



PUBLIC NOTICE

FEDERAL COMMUNICATIONS COMMISSION
445 12th STREET S.W.
WASHINGTON D.C. 20554

News media information 202-418-0500
Internet: <http://www.fcc.gov> (or <ftp.fcc.gov>)
TTY (202) 418-2555

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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.

Modification

Grant of Authority

Date of Action: 12/11/2019

Application filed by Telxius Cable USA, Inc. (Telxius USA), Telxius Cable Puerto Rico, Inc. (Telxius Puerto Rico), and Telxius Cable America, S.A. (Telxius America) (together, the "Applicants") for authority to modify the cable landing license for the South America-1 submarine cable system (SAM-1 Cable), SCL-LIC-20000204-00003, SCL-MOD-20061207-00012 and SCL-MOD-20180625-00016, to (1) authorize construction and operation of a segment landing in the Dominican Republic (SAM-1 DR spur), and (2) add Telxius America as a joint licensee. The Applicants filed supplemental information on November 16, 2018, December 18, 2018, and October 28, 2019 updating landing point, ownership, cable system, and design capacity information. The Application was placed on Public Notice on December 19, 2018. See Streamlined Submarine Cable Landing License Applications Accepted for Filing, Report No. SCL-00231S, Public Notice (IB rel. Dec. 19, 2019). No comments or oppositions were filed in response to the Public Notice.

The Application has been coordinated with the Department of State pursuant to section 1.767(b), 47 CFR 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); Submarine Cable Landing License Requests, State Department Media Note (Revised) (rel. Dec. 20, 2001) available at <https://2001-2009.state.gov/r/pa/prs/ps/2001/6951.htm>. The Department of Justice filed a letter to defer action on January 2, 2019. The Department of Homeland Security (DHS) filed a Petition to Adopt Conditions to Authorizations and Licenses on December 10, 2019. DHS has no objection to the Commission approving authority to construct and operate a segment landing in the Dominican Republic and to add Telxius America as a joint licensee, provided that the Commission conditions its approval on the commitment of Telxius Cable USA, Inc. (Telxius USA) to abide by the undertakings set forth in the December 4, 2019 Letter of Assurances provided to DHS.

Actions Taken: We grant the modification of the cable landing license for the SAM-1 Cable, SCL-LIC-20000204-00003, SCL-MOD-20061207-00012 and SCL-MOD-20180625-00016, to (1) authorize construction and operation of a segment landing in the Dominican Republic (SAM-1 DR spur) and (2) add Telxius America as a joint licensee. In addition, we grant the Petition to Adopt Conditions to Authorizations and Licenses filed in this proceeding on December 10, 2019, by the Department of Homeland Security.

Background: The Commission granted a cable license for the SAM-1 Cable in 2000 and subsequently modified that cable landing license in 2007 to authorize the extension of SAM-1 to Colombia. See Telefonica SAM USA, Inc. and Telefonica SAM de Puerto Rico, Inc., Cable Landing License, 15 FCC Rcd 14915 (IB 2000), and Actions Taken Under Cable Landing License Act, Public Notice, 22 FCC Rcd. 6630 (IB 2007). A separate modification request to authorize segments of the SAM-1 system connecting Punta Carnero, Ecuador, and Mancora, Peru is pending before the the Commission. See SCL-MOD-20190826-00028 and SCL-STA-20190826-00029.

Cable Design and Capacity: The SAM-1 Cable is a non-common carrier cable system that entered into commercial service in 2001. The cable is approximately 25,000 kilometers in length and connects Boca Raton, Florida; San Juan, Puerto Rico; Las Toninas, Argentina; Fortaleza, Rio de Janeiro, Salvador, and Santos, Brazil; Arica and Valparaiso, Chile; Barranquilla, Colombia; Punta Carnero, Ecuador; Puerto Barrios and Puerto San Jose, Guatemala; and Lurin and Mancora, Peru. The SAM-1 Cable has up to four fiber pairs per segment, with each fiber pair having a current design capacity of 19.2 Terra bits per second (Tbps) per fiber pair.

The SAM-1 DR Spur will include approximately 80 kilometers of new submarine cable that will connect the existing Branching Unit 5 on the SAM-1 segment between San Juan, Puerto Rico, and Barranquilla, Colombia, and a new cable landing station at Punta Cana, Dominican Republic. The SAM-1 DR Spur will consist of two fiber pairs with a design capacity of 10 Tbps per fiber pair.

Ownership of the Cable System and Landing Points: Telxius Cable Republica Dominicana, S.A.S. (Telxius Dominicana), a Dominican Republic company, will own that portion of the SAM-1 DR Spur's wet segment in the Dominican Republic territorial sea extending from Punta Cana, and will contract with CHT Holdings Dominicana S.A.S. to use its existing building to create a new cable landing station in Punta Cana, Dominican Republic.

Telxius USA will continue to own and control the cable landing station in Boca Raton, Florida and that portion of the SAM-1 system's wet segment in the U.S. territorial sea extending from Boca Raton. Telxius Puerto Rico will continue to own and control the cable landing station in San Juan, Puerto Rico and that portion of the SAM-1 system's wet segment in the U.S. territorial sea extending from San Juan. Telxius America will continue to own and control that portion of the SAM-1's wet segment in international waters, and the remaining portions of SAM-1 in the territorial seas of the other landing countries will continue to be owned by other wholly-owned subsidiaries of Telxius America. Telxius America will be a licensee on the cable because it owns a 5% or greater interest in SAM-1 and uses the U.S. end points of the cable. See 47 CFR § 1.767(h).

Licensee Information: Telxius Cable USA, Inc. and Telxius Cable Puerto Rico, Inc. are currently licensees of the SAM-1 Cable. Telxius Cable America, S.A. is being added as a licensee on the cable because it owns a 5% or greater interest in SAM-1 and uses the U.S. end points of the cable. See 47 CFR § 1.767(h).

Telxius USA, a Florida company, Telxius Puerto Rico, a Puerto Rico company, and Telxius America, a Uruguay company, are majority-owned, indirect subsidiaries of Telefonica S.A. (Telefonica Parent), whose shares are publicly-traded on the Spanish electronic trading system and listed on the London, Buenos Aires, Lima, and New York stock exchanges.

The following individuals and entities will have a ten-percent-or-greater direct or indirect interest in Telxius USA and Telxius Puerto Rico: (1) Telxius Cable America, S.A. (Telxius America), a Uruguay company (100% voting and equity); (2) Telxius Telecom S.A.U. (Telxius Parent), a Spain company (100% voting and equity interest in Telxius America, a Uruguay company); (3) Pontel Participaciones, S.L. (Pontel), a Spain company (60% voting and equity interest in Telxius Parent); (4) Telefonica Parent, a Spain company (83.5% voting and equity interest in Pontel); (5) Taurus Bidco S.a.r.l. (KKR Bidco), a Luxembourg company (40% voting and equity interest in Telxius Parent, and certain negative control rights as a result of certain investments by KKR Bidco in Telxius Parent); (6) Taurus Midco S.a.r.l. (KKR Midco), a Luxembourg company (100% voting and equity interest in KKR Bidco); (7) Taurus Topco S.a.r.l. (KKR Topco), a Luxembourg company (100% voting and equity interest in KKR Midco); and (8) KKR Taurus Aggregator L.P., a Canada company (100% voting and equity interest in KKR Topco).

The principal direct and indirect voting and equity interests in KKR Taurus Aggregator L.P. are held by and through the following entities: (1) KKR Taurus Aggregator GP Limited, a Cayman Islands company (general partner of and holds a 100% voting and a less-than-one-percent equity interest in KKR Taurus Aggregator L.P.); (2) KKR Global Infrastructure Investors II L.P., a Cayman Islands company (sole shareholder of and holds a 100% voting and equity interest in KKR Taurus Aggregator GP Limited, and limited partner of and holds a 26.41% equity interest (no direct voting) in KKR Taurus Aggregator L.P.); (3) KKR Taurus Co-Invest L.P., a Canada company (limited partner of and a 44.97% equity interest (no voting) in KKR Taurus Aggregator L.P.); (4) KKR Associates Infrastructure II L.P., a Cayman Islands company (general partner of and holds a 100% voting and 5% equity interest in KKR Global Infrastructure Investors II L.P.); (5) KKR Infrastructure II Limited, a Cayman Islands company (general partner of and holds a 100% voting and 99% equity interest in KKR Associates Infrastructure II L.P.); (6) KKR Financial Holdings LLC, a Delaware company (50% voting interest in KKR Infrastructure II Limited, and a non-fixed economic interest based on the investment returns allocable to KKR Associates Infrastructure II, L.P. as the general partner of KKR Global Infrastructure Investors II L.P.); (7) KKR Fund Holdings L.P., a Cayman Islands company (50% voting interest in KKR Infrastructure II Limited, and a non-fixed economic interest based on the investment returns allocable to KKR Associates Infrastructure II, L.P. as the general partner of KKR Global Infrastructure Investors II L.P. KKR Fund Holdings L.P. also holds a 100% voting and equity interest in KKR Financial Holdings LLC); (8) KKR Fund Holdings GP Limited, a Cayman Islands company (general partner of and 100% voting interest (no equity) in KKR Fund Holdings L.P.); (9) KKR Group Holdings Corp., a Cayman Islands company (sole shareholder of and 100% voting and economic interest in KKR Fund Holdings GP Limited; also general partner and limited partner of, and holds a 63.3% equity interest in KKR Fund Holdings L.P.); (10) KKR & Co. Inc., a Delaware company (100% voting and equity interest in KKR Group Holdings Corp.); and (11) KKR Management LLC (KKR Management), a Delaware company (100% voting interest (no equity) in KKR & Co. Inc.). No entity holds a 10-percent-or-greater direct or indirect equity interest in the Applicants through either KKR Global Infrastructure Investors II L.P. or KKR Taurus Co-Invest L.P. The equity interests in the Applicants that are held through KKR Bidco are predominantly by investment funds, all of which are limited partnerships organized under the laws of Canada, the Cayman Islands, and England and Wales. Telxius USA and Telxius Puerto Rico have no other 10-percent-or-greater direct or indirect interest holders.

Conditions: Applicants shall comply with the routine reporting requirements specified in section 1.767(g) of the Commission's rules, 47 CFR § 1.767(g).

Applicants are affiliated with foreign carriers that are presumed to have market power in Argentina, Brazil, Chile, Colombia, and Peru. Telxius USA, Telxius Puerto Rico, and Telxius America shall comply with the reporting requirements in section 1.767(l), 47 CFR §1.767(l), for the U.S.-Argentina, U.S.-Brazil, U.S.-Chile, U.S.-Colombia, and U.S.-Peru routes.

We grant the Petition to Adopt Conditions to Authorizations and Licenses (Petition) filed in this proceeding by DHS. Accordingly, we condition grant of this application to modify the cable landing license on compliance by Telxius Cable USA, Inc. with the commitments and undertakings set forth in the Letter of Assurances from Guillermo Canete, President, Telxius Cable USA, Inc. to Assistant Secretary for Border, Immigration, and Trade, Office of Policy, DHS, dated December 4, 2019 (2019 LOA). A failure to comply and/or remain in compliance with any of these commitments and undertakings shall constitute a failure to meet a condition of the underlying authorizations and thus grounds for declaring the license terminated without further action on the part of the Commission. Failure to meet a condition of this authorization may also result in monetary sanctions or other enforcement action by the Commission. A copy of the Petition and 2019 LOA are publicly available and may be viewed on the FCC website through the International Bureau Filing System (IBFS) by searching for SCL-MOD-20180905-00032 and accessing "Other filings related to this application" from the Document Viewing area.
