A), a Brazilian corporation, owns 89.94% of the shares of Algar Telecom. Algar S/A is wholly owned by Arvore S/A Empreendimentos E Participacoes (Avore S/A), and Brazilian corporation. Lagar S/A Participacoes (Lagar S/A) owns 59% of the shares of Avore S/A., and Luar Participacoes LTDA (Luar) and Amar Participacoes LTDA (Amar) each own 50% of Lagar S/A, all Brazilian entities. Luiz Alexandre Garcia, a Brazilian citizen, owns 99.98% of Luar. Ana Marta Pereira Gracia, a Brazilian citizen, owns 99.98% of Amar. Elgar S/A Participacoes (Elgar S/A), a Brazilian corporation, owns 21% of the shares of Avore S/A. Walgar S/A Participacoes (Walgar S/A) owns 20% of the shares of Avore S/A, and Kiron Participacoes LTDA (Kiron) and Catita Participacoes LTDA (Catita) each own 50% of Walgar S/A, all Brazilian entities. Alexandrino Gracia Neto, a Brazilian citizen, owns 99.97% of Kiron. Carmen Silvia Garcia, a Brazilian citizen, owns 99.98% of Catita. The ownership of the remaining 10.06% of Algar Telecom is widely dispersed and publicly traded in the Brazilian stock market, thus no other individual or entity has a 10 percent or greater direct or indirect equity or voting interest in Algar Telecom.

(3) Angola Cables is a developer of submarine cable system and is limited company organized under Angolan law. The following entities have a 10 percent or greater direct or indirect ownership interest in Angolan Cables: (1) Unitel, S.A., an Angolan entity (31% direct ownership interest); (2) Mercury Servicos de Telecomunicacoes, S.A.R.L. (MStelecom), an Angolan entity (9% direct ownership interest and a 7.75% indirect ownership interest through its 25% interest in Unitel S.A., an Angola Cables shareholder, for a total interest of 16.75%); (3) Angola Telecom E.P. (Angola Telecom), an Angolan company (a 51% direct ownership interest and a 1.2% indirect ownership interest through its 20% interest in another Angola Cables shareholder, Movicel Telecomunicacoes S.A., which indirectly owns 6 percent of Angola Cables, for a total interest of 52.2%). Angola Telecom is a public company that is wholly-owned by the Government of the Republic of Angola and MStelecom is wholly-owned by the Government of the Republic of Angola, on an indirect basis, through Sociedade Nacional de Combustiveis de Angola, E.P., a public company wholly-owned by Government of the Republic of Angola. No other individual or entity has a 10 percent or greater direct or indirect equity or voting interest in Angola Cables.

(4) ANTEL is the incumbent local exchange and international services carrier in Uruguay. It is wholly-owned by the government of Uruguay.

Cable Design and Capacity: The Monet system, along with associated cable stations, will consist of the following: (1) Segment 1 will connect a newly constructed cable landing station at Boca Raton, Florida to a branching unit (BU), located off the coast of Fortaleza, Brazil, (2) Segment 2 will connect a newly constructed cable landing station at Fortaleza, Brazil to the BU, and (3) Segment 3 will connect a newly constructed cable landing station at Santos/Praia Grande, Brazil to the BU. The principal portion of the Monet Cable System (the "Main System"), comprised of Segment 1 and Segment 3, will consist of six fiber pairs with a total capacity of 64 Terabits per second, and Segment 2 (the "Branch Leg"), will consist of ten (10) fiber pairs with a total capacity of 32 Terabits per second. The Monet will extend approximately 10, 556 kilometers and the Applicants expect the cable system to enter into service the third calendar quarter of 2017.

Ownership of the Cable System and Landing Points: The Monet Cable System will be owned, operated and maintained pursuant to a Joint Build Agreement (JBA). An Executive Committee, composed of one representative named by each of the Parties, will manage Monet's common infrastructure, which includes the subsea plant and the landing and terminal equipment. Individual Parties will own and manage individual fiber pairs and the associated equipment. The primary Network Operations Center (NOC) for Monet will be in the United States. Applicants state that they will enter into contractual arrangements with a U.S. third party vendor to operate and manage the U.S. facilities associated with the U.S. landing station and the U.S. NOC. The relationship between the landing party and the Parties at each landing point is governed by a United

States Landing Party Agreement, a Santos Landing Party Agreement and a Fortaleza Landing Party Agreement. At each landing station, individual Parties may connect their capacity to the country's domestic network or other international cable systems.

Applicants will own all common infrastructure of Monet in proportionate and indivisible shares.

The landing stations and segments will be owned as follows:

(1) GU Holdings will own the cable landing stations in Boca Raton, Florida and Santos, Brazil. The Santos Landing Party Agreement provides that GU Holdings may assign to a Brazilian affiliate its responsibilities as landing party in Santos/Praia Grande prior to operation of the Santo landing station and will notify the Commission when this assignment takes place. GU Holdings hold two fiber pairs and have will have a 33.33% participation and voting interest in Monet's Main System (Segments 1 and 3). Google Cable Bermuda Ltd., the indirect parent of GU Holdings, will hold two fiber pairs and will have a 20% participation and voting interest in Monet's Branch Leg (Segment 2). Two indirect, wholly-owned subsidiaries of Google organized under the law of Bermuda - Google Cable Bermuda Ltd. (GCB) and Google Infrastructure Bermuda Ltd. (GIB) - are parties to the GBA and will own all of Google's capacity in Monet outside of the U.S.

(2) Angola Cables will own the landing station in Fortaleza, Brazil. It will hold two fiber pairs in Monet's Main System (Segments 1 and 3) and will have a 33.33% participation and voting interest. It will hold four fiber pairs and have a 40% participation and voting interest in Monet's Branch Leg.

(3) ANTEL will hold one fiber pair and have a 16.67% participation interest and a 16.67% voting right Monet's Main System. It will hold two fiber pairs and have a 20% participation and voting interest in Monet's Branch Leg. It will not own and/or operate any of Monet's landing stations.

(4) Algar Telecom will hold one fiber pair and have a 16.67% participation and voting interest in one fiber pair in Monet's Main System. It will hold two fiber pairs and have a 20% participation and voting interest in Monet's Branch Leg. It will not own and/or operate any of Monet's landing stations.

Regulatory Status of the Cable: The Applicants propose to operate the cable system on a non-common carrier basis. The Applicants state that the Monet Cable System will help connect U.S. internet users and businesses to South America, increase competition on the U.S.-South America route which may result in lower bandwidth prices, and enhance the service quality, redundancy, and resilience of communications systems in the region by expanding dynamic routing and reducing congestion on other networks. Application at 4-6.

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 FCC Rcd 20789, 20815-20818, paras. 62-67.

Conditions and Requirements: Applicants shall comply with the routine conditions specified in section 1.767(g)(1)-(14) of the Commission's rules, 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).

We grant the Petition to Adopt Conditions to Authorizations and Licenses (Petition) filed in this proceeding on December 8, 2016 by the Department of Homeland Security (DHS). Accordingly, we condition grant of the application on GU Holdings abiding by the commitments and undertakings contained in the Letter of Assurances from Austin Schlick, President, GU Holdings Inc., to the Assistant Secretary for International Affairs and Chief Diplomatic Officer, Office of Policy, DHS, dated December 6, 2016 (2016 LOA). A copy of the Petition and the 2016 LOA are publicly available and may be viewed on the FCC website through the International Bureau Filing System (IBFS) by searching for SCL-LIC-20150408-00008 and accessing "Other filings related to this application" from the Document Viewing area.
