



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: 05/31/2016

Acceptability for Filing Public Notice: The Application was placed on Public Notice on July 29, 2015. See GU Holdings Inc., Application for a license to land and operate a non-common carrier fiber-optic submarine cable, the FASTER Cable System, extending between the continental United States, Japan, and Taiwan, File No. SCL-LIC-20150626-00015, Public Notice, Streamlined Submarine Cable Landing License Applications Accepted for Filing, Report No. SCL-00166S (IB, July 29, 2015). No comments or oppositions were filed in response to the Public Notice. Applicants were granted Special Temporary Authority (STA) to begin constructing and testing the FASTER cable system predicated upon the Applicants' assertions that the cable will not be put into commercial service until all necessary authorizations have been received. See File Nos. SCL-STA-20150804-00025 and SCL-STA-20160204-00006.

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/r/pa/prs/ps/2001/6951.htm>. The Department of Homeland Security, with the concurrence of the Department of Justice and the Department of Defense (collectively, the "Agencies") filed a Petition to Adopt Conditions to Authorizations and Licenses (Petition) on May 27, 2016. The Agencies have no objection to the Commission approving authority to construct, land, and operate the FASTER Cable System, provided that the Commission conditions approval on the commitment of GU Holdings Inc. to abide by the undertakings set forth in the May 27, 2016, National Security Agreement entered into between GU Holdings Inc. and the Department of Homeland Security.

Actions Taken: Grant of Cable Landing License to GU Holdings Inc. et al. for the purpose of constructing, landing and operating a non-common carrier fiber-optic submarine cable system, the FASTER Cable System, linking the continental United States, Japan, and Taiwan.

Licensee Information: The Applicants for the cable landing license for the FASTER Cable System are the following: (1) GU Holdings Inc. (GU Holdings); (2) China Mobile International Limited (CMI); (3) China Telecom Global Limited (CTG); (4) Global Transit 2 Limited (GT2L); (5) KDDI Corporation (KDDI); and (6) Singapore Telecom USA Inc. (Singtel USA).

GU Holdings, a Delaware corporation, is an indirect, wholly-owned subsidiary of Google Inc. (Google), a Delaware corporation, which, in turn, is wholly-owned 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, a U.S. citizen (41.7% of Class B common stock (representing 27.4% voting power)).

Google Cable Bermuda Ltd. (GCB), a Bermuda corporation, is an indirect, wholly-owned subsidiary of Alphabet. GCB, which is not a licensee, owns all of Google's capacity outside of the U.S.

CMI, a foreign carrier in Hong Kong, is a limited liability company organized under Hong Kong law. The 10 percent or greater direct or indirect interest holders of CMI are: (1) China Mobile International Holdings Limited (CMIHL), a Hong Kong investment holding company (100% of CMI), (2) China Mobile Limited (CML), a Hong Kong company (100% of CMIHL), (3) China Mobile Hong Kong (BVI) Limited (CMHK-BVI), a British Virgin Islands holding company (74.2% of CML), (4) China Mobile (Hong Kong) Group Limited (CMHKG), a Hong Kong holding company (100% of CMHK-BVI), and (5) China Mobile Communications Corporation (CMCC), a 100% state-owned (People's Republic of China) investment holding company (100% of CMHKG).

CTG, a Hong Kong S.A.R. company, is the wholly-owned international business subsidiary of China Telecom Corporation Limited, a large provider of telecommunications services in China. The 10 percent or greater direct or indirect interest holders of CTG are: (1) China Telecom Corporation Limited (China Telecom), a Chinese corporation whose shares are publicly-traded on the Hong Kong and New York (US) stock exchanges, owns, on a direct basis, 100% of CTG, and (2) China Telecommunications Corporation (China Telecom Corp.), an enterprise wholly-owned by the People's Republic of China (PRC), holds a 70.89% ownership interest in China Telecom.

GT2L, a foreign carrier in Malaysia, is a Limited By Shares Company organized under the laws of Malaysia. The 10 percent or greater direct or indirect interest holders of GT2L are: (1) TIME dotCom Berhad (TIME), a Malaysian investment holding company (100% of GT2L), (2) Pulau Kapas Ventures Sdn Bhd (PKV), a Malaysian investment holding company (31.5% of TIME), (3) Khazanah Nasional Berhad (Khazanah), the investment holding fund of the Malaysian Government that is wholly-owned by the Malaysian government (11.38% of TIME), (4) Global Transit International Sdn Bhd (GTISB), a Malaysian investment holding company (70% of PKV), (5) Megawisra Sdn Bhd (MSB), a Malaysian investment holding company (100% of GTISB), (6) Megawisra Investment Limited (MIL), a British Virgin Island investment holding company (100% of MSB), (7) Mr. Afzal Abdul Rahim, a Malaysian citizen (75% of MIL), and (8) Mr. Gan Te-Shen, a Malaysian citizen (25% of MIL).

KDDI, a foreign carrier in Japan, is organized under the laws of Japan. The 10 percent or greater direct or indirect interest holders of KDDI are: (1) Kyocera Corporation, a Japanese corporation whose shares are publicly traded on the Tokyo stock exchange and the New York (US) stock exchange (12.76% of KDDI), and (2) Toyota Motor Corporation, a Japanese company whose shares are publicly traded on the Tokyo stock exchange and the New York (US) stock exchange (11.09% of KDDI).

Singtel USA, a California corporation, is a U.S. subsidiary of Singapore Telecommunications Limited (Singtel), the incumbent telecommunications provider in Singapore. The 10 percent or greater direct or indirect interest holders of Singtel USA are: (1) Singtel, a Singapore company (100% of Singtel USA), (2) Temasek Holdings (Private) Limited (Temasek Holdings), a Singapore investment company wholly-owned and controlled by the Government of Singapore (51.18% of Singtel), (3) Citibank Nominees Singapore Pte Ltd, a Singapore company and subsidiary of Citibank, National Association, a U.S.-based financial institution (10.94% in Singtel), and (4) DBS Nominees Pte Ltd, a Singapore company (10.65% in Singtel).

Cable Design and Capacity: The FASTER system, along with associated cable stations, will consist of the following: (1) Segment 1 will connect the existing cable landing station at Bandon, Oregon to the first branching unit (BU1), located off the coast of Chikura, Japan, (2) Segment 2 will connect the existing cable landing station located at Chikura, Japan to BU1, (3) Segment 3 will connect BU1 to Branching Unit 2 (BU2), located off the coast of Shima, Japan, (4) Segment 4 will connect existing cable landing station located at Shima, Japan to BU2, and (5) Segments 5 and 6 will connect the existing cable landing station located at Tanshui, Taiwan to BU2. The FASTER Cable System will consist of six fiber pairs with a total initial design capacity of 60 terabits per second (Tb/s) on the principal portion, or segments 1-4, of the cable system (the "Basic Infrastructure"). Segments 5 and 6 will consist of two fiber pairs with a total initial design capacity of 20 Tb/s (the "Extension Infrastructure"). The FASTER cable system will have a total length of 11,629 kilometers, and the Applicants expect the cable system to enter into service the second calendar quarter of 2016.

The FASTER Cable System will be owned, operated and maintained pursuant to a Joint Build Agreement (JBA). The six FASTER Parties to the JBA are CMI, CTG, GT2L, KDDI, Singtel, and GCB. GU Holdings is not a Party to the JBA but will own and operate the U.S. cable landing station. A Management Committee, composed of one representative named by each of the Parties to the JBA, will manage the common infrastructure including directing the engineering, construction, operation, and maintenance of the FASTER Cable System. Decisions of the Management Committee will be by consensus or a simple majority, except for certain major actions that require a super-majority or unanimity. The Parties have entered into a Supply Contract with NEC Corporation and NEC Corporation of America (together, "NEC") for the construction of FASTER, including the subsea plant and certain terrestrial transmission facilities.

The Basic Infrastructure of FASTER (Segments 1-4) will be owned in proportionate and indivisible shares, with CMI, CTG, GT2L, GCB, KDDI, and Singtel each holding a 16.667% participation interest and a 16.667% voting interest. The Extension Infrastructure (Segments 5 & 6) will be wholly-owned by GCB, with GCB holding a 100% participation and a 100% voting interest. GCB will hold capacity on FASTER, including the Extension Infrastructure, for GCB's affiliates' own use and services.

The owners and operators of the cable landing stations are as follows: (1) GU Holdings will own and operate the cable landing station at Bandon, Oregon, (2) KDDI will own and operate the cable landing stations at Chikura, Japan and Shima, Japan, and individual Parties may connect their capacity to the domestic network or other international cable systems, and (3) New Century InfoComm Tech Co., LTD (NCIC), a non-dominant telecommunications operator in Taiwan, will own and operate the cable landing station located at Tanshui, Taiwan. According to the Taiwan Landing Party Agreement between GCB and NCIC, upon completion, GCB shall convey to NCIC ownership of the portion of FASTER that extends 12 nautical miles from the shores of Taiwan, and, in turn, NCIC shall then grant GCB an indefeasible right of use (IRU) for the same portion of FASTER. A United States Landing Party Agreement and a Japan Landing Party Agreement will govern the relationship between the landing party and the other Parties at those landings. The primary Network Operations Center (NOC) will be located in the United States. Applicants intend to enter into contractual arrangements with third parties to operate and manage the U.S. common infrastructure, as well as the U.S. NOC.

Regulatory Status of the Cable: The Applicants propose to operate the cable system on a non-common carrier basis. The Applicants state that the FASTER Cable System will help connect U.S. Internet users and businesses to Asia, and state that they will not offer capacity to the public indifferently, but rather use the available capacity for their own internal needs, and provide available capacity to third parties based on individually tailored agreements.

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).

KDDI is affiliated with a foreign carrier presumed to have market power in Japan. KDDI 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), on the U.S.-Japan route.

We grant the Petition to Adopt Conditions to Authorizations and Licenses (Petition) filed in this proceeding on May 27, 2016 by the Department of Homeland Security, with the concurrence of the Department of Justice and the Department of Defense. Accordingly, we condition grant of this application on GU Holdings abiding by the commitments and undertakings contained in the May 27, 2016, National Security Agreement (2016 NSA) with the Department of Homeland Security. A copy of the Petition and the 2016 NSA are publicly available and may be viewed on the FCC website through the International Bureau Filing System (IBFS) by searching for SCL-LIC-20150626-00015 and accessing "Other filings related to this application" from the Document Viewing area.
