

Before the  
Federal Communications Commission  
Washington, D.C. 20554

In the Matter of

SPRINT  
COMMUNICATIONS  
COMPANY L.P.

File No. I-T-C-94-238

Application for authority to  
lease and operate facilities  
for the provision of direct  
packet data service between the  
United States and Cuba

**ORDER AND AUTHORIZATION**

Adopted: June 10, 1994;

Released: June 22, 1994

By the Chief, International Facilities Division:

1. The Commission has under consideration the above-captioned application filed by Sprint Communications Company L.P. ("Sprint") requesting authority pursuant to Section 214 of the Communications Act of 1934, as amended, to establish channels of communication between the United States and Cuba for the provision of direct packet data service. The application was placed on the Commission's public notice and no comments were received.

2. Sprint proposes to provide international packet data service between the U.S. and Cuba via the INTELSAT satellite located at 335<sup>0</sup> E.L. using appropriately licensed existing earth station facilities. Specifically, Sprint requests authority to lease from Comsat and operate one 2-Mbps digital satellite circuit between the Orion international Standard A earth station located at Shenandoah, Virginia and the theoretical midpoint of the INTELSAT AOR satellite connecting with matching facilities provided by INTERTEL S.A. ("INTERTEL") of Cuba. Sprint proposes to connect its operating center in New York, New York, to the Orion earth station using Sprint's own facilities. Sprint states that it has already entered into an operating agreement with INTERTEL for the establishment of direct packet data service between the United States and Cuba. Under the terms of its agreement, INTERTEL and Sprint have agreed to a 50/50 split of a \$5.50 per kilosegment and \$5.50

per hour accounting rate for packet data traffic. Sprint states this rate is consistent with U.S. policy guidelines.<sup>1</sup> Sprint states that it will initiate service within one year.

3. Sprint states that the public interest would be served by a grant of its application because it will result in the rapid introduction of new lines of telecommunications between the United States and Cuba. Sprint states that an immediate and large demand exists for direct telecommunications services between the United States and Cuba, and Sprint's proposed service will help meet that demand within the regulatory framework established by the Cuban Democracy Act.

4. In a letter dated July 22, 1993, the U.S. Department of State informed the Commission of the Executive Branch's general policy guidelines for implementation of the telecommunications provisions of the Cuban Democracy Act, which provides that "telecommunication services between the United States and Cuba shall be permitted."<sup>2</sup> Among the policy guidelines are the following requirements: 1) the proposals must have the potential to be operational within a year; 2) settlements must not be more favorable to Cuba than the current 50/50 split of the \$1.20 per minute accounting rate; 3) proposals must be limited to equipment and services necessary to deliver a signal to Cuba; 4) proposals must utilize modes of communications already in place between the U.S. and Cuba; and 5) carriers shall report the number of circuits activated by facility on June 30 and December 31 of each year and on the one-year anniversary of the notification by the FCC in the Federal Register.

5. Upon consideration of Sprint's application, we find that a grant of its application will serve the public interest subject to the conditions set forth below. Sprint's application is consistent with the Executive Branch's general guidelines set forth in the Department of State's letter. Sprint states that it will initiate service within one year, and expects to initiate service shortly after all requisite regulatory approvals have been obtained. Sprint's proposed use of INTELSAT facilities and appropriately licensed existing earth station facilities satisfies the requirements that facilities already be in existence and be limited to equipment and services necessary to deliver a signal to Cuba.

6. With respect to Sprint's proposed 50/50 split of a \$5.50 per kilosegment and \$5.50 per hour accounting rate for packet data traffic between the United States and Cuba, the Department of State in a follow-up letter dated May 23, 1994, stated it has no objection to our approval so long as we determine that this proposed rate does not exceed the 50/50 split of the \$1.20 accounting rate required under the guidelines.<sup>3</sup> We find that the proposed accounting rate is within the Department of State's guidelines because both the approximately 27.5¢ per minute accounting rate for a typical dial packet data transmission, and the approximate-

<sup>1</sup> Sprint explains that packet data traffic is measured based on a unit known as a "kilosegment." Sprint states that on a typical dial packet data transmission, two kilosegments are transferred per hour. On a typical dedicated packet data transmission, four kilosegments are transferred per hour. Therefore, for a typical dial packet data transmission, the total accounting rate would be approximately \$16.50 per hour (27.5¢ per minute), including \$5.50 for the hour of time and \$11.00 for the two kilosegments of transmitted packet data. For a typical dedicated packet data transmission, the total accounting rate would be approximately

\$27.50 per hour (46¢ per minute), including \$5.50 for the hour of time and \$22.00 for the four kilosegments of transmitted packet data.

<sup>2</sup> Letter dated July 22, 1993, from Richard C. Beard, Acting U.S. Coordinator and Director, Bureau of International Communications and Information Policy, U.S. Department of State to FCC Chairman James H. Quello.

<sup>3</sup> Letter dated May 23, 1994, from Richard C. Beard, Senior Deputy U.S. Coordinator, Bureau of International Communications and Information Policy, U.S. Department of State, to FCC Chairman Reed Hundt.

ly 46¢ per minute accounting rate for a typical dedicated packet data transmission<sup>4</sup> is well below the \$1.20 per minute accounting rate approved for voice services.

7. Accordingly, IT IS ORDERED that application File No. I-T-C-94-238 IS GRANTED and Sprint Communications Company, L.P. is authorized to:

a. lease from Comsat and operate one 2-Mbps digital satellite circuit between the Orion international Standard A earth station located at Shenandoah, Virginia and the INTELSAT AOR satellite located at 335<sup>0</sup> E.L. connecting with matching facilities furnished by Sprint's correspondent in Cuba, INTERTEL S.A. (the international division of EMTELCUBA);

b. lease from Orion and operate necessary earth segment facilities at Orion's earth station at Shenandoah, Virginia;

c. operate necessary connecting facilities between its operating center in New York and Orion's earth station at Shenandoah, Virginia; and

d. use the above facilities for the provision of direct packet data service between the U.S. and Cuba subject to the conditions set forth herein.

8. IT IS FURTHER ORDERED that the service authorized herein must be implemented within one year from the date of release of this order.

9. IT IS FURTHER ORDERED that Sprint and INTERTEL shall split 50/50 the \$5.50 per hour and \$5.50 per kilosegment accounting rate for this service.

10. IT IS FURTHER ORDERED that the applicant shall submit reports on or before June 30, and December 31 of each year, and on the one-year anniversary of the notification of the grant of the this application in the Federal Register indicating the numbers of circuits activated by facility.

11. IT IS FURTHER ORDERED that this authorization is subject to the applicant's obtaining all necessary licenses and authorizations from the Departments of Treasury and Commerce.

12. IT IS FURTHER ORDERED that this order is subject to revocation without a hearing in the event the Department of State or the Federal Communications Commission determines that the continuation of communications between the U.S. and Cuba is no longer in the national interest.

13. IT IS FURTHER ORDERED that, pursuant to Section 203 of the Communications Act, 47 U.S.C. § 203, and Part 61 of the Commission's Rules, 47 C.F.R. Part 61, Sprint shall file and have in effect a tariff for the service authorized in this order before offering services to the public.

14. IT IS FURTHER ORDERED that Sprint shall file copies of any operating agreements entered into by itself or its parent/affiliates with its correspondents within 30 days of their execution, and shall otherwise comply with the filing requirements contained in Section 43.51 of the Commission's Rules, 47 C.F.R. § 43.51.

15. IT IS FURTHER ORDERED that Sprint shall file annual reports of overseas telecommunications traffic required by Section 43.61 of the Commission's Rules, 47 C.F.R. § 43.61.

16. IT IS FURTHER ORDERED that Sprint shall file a Section 214 application for any additional circuits it proposes to establish between the U.S. and Cuba.

17. Acceptance of this authorization shall be deemed acceptance of the conditions set forth herein.

18. This authorization is issued pursuant to Section 0.291 of the Commission's Rules and is effective upon release. Petitions for reconsideration under Section 1.106 or applications for review under Section 1.115 of the Commission's Rules may be filed within 30 days of public notice of this order (*see* Section 1.4(b)(2)).

#### FEDERAL COMMUNICATIONS COMMISSION

George S. Li  
Chief, International Facilities Division  
Common Carrier Bureau

<sup>4</sup> See *supra* note 1.