PUBLIC NOTICE

FEDERAL COMMUNICATIONS COMMISSION
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Section 1.767(a) Submarine Cable Landing Licenses, Modifications, and Assignments or Transfers of Control of Interests in Submarine Cable Landing Licenses (47 C.F.R. § 1.767(a))

Actions Taken Under Submarine Cable Landing License Act

By the Chief, Telecommunications and Analysis Division, Office of International Affairs:

Pursuant to an Act relating to the landing and operation of submarine cables in the United States, 47 U.S.C. §§ 34-39 (Submarine 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 CFR § 1.767, the following applications ARE GRANTED. These grants of authority are taken under section 0.351 of the Commission's rules, 47 CFR § 0.351. Petitions for reconsideration under section 1.106 or applications for review under section 1.115 of the Commission's rules, 47 CFR §§ 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 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); Commission Announces Department of State's Revised Procedures for its Consideration of Submarine Cable Landing License Applications, IB Docket No. 16-155, Public Notice, DA 22-435 (rel. Apr. 19, 2022).

This public notice serves as each submarine cable landing licensee's Submarine 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. Submarine cable landing licensees should review 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.

On July 25, 2024, Verizon Business Global LLC (Verizon) and Hawaiian Telcom Services Company, Inc. (Hawtel) (Hawtel and Verizon collectively, the Applicants) filed an application for a license to land and operate the California-Hawaii S1 cable system (CHI cable system), a non-common carrier fiber-optic submarine cable network that directly connects Morrow Bay, California to Makaha, Hawaii. The Applicants request that the license term of the CHI cable expire on November 1, 2038. The Applicants filed supplements on November 22, 2024, January 16, 2025, and April 7, 2025. Hawtel filed a supplement on August 7, 2025 to update its ownership information following an internal corporate restructuring. On April 18, 2025, the application was placed on Public Notice. *See* SCL-LIC-20240725-00034, *Non-Streamlined Submarine Cable Landing License Applications*; *Accepted For Filing*, Report No. SCL-00537NS, Public Notice (OIA Apr. 18, 2025) (*Apr. 18, 2025 Public Notice*). No comments were filed in response to the Public Notice.

The CHI cable is comprised of one segment (Segment 1) of the Japan-United States Cable Network (JUS), a non-common carrier fiber optic system that was licensed by the Commission in 1999 to connect California and Hawaii to Japan. *See AT&T Corp., et al.*; *Joint Application for a License to Land and Operate a Submarine Cable Network Between the United States and Japan*, Cable Landing License, 14 FCC Rcd 13066 (1999). The consortium that owned JUS (JUS Consortium), of which Verizon was a member, agreed to: (1) retire JUS in 2023, except for Segment 1, and (2) transfer Segment 1 to Verizon so that Verizon can continue to operate Segment 1 until the Commission issues a new cable landing license to the Applicants. *See* Letter from Ian Dillner, Associate General Counsel, Verizon, to Marlene H. Dortch, Secretary, FCC (June 17, 2024) (on file in SCL-LIC-19981117-00025, SCL-MOD-20130227-00002). On June 18, 2024, Verizon, on behalf of the licensees of JUS, filed an application to modify the JUS cable landing license to: (1) remove all licensees from the JUS cable landing license except Verizon, (2) replace AT&T Enterprises, LLC (AT&T Enterprises) with Verizon as the licensee that controls the cable landing facilities in Makaha, Hawaii, and (3) permit Verizon to continue operating Segment 1 until the Commission issues to the Applicants a new cable landing license for the cable system that would be renamed the CHI cable system. *See* SCL-LIC-20240725-00034, *Non-Streamlined Submarine Cable Landing License Applications Accepted For Filing*, Report No. SCL-00537NS, Public Notice (OIA Apr. 18, 2025). The Commission granted the application to modify the JUS cable landing license on June 17, 2025. *See* SCL-MOD-20240618-00027, *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 CFR § 1.767(a))*, Report No. SCL-00555, Public Notice, DA 25-522 (OIA June 18, 2025).

The Applicants state that grant of a license for the CHI cable system is in the public interest and will permit continued use of Segment 1 by Verizon and Hawtel to provide high-capacity connectivity and backhaul for traffic between Hawaii and the continental United States. The Applicants further state that Segment 1 is a valuable option for transpacific capacity and diversity, particularly following significant weather events, and its continued operation will help meet demand for voice, data, and internet traffic between Hawaii and the continental United States and continue to provide facilities-based competition on the route.

Executive Branch Review.

Pursuant to Commission practice, the application was referred to the relevant Executive Branch agencies for their views on any national security, law enforcement, foreign policy or trade policy concerns. *See*

SCL-LIC-20240725-00034, *Non-Streamlined Submarine Cable Landing License*; *Applications Accepted For Filing*, Report No. SCL-00537NS, Public Notice (OIA Apr. 18, 2025); *Process Reform for Executive Branch Review of Certain FCC Applications and Petitions Involving Foreign Ownership*, IB Docket 16-155, Report and Order, 35 FCC Rcd 10927 (2020). On September 26, 2025, the U.S. Department of Justice, National Security Division, on behalf of the Committee for the Assessment of Foreign Participation in the United States Telecommunications Services Sector (Committee), filed a letter notifying the Commission that the Committee is conducting an initial review of the application to assess whether grant of the application will pose a risk to the national security or law enforcement interests of the United States, pursuant to Executive Order 13913 (85 Fed Reg 19643 (April 8, 2020)) and that it shall complete its review of the application before the end of the 120-day initial review period, unless the Committee notifies the Commission of an extension of the 120-day initial review period or the need arises to conduct a 90-day secondary assessment. *See* SCL-LIC-20240725-00034, *Non-Streamlined Submarine Cable Landing License Applications*; *Accepted for Filing*, Report No. SCL-00578NS, Public Notice, DA 25-995 (OIA Nov. 26, 2025). On July 17, 2026, the National Telecommunications and Information Administration (NTIA), on behalf of the Committee, filed a Petition to Adopt Conditions to Authorization and License (Petition) stating the Committee has no objection to the Commission granting the application, provided that it conditions grant on the assurances of Verizon Business Global LLC and Hawaiian Telcom Services Company, Inc. (collectively, the Applicants) to abide by the commitments and undertakings set forth in the July 9, 2026 National Security Agreement between the Applicants on the one hand, and the Committee, represented by the U.S. Department of Homeland Security, the U.S. Department of Justice, and the U.S. Department of War on the other hand (July 9, 2026 NSA).

Following the completion of the Committee review of the application, the Office of International Affairs coordinated the application with the Department of State as required by Executive Order 10530, pursuant to section 1.70002(d) of the Commission's rules, and consistent with the established Department of State procedures. *See* Executive Order 10530, Section 5(a) reprinted as amended in 3 U.S.C. § 301; 47 CFR § 1.70002(d); *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); *Commission Announces Department of State's Revised Procedures for its Consideration of Submarine Cable Landing License Applications*, IB Docket No. 16-155, Public Notice, 37 FCC Rcd 5183 (OIA 2022). *See* SCL-LIC-20240725-00034, *Non-Streamlined Submarine Cable Landing License Applications*; *Accepted For Filing*, Report No. SCL-00629NS, Public Notice, DA 26-759 (OIA July 20, 2026).

Actions Taken.

1. Grant of a Cable Landing License to Verizon Business Global LLC and Hawaiian Telcom Services Company, Inc. for the purpose of landing and operating the California-Hawaii S1 (CHI) cable system, a non-common carrier fiber-optic submarine cable network that connects Morrow Bay, California and Makaha, Hawaii.
2. Grant of the request for a waiver of section 1.767(h)(1) of the Commission's rules, 47 CFR § 1.767(h)(1), in connection with the license.
3. Grant of the National Telecommunications and Information Administration's Petition to Adopt Conditions to Authorization and License filed on July 17, 2026.

Licensee Ownership Information.

Verizon is a direct wholly-owned subsidiary of Verizon Communications Inc. (Verizon Communications), both Delaware entities. Verizon Communications is publicly traded company. The Applicants state that no individual or entity holds 10% or greater direct or indirect ownership interest in Verizon and Verizon Communications.

Hawtel is a Delaware corporation. The following entities have a 10% or greater direct or indirect equity and voting interest in Hawtel: (1) Hawaiian Telcom, Inc. (HTI), a Delaware company (100% direct ownership interest in Hawtel); (2) Cincinnati Bell Inc., an Ohio company (100% direct ownership interest in HTI); (3) Red Fiber Parent LLC, a Delaware company (100% direct equity and voting interest in Cincinnati Bell Inc.); (4) RF Topco LLC, a Delaware company (100% direct equity and voting interest in Red Fiber Parent LLC); and (5) Red Fiber Holdings LLC (RF Holdings), a Delaware limited liability company (sole member of and 100% direct equity and voting interest in RF Topco LLC).

The interests in RF Holdings are held directly by: (1) MIP V RF Partners, L.P. (MIP V RF Partners) (60.8% member of RF Holdings), a Delaware company; (2) certain alternative investment vehicles managed by the Private Equity Group of Ares Management Corporation (Ares Management) (19.7% in the aggregate); and (3) REST US Infrastructure No. 2 Trust (Rest Immediate Entity), an entity organized in Australia (19.5% direct interest and 1.9% indirect interest through a limited partnership interest in MIP V (FCC) AIV, L.P.).

The following entities have a 10% or greater direct or indirect interest in Hawtel through an interest in MIP V RF Partners: (1) MIP V (FCC) AIV, L.P. (MIP V FCC AIV), a Delaware company (60.8% direct limited partnership interest of MIP V RF Partners); (2) Macquarie Infrastructure Partners V GP LLC (MIP V GP), a Delaware company (general partner interest in MIP V FCC AIV and MIP V RF Partners); (3) Macquarie Infrastructure Partners Inc. (MIP Inc.), a Delaware company (indirect voting interest through management agreement with MIP V GP); (4) Macquarie Infrastructure and Real Assets Investments Limited, a United Kingdom entity (100% of the economic interest in MIP V GP LLC) that is a wholly owned subsidiary of Macquarie International Limited, a United Kingdom entity; (5) Macquarie Infrastructure and Real Assets Inc. (MIRA), a Delaware company (100% ownership of MIP Inc. and appointing member of MIP V GP); (6) Macquarie Asset Management US Inc., a Delaware company (100% ownership of MIRA); (7) Macquarie Asset Management US Holdings Pty Limited, an Australia entity (100% ownership of Macquarie Asset Management US Inc.); (8) Macquarie Asset Management Holdings Pty Limited, an Australia entity (100% ownership of Macquarie Asset Management US Holdings Pty Limited); and (9) Macquarie Group Limited (MGL), an Australia entity (100% ownership of Macquarie Asset Management Holdings Pty Limited). The Applicants state that no other individual or entity holds a 10% or greater direct or indirect interest in MGL.

The interests in RF Holdings are held directly by several alternative investment vehicle entities (Ares AIVs), which are each limited partnerships organized in Delaware and managed by Ares Management. The direct equity interests in RF Holdings held by the Ares AIVs are approximately 19.7% in the aggregate, and according to the Applicants, none of the ARES AIVs hold a 10% or greater direct or indirect equity or voting interest in RF Holdings or Hawtel. The general partner of each Ares AIVs is a Delaware entity ultimately controlled by Ares Management.

The following entities have a 10% or greater indirect interest in Hawtel through an interest in Ares AIVs: (1) ASOF Investment Management LLC, a Delaware company (manager of certain Ares AIVs); (2) Ares Investments Holdings LLC, a Delaware company (sole member of certain general partners of several Ares AIVs having an aggregate interest in RF Holdings of 16.6%); (3) Ares Management LLC, a

Delaware company (sole member of ASOF Investment Management LLC and certain other manager or general partner entities of ARES AIVs having an aggregate interest in RF Holdings of 19.7%); and (4) Ares Management Holdings LP, a Delaware company (sole member of Ares Management LLC). Ares Investments Holdings LLC and Ares Management Holdings L.P. are indirectly controlled by Ares Management Corporation, a Delaware corporation whose shares of Class A common stock are publicly traded on the New York Stock Exchange. The Applicants state that all intervening controlling holding companies between Ares Investments Holdings LLC and Ares Management Holdings L.P., on the one hand, and Ares Management Corporation, on the other hand, are Delaware entities.

Ares Management Corporation has three classes of voting common stock (Class A Common Stock, Class B common stock, and Class C common stock). Ares Management GP LLC, a Delaware limited liability company, is the sole holder of the Class B Common Stock. Ares Voting LLC, a Delaware limited liability company, is the sole holder of the Class C Common Stock. Ares Partners Holdco LLC, a Delaware limited liability company, is the sole member of Ares Management GP LLC and Ares Voting LLC. The Applicants state that none of the members of Ares Management Corporation's board of directors hold a 10% or greater direct or indirect equity or voting interest in Hawtel.

The following entities have a 10% or greater direct or indirect interest in Hawtel through an interest in Rest Immediate Entity: (1) REST Nominees No. 2 Pty Ltd, an Australia entity (trustee of Rest Immediate Entity); (2) REST International Infrastructure Investments Holding Trust (REST International Infrastructure), an Australia entity (beneficial ownership of REST Immediate Entity); (3) REST Nominees No. 1 Pty Ltd, an Australia entity (legal ownership of REST Immediate Entity and trustee of REST International Infrastructure); (4) Retail Employees Superannuation Trust (REST), an Australian superannuation fund managed by Retail Employees Superannuation Pty Ltd (beneficial ownership of REST International Infrastructure, REST Nominees No. 1 Pty Ltd, and REST Nominees No. 2 Pty Ltd); and (5) Retail Employees Superannuation Pty Ltd, an Australia entity (trustee of REST and legal ownership of REST Nominees No. 1 Pty Ltd and REST Nominees No. 2 Pty Ltd). The Applicants state that while Retail Employees Superannuation Pty Ltd is the trustee of REST, its shares must be held by a person who is a sponsor or their nominee. The Applicants state that there are currently four A Class shares and four B Class shares issued and held by nominees for the sponsor members of REST, none of whom holds 10% or greater indirect interest in Hawtel. The Applicants state that no other individual or entity holds 10% or greater direct or indirect interest in Hawtel.

Cable System Design and Capacity.

The CHI cable system consists of one segment that directly links Morro Bay, California and Makaha, Hawaii. The CHI cable system is approximately 3,932 kilometers in length (beach manhole to beach manhole) and consists of two lit fiber pairs and two dark fiber pairs. The CHI cable system is currently equipped for a capacity of 6.4 Terabits per second (Tb/s) and has a total design capacity of approximately 14.4 Tb/s.

Cable System Ownership.

Verizon and Hawtel will jointly own and control the wet segment of the CHI cable system. Each will hold a 50% ownership interest in the wet segment.

Cable Landing Stations Ownership.

The existing cable landing stations for the CHI cable system are located at Makaha, Hawaii and Morro

Bay, California. Verizon will continue to own and control the cable landing station at Morro Bay, California. AT&T Enterprises owns the cable landing station at Makaha, Hawaii. Verizon and AT&T Enterprises have entered into Landing Party Agreement whereby Verizon will become the landing party and will control the cable landing facilities at the Makaha landing station, and AT&T Enterprises will retain ownership of the cable landing station.

Waiver Request of 47 CFR § 1.767(h)(1).

The Applicants request a waiver of section 1.767(h)(1) of the Commission's rules which would require all cable landing station owners to be cable landing licensees on a cable system. Applicants requests a waiver of this licensing requirements which would result in excluding AT&T Enterprises from being listed as a licensee on the cable landing license despite its ownership of the Makaha, Hawaii cable landing station. Section 1.767(h)(1) required that "[a]ny entity that owns or controls a cable landing station in the United States" shall be "applicants for, and licensees on, a cable landing license." *See Review of Submarine Cable Landing License Rules and Procedures to Assess Evolving National Security, Law Enforcement, Foreign Policy, and Trade Policy Risks*, OI Docket No. 24-523, MD Docket No. 24-524, Report and Order and Further Notice of Proposed Rulemaking, 40 FCC Rcd 6481 (2025) (*2025 Submarine Cable Report and Order*). The Applicants state that Verizon and AT&T Enterprises have entered into a Landing Party Agreement such that Verizon will be the U.S. landing party and will control the cable landing facilities in the Makaha, Hawaii cable landing station.

According to the Applicants, AT&T Enterprises will have no independent ability to affect the system's operation and functions. Moreover, Applicants state that including AT&T as a licensee is not necessary to ensure compliance by the Applicants with the Cable Landing License Act, the Commission's cable landing license rules, or the terms of the cable landing license. The Applicants state that AT&T Enterprises will provide Verizon with certain limited services that would not provide AT&T Enterprise with the ability to significantly affect the CHI cable system's operations. Such services, which will be provided at Verizon's direction and under its supervision, include collocation space, power, HVAC, fire protection, security, and certain monitoring and maintenance services. The Landing Party Agreement has a term, with extension options that may be exercised solely at Verizon's discretion, for a total of 15 years or until the retirement of the CHI cable system, whichever is earlier.

We grant Applicants a waiver of section 1.767(h)(1) and do not require AT&T to be an applicant/licensee for the CHI cable system.

Regulatory Status.

The Applicants propose to operate the CHI cable system on a non-common carrier basis. The Applicants state that capacity on the CHI cable system will be used by the 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. The Applicants further state that the CHI cable system will compete vigorously with a variety of systems and facilities on the Hawaii-California route, including the Southern Cross, Asia-America Gateway, Hawaiki, and SEA-US cable systems, as well as indirect routes. The Applicants state there are sufficient alternative facilities providing transpacific connectivity to preclude the CHI cable system from becoming a bottleneck facility on the Hawaii-California route.

The 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 2001 Submarine Cable Report and Order*, 16 FCC Rcd at 22202-03, 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, 20815-18, paras. 62-67 (2000).

Conditions and Requirements.

Verizon and Hawtel, each shall comply with the routine conditions specified in section 1.70007 of the Commission's rules, 47 CFR § 1.70007, and with the requirements of section 1.70009 of the Commission's rules, 47 CFR § 1.70009.

We grant the Petition to Adopt Conditions to Authorization and License (Petition) filed in this proceeding by NTIA, on behalf of the Committee, on July 17, 2026. Accordingly, we condition grant of the application on Verizon and Hawtel abiding by the commitments and undertakings set forth in the July 9, 2026 NSA. A copy of the Petition and July 9, 2026 NSA are publicly available and may be viewed on the FCC website through the International Communications Filing System (ICFS) by searching SCL-LIC-20240725-00034 and accessing the "Pleadings & Comments" tab in the Document Viewing area.

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.

License Term.

Under the Commission's rules, a cable landing license shall expire 25 years after the in-service date for the submarine cable. 47 CFR § 1.70007(o). Verizon and Hawtel requested that the license term for the CHI cable system expire on November 1, 2038. The new license will be effective upon this grant and will expire on November 1, 2038.
