PUBLIC NOTICE

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Report No. SCL-00276 **Thursday July 30, 2020**

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.

SCL-LIC-20190502-00016 E GU Holdings Inc.

Submarine Cable Landing License

Grant of Authority Date of Action: 07/14/2020

Acceptability for Filing Public Notice: Application filed by GU Holdings Inc. (GU Holdings), AARNet Pty Ltd (APL), RTI JGA Pte. Ltd. (RTI JGA), and RTI Connectivity Pte. Ltd. (RTI Connectivity) (collectively, the Applicants) for a license to construct, land, and operate a non-common carrier fiber-optic submarine cable system connecting Guam and Australia, the Japan-Guam-Australia South system (JGA South). The Application was placed on Public Notice on June 21, 2019. See Streamlined Submarine Cable Landing License Applications Accepted for Filing, File No. SCL-LIC-20190502-00016, Public Notice, Report No. SCL-00244S (IB, June 21, 2019). No comments or oppositions were filed in response to the Public Notice. Applicants filed supplemental letters on September 20, and December 31, 2019, updating the ownership of the Guam landing station and the JGA South system. Applicants were granted Special Temporary Authority (STA) to construct, connect, and test those portions of the cable system in U.S. territory prior to the grant of this cable landing license. See File No. SCL-STA-20190809-00025. Applicants were later granted an STA to begin commercial operation of the JGA South cable system prior to the Commission's grant of this cable landing license. See File No. SCL-STA-20200203-00012.

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 Requests, State Department Media Note (Revised) (rel. Dec. 20, 2001) available at http://www.state.gov/r/pa/prs/ps/2001/6951.htm. The U.S. Department of Homeland Security (DHS), with the concurrence of the Department of Justice (DOJ) and the Department of Defense (DOD), filed a letter to defer action on the Application on June 25, 2019. The National Telecommunications and Information Administration (NTIA), on behalf of the Committee for the Assessment of Foreign Participation in the United States Telecommunications Services Sector (Committee), filed a Petition to Adopt Conditions to Authorizations and Licenses on July 10, 2020. The Committee has no objection to the Commission approving authority to construct, land and operate the JGA South cable system, provided that the Commission conditions its approval on the commitment of GU Holdings, APL, RTI JGA, and RTI Connectivity to abide by the undertakings set forth in the July 3, 2020 National Security Agreement between the Applicants and the DHS, DOD, and the DOJ.

Actions Taken: (1) Grant of Cable Landing License to GU Holdings Inc., AARNet Pty Ltd, RTI JGA Pte. Ltd., and RTI Connectivity Pte. Ltd. for the purpose of constructing, landing, and operating a non-common carrier fiber-optic submarine cable system connecting Piti, Guam to Sydney, Australia, with a branching unit extending from Sydney to a location on the Sunshine Coast in Australia, (2) waiver of section 1.767(h)(1) of the Commission's rules, 47 CFR § 1.767, in connection with the license, and (3) grant of the Petition to Adopt Conditions to Authorizations and Licenses filed by the National Telecommunications and Information Administration on July 10, 2020.

JGA South will be separately owned and operated from the JGA North system, a consortium cable system connecting Guam and Japan. See SCL-LIC-20181106-00035.

Licensee Information: The Applicants for the cable landing license for the JGA South cable system are: (1) GU Holdings Inc. (GU Holdings), (2) AARNet Pty Ltd (APL), (3) RTI JGA Pte. Ltd. (RTI JGA), and (4) RTI Connectivity Pte. Ltd. (RTI Connectivity).

GU Holdings, a Delaware company, is an indirect, wholly owned subsidiary of Google LLC (Google), a Delaware company. The 10-percent-or greater direct or indirect interest holders of GU Holdings are: (1) Google International LLC (Google International) (100% voting and equity interest); (2) Google LLC (97% voting and equity interest in Google International); (3) XXVI Holdings Inc., a Delaware company (100% voting and equity interest in Google LLC); (4) Alphabet Inc. (Alphabet), a Delaware company (99% voting and equity interest in XXVI Holdings Inc.); (5) Mr. Larry Page, a U.S. citizen and CEO of Alphabet (26.1% voting interest in Alphabet through a 42.9% equity interest held in Alphabet's Class B common stock); and (6) Mr. Sergey Brin, a U.S. citizen and President of Alphabet (25.2% voting interest in Alphabet through a 41.3% equity interest held in Alphabet's Class B common stock). Alphabet's shares are publicly traded on the NASDAQ stock market. No other entity or individuals holds a 10-percent-or-greater voting or equity interest in Alphabet or GU Holdings.

APL, an Australian not-for-profit company and licensed telecommunication carrier in Australia, owns and operates Australia's Academic and Research Network (AARNET). Each of the 38 Australian universities and the Commonwealth Scientific and Industrial Research Organization (CSIRO) hold and equal shareholding in APL. APL certifies that it does not have any 10-percent-or-greater direct or indirect interest holders.

RTI JGA Pte. Ltd. (RTI JGA), a Singapore company, has the following 10-percent-or-greater direct or indirect voting and equity interest holders: (1) Fund Corporation for the Overseas Development of Japan's ICT and Postal Services, Inc. (JICT), a Japan company (37.5% equity interest through its ownership of 100% of JGA Class A Preferred Shares). JICT is 50% owned and controlled by the Japanese Ministry of Finance, with the remaining voting and equity interests of JICT held by 21 Japanese companies, none of which has a 10-percent-or-greater voting or equity interest in RTI JGA; (2) NEC Corporation (NEC), a publicly-traded Japan company with no 10 percent-or-greater shareholders (37.5% equity interest in RTI JGA through its ownership of 100% of JGA Class B Preference Shares); (3) Mr. Russell Alan Matulich, a U.S. citizen (16.7% equity interest through his ownership of 51% of JGA Class C shares); (4) The RTI JGA Share Trust (RTI JGA Trust), a Singapore company that holds all the shares of RTI JGA in trust for the equity interest holders (owns one ordinary share of RTI JGA); (5) Ocorian Singapore Trust Company Pte. Ltd. (Ocorian STC), a Singapore company that serves as Trustee of the RTI JGA Trust; (6) STC Group Ltd., a British Virgin Islands company (100% voting and equity interest in Ocorian STC); (7) Ocorian Limited (Ocorian), a Bailiwick of Jersey company (100% voting and equity interest in Ocorian STC); (8) Inflexion Supplemental Fund IV (No. 1) LP (Inflexion Supplemental), a Guernsey company (16% voting and equity interest in Ocorian); and (9) Inflexion Buyout Fund IV (No. 1) LP (Inflexion No. 1), a Guernsey company (29% voting and equity interest in Ocorian). Inflexion Supplement and Inflexion Buyout have no controlling interest shareholders. No other entity or individuals hold a 10-percent-or-greater voting or equity interest in RTI JGA.

RTI Connectivity, a Singapore company, has the following 10-percent-or-greater direct or indirect voting and equity interest holders: Mr. Russell Matulich holds a 99% voting and equity interest in RTI Connectivity. No other entity or individuals hold a 10-percent-or-greater voting or equity interest in RTI Connectivity.

Cable Design and Capacity: JGA South consists of a segment that connects Piti, Guam to Sydney, Australia (Main Trunk) and a branching unit that extends the system from Sydney, Australia to a location on the Australian Sunshine Coast (Sunshine Coast Branch). The Main Trunk and Sunshine Coast Branch, with approximate lengths of 7,081 and 552 kilometers, respectively, will each have two fiber pairs with a design capacity of a minimum of 18 Terra bits per second (Tbps) per fiber pair.

Ownership of the Cable System:

The Main Trunk: The voting and equity interests in the Main Trunk of the system are held by: (1) RTI JGA (62.5% voting and equity); (2) APL (12.5% voting and equity); and (3) GU Holdings and certain of its affiliates (25% voting and equity). GU Holdings will hold a 25% interest in the portion of the system in the U.S. territorial sea extending from Piti, Guam, Google Infrastructure Bermuda Limited (GIB) will hold a 25% interest in the international waters portion of the system, and Google Australia Pty. Ltd. will hold a 25% interest in the portion of the system in the Australia territorial sea. GU Holdings states that under section 1.767(h)(2) of the Commission's rules, 47 CFR § 1.767(h)(2), GIB and Google Australia are not required to be applicants for the cable landing license since neither will use the U.S. end points of the system.

The Sunshine Coast Branch: The voting and equity interests will be 100% owned and controlled by RTI Connectivity. RTI JGA will own the branching unit connecting the Sunshine Coast to the Main Trunk.

RTI Connectivity serves as Asset Manager of its affiliate RTI JGA. Pursuant to an Asset Management Agreement between the two entities, RTI JGA will control the 62.5% equity and voting interest that is owned by RTI JGA in the Main Trunk and will control the 100% equity ownership that will be owned by RTI JGA in the Sunshine Coast Branch. Under the Asset Management Agreement RTI Connectivity may not be removed except for cause or in the event RTI Connectivity's majority shareholder, Mr. Russ Matulich, holds less than a 50-percent interest in RTI Connectivity.

Cable System Landing Points:

Guam: TeleGuam Holdings, LLC (GTA), a Guam company, owns the existing cable landing station at Piti, Guam. Gateway Network Connections, Inc. (GNC), a Guam company and affiliate of GTA, will control the Piti, Guam, landing arrangements. GTA, through GNC, will enter into a long-term contract with the Applicants for certain limited services including the use of collocation space and power feed equipment. Applicants will retain operational authority over JGA South landing facilities and provide direction to GTA, through GNC, in all matters relating to JGA South.

GNC is 51% owned by Asia Connectivity Elements, Inc. (ACE), a newly formed Guam corporation, and 49% owned by GTA (49% voting and equity interest). Based on distributions of shares made by ACE to both RTI Group Executives and other investors, the 51% interest in ACE held by RTI Group Executives is allotted as follows: (1) Mr. Russell Matulich, a U.S. citizen,(23.68% interest in ACE directly and through his wholly-owned corporation, Making Chaos Global, LLC), (2) Mr. Brett Lay, a U.S. citizen and RTI Group President (17-percent interest in ACE), (3) Mr. Brian Mass, a U.S. citizen and RTI Group Chief Financial Officer (10.32% interest in ACE, and (4) 360 CDIP Guam Pty. Ltd., an Australian company (36.33% interest in ACE). Applicants state that these changes in ownership of GNC do not affect the ownership structure of RTI Group, nor its ability, together with other applicants, to control the Guam cable landing station.

Australia: The existing cable landing station at Sydney, Australia will be owned and controlled by SCCL Australia Limited and the new cable landing station, to be constructed at a landing point located along the Sunshine Coast, will be owned by the Sunshine Regional Coast Council. RTI JGA will own the branching unit connecting the Sunshine Coast Branch to the Main Branch.

The Applicants request a waiver of section 1.767(h)(l) of the Commission's rules which requires that "any entity that owns or controls a cable landing station in the United States" shall be applicants for, and licensees on, a cable landing license." 47 CFR § 1.767(h)(1). According to the Applicants, GTA, the owner of the Piti, Guam, cable landing station, will not be able to affect significantly the operation of JGA South, and it is not necessary for GTA to be a joint applicant to ensure compliance with the Cable Landing License Act, the Commission's cable landing rules, or the terms of the cable landing license. GTA, through its affiliate GNC, will contract with the Applicants to provide collocation space and operation and maintenance services that would not provide GTA with any ability to affect significantly the operation of JGA South. Applicants will retain operational authority over the JGA South landing facilities and provide direction to GTA in all matters relating to JGA South. Applicants will also seek to ensure that the lease agreement will have an initial term, with extension options at Applicants' sole discretion, for a total of 25 years, coextensive with the term of the cable landing license.

The purpose of the 1.767(h)(1) requirement is to ensure that entities having a significant ability to affect the operation of the cable system become licensees so that they are subject to the conditions and responsibilities associated with the license. See Submarine Cable Landing License Report and Order, 16 FCC Rcd at 22194-95, paras. 53-54. While GTA is the owner of the Piti, Guam cable landing station, we find that, based on the record in this proceeding, GTA will not have the ability to affect significantly the operation of the cable system. Accordingly, we grant the Applicants a waiver of 1.767(h)(l) and do not require GTA to be on the cable landing license for the JGA South cable system.

Regulatory Status of the Cable: The Applicants propose to operate the JGA South system on a non-common carrier basis. Applicants state that JGA South is the first new cable system since 2009 to directly connect Guam to Australia, that the cable will provide critical new and replacement capacity, and that JGA South will compete vigorously with existing systems directly connecting Guam to Australia (PIPE Pacific Cable-1, Australia Japan Cable, as well as compete with cable systems providing indirect connectivity between Guam and Australia via Hawaii (Endeavor and Asia-American Gateway). Applicants state that they will not sell capacity indifferently to the user public, and that the system capacity will be used by Applicants and their affiliates to meet their own internal needs for bandwidth or will be made available to third parties pursuant to individually-negotiated indefeasible rights of use (IRUs) and capacity leases, the terms of which will vary depending on the characteristics and needs of the particular capacity purchase.

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 or 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 (Cable Landing License Act).

Conditions and Requirements: Conditions and Requirements: Applicants shall comply with the routine conditions set out in 1.767(g) of the Commission rules, 47 C.F.R. § 1.767 (g), and with the requirements of section 1.768 of the Commission's rules, § 1.768 (Notification by 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 filed in this proceeding on July 10, 2020 by the National Telecommunications and Information Administration on behalf of the Committee for the Assessment of Foreign Participation in the United States Telecommunications Services Sector. Accordingly, we condition grant of this application for a cable landing license on compliance by the Applicants with the commitments and undertakings set forth in the July 3, 2020, National Security Agreement (NSA) GU Holdings Inc., RTI JGA Pte. Ltd, and RTI Connectivity Pte. Ltd., and AARNet Pty Ltd. and the Department of Homeland Security, the U.S. Department of Justice, and U.S. Department of Defense. 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 cable landing license and thus grounds for declaring the license terminated without further action on the part of the Commission. Failure to meet a condition of the license may also result in monetary sanctions or other enforcement action by the Commission. A copy of the Petition and the NSA are publicly available and may be viewed on the FCC website through the International Bureau Filing System (IBFS) by searching for SCL-LIC-20190502-00016 and accessing "Other filings related to this application" from the Document Viewing area.