

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

DA 96-1233

In the Matter of)	
)	
AT&T CORP.)	
)	
MCI INTERNATIONAL, INC.)	
)	
THE ST. THOMAS AND SAN JUAN TELEPHONE COMPANY, INC.)	
)	File No. S-C-L-96-003
TELEFÓNICA LARGA DISTANCIA DE PUERTO RICO, INC.)	
)	
Joint Application for a License to Land and Operate a Digital Submarine Cable System Between the United States Mainland and the Bahamas, the BAHAMAS II Cable System)	

CABLE LANDING LICENSE

Adopted: August 2, 1996

Released: August 6, 1996

By the Chief, Telecommunications Division:

1. In this Order, we grant the joint application of AT&T Corp. (AT&T), MCI International, Inc. (MCII), The St. Thomas and San Juan Telephone Company, Inc. (STSJ), and Telefónica Larga Distancia de Puerto Rico, Inc. (TLD) under the Cable Landing License Act¹ for authority to land and operate a digital submarine cable (the BAHAMAS II cable system) extending between the United States Mainland and the Commonwealth of the Bahamas.² We find that the Joint Applicants have provided sufficient information to comply with the Cable Landing License Act, and therefore grant the cable landing license, subject to the conditions below.

2. On March 29, 1996, the Joint Applicants filed their application. It was placed on public notice on April 19, 1996. No comments were received.

¹ "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).

² In a companion order, we grant the Joint Applicants' application for Section 214 authority. (File No. I-T-C-96-234, DA 96-1234, adopted August 2, 1996.)

3. Each of the Joint Applicants is a corporation. AT&T is organized under the laws of the State of New York; MCII is organized under the laws of the State of Delaware; STSJ is organized under the laws of the U.S. Virgin Islands; and TLD is organized under the laws of the Commonwealth of Puerto Rico.³ Each of the Joint Applicants is a common carrier subject to the Communications Act of 1934, as amended. All of the principal officers of the Joint Applicants are citizens of the United States.

4. The proposed BAHAMAS II Cable System will extend from a landing point at Vero Beach, Florida to Nassau, the Bahamas, with an intermediate point at Eight Mile Rock, the Bahamas, for the purpose of lightwave amplification. BAHAMAS II will connect with the domestic networks in the continental United States and the Bahamas. The proposed cable system will consist of four segments: A, B, C and D. Segments A will be located in U.S. territory and will be provided and owned by AT&T.

5. Segment A will consist of a cable station at Vero Beach, Florida. Segment B will consist of a structure to house amplification equipment at Eight Mile Rock, the Bahamas. Segment C will consist of the cable station at Nassau, the Bahamas. Segment D will comprise the whole of the submarine cable linking Segments A, B and C, and consist of Subsegments D1, D2 and D3. Subsegment D1 will consist of five fiber pairs linking the cable station at Vero Beach with the passive branch joint, a submerged device composed of a housing and any associated equipment to serve as a junction point for the undersea cable. Subsegment D2 will consist of five fiber pairs linking the passive branch joint to the structure at Eight Mile Rock, and five fiber pairs linking back to the passive branch joint. Subsegment D3 will consist of five fiber pairs linking the passive branch joint to the cable station at Nassau.

6. The Joint Applicants state that BAHAMAS II will consist of five optical fiber pairs. Initially, only one fiber pair will be equipped and will operate at 2.5 gigabits per second (Gbps). The capacity of each fiber pair will be comprised of sixteen 155 megabits per second (Mbps) Basic System Modules (BSMs) with each BSM containing sixty-three Minimum Investment Units (MIUs), for a total capacity, on each fiber pair, of 1008 MIUs.⁴ For voice telephone requirements, digital circuit multiplication equipment can be applied to derive nominally five times the original number of voice paths. BAHAMAS II will be connected to suitable facilities which will provide access to the domestic networks in each country or territory. In addition, BAHAMAS II will be extended by suitable facilities to the terminals of other international communications systems, including other cable terminals and satellite earth stations. This will enable BAHAMAS II to be used for services between

³ Seventy-nine percent of TLD's stock is owned by Telefónica International Holding, B.V. (TI Holding); nineteen percent of TLD's stock is owned by the Puerto Rico Telephone Authority (PRTA); and two percent is held in an employee stock ownership plan. TI Holding is a Netherlands corporation which is a wholly owned subsidiary of Telefónica Internacional de España, S.A. (TI), a corporation organized under the laws of Spain. TI, in turn, is majority-owned by Telefónica de España, S.A., the monopoly provider of domestic and international communications services in Spain. See Attachment C.

⁴ The Joint Applicants have defined an "MIU" as a unit of ownership of 2.048 Mbps digital stream jointly assigned between two parties, or wholly owned by one party. Joint Application at 3.

and among the U.S. Mainland, the Bahamas and points beyond.⁵

7. Consistent with our decisions regarding TLD's participation in the COLUMBUS II, AMERICAS-1 and ANTILLAS cable systems, we do not require TLD to make a reciprocity showing under the Cable Landing License Act.⁶ Based on TLD's foreign affiliate certification, TLD does not have any affiliates in the Bahamas, and thus we decline to require such a showing in this case.

8. Pursuant to our obligations under 47 U.S.C. §§ 34-39, the Department of State has been notified of this application. After having coordinated with the National Telecommunications and Information Administration and the Department of Defense, the Department of State stated that they have no objection to the issuance of the cable landing license for the BAHAMAS II.⁷

9. Based on the information provided by the Joint Applicants, we conclude that the grant of the requested authorization will not have a significant effect on the environment as defined in Section 1.1307 of the Commission's Rules and Regulations implementing the National Environmental Policy Act of 1969, 42 U.S.C. §§ 4321-4335. Consequently, no environmental assessment is required to be submitted with these applications under Section 1.1311 of the Commission's Rules.

10. We find that the proposed BAHAMAS II cable system is in the public interest. Therefore, we grant to the Joint Applicants a cable landing license for the BAHAMAS II cable system.

ORDERING CLAUSES

11. Consistent with the foregoing, the Commission hereby GRANTS AND ISSUES, under the provisions of the Cable Landing License Act, 47 U.S.C. §§ 34-39, and Executive Order 10530, 3 C.F.R. §§ 1954-1958, to the Joint Applicants, AT&T, MCII, STSJ and TLD a license to land and operate one high capacity digital submarine cable system between and among Vero Beach, Florida and Nassau, the Bahamas, comprised of five optical fiber pairs, each having a capacity of sixteen 155 Mbps BSM with each BSM containing sixty-three MIUs for a total capacity, on each fiber pair, of 1008 MIUs. This license is subject to all rules and regulations of the Federal Communications Commission; any treaties or conventions relating to communications to which the United States is or may hereafter become a party; any action by the Commission or the Congress of the United States

⁵ The BAHAMAS II cable system will be owned by the Joint Applicants and foreign telecommunications entities in the Bahamas, Barbados, Canada, Dominican Republic, and Trinidad and Tobago. Joint Application at 4.

⁶ See, e.g., *Telefonica Larga distancia de Puerto Rico, Inc.*, 9 FCC Rcd 4041 (1994).

⁷ The Department of State notes the absence of any ownership interest by TLD in the Bahamas. It also states that its position on this application is without prejudice to on-going consideration of other pending license applications, including those of the applicants herein. Letter from Michael T.N. Fitch, Deputy U.S. Coordinator, Office of International Communications and Information Policy to Donald H. Gips, Acting Chief, International Bureau, Federal Communications Commission (Aug. 2, 1996).

rescinding, changing, modifying or amending any rights accruing to any person hereunder; and the following conditions:

(1) The location of the cable within the territorial waters of the United States of America, its territories and possessions, and upon its shore, shall be in conformity with plans approved by the Secretary of the Army, and the cable shall be moved or shifted by the Licensees at their expense upon the request of the Secretary of the Army whenever he or she considers such course necessary in the public interest, for reasons of national defense, or for the maintenance or improvement of harbors for navigational purposes;

(2) The Licensees shall at all times comply with any requirements of United States Government authorities regarding the location and concealment of the cable facilities, buildings, and apparatus with a view of protecting and safeguarding the cable from injury or destruction by enemies of the United States of America;

(3) The Licensees or any persons or companies directly or indirectly controlling it or controlled by it, or under direct or indirect common control with it, shall not acquire or enjoy any right, for the purpose of handling or interchanging traffic to or from the United States, its territories or possessions, to land, connect or operate cables or landlines, to construct or operate radio stations, or to interchange traffic, which is denied to any other United States carrier by reason of any concession, contract, understanding, or working arrangement to which the Licensees or any persons controlling it or controlled by it are parties;

(4) Neither this license nor the rights granted herein, shall be transferred, assigned, or in any manner either voluntarily or involuntarily disposed of or disposed of indirectly by transfer of control of the Licensees to any persons, unless the Federal Communications Commission shall give prior consent in writing;

(5) The Licensees shall maintain 100 percent ownership in the cable stations in the United States and in the U.S. land portion of the cable from the station to the U.S. beach joint of the submersible portion of the proposed cable;

(6) This license is revocable after due notice and opportunity for hearing by the Commission in the event of breach or nonfulfillment of any requirements specified in Section 2 of "An Act Relating to the Landing and Operation of Submarine Cables in the United States," 47 U.S.C. Sections 34-39, or for failure to comply with the terms of the authorizations;

(7) The Licensees shall notify the Commission in writing of the date on which the cable is placed in service and this license shall expire 25 years from such date, unless renewed or extended upon proper application and, upon expiration of this license, all rights granted under them shall be terminated; and

(8) The terms and conditions upon which this license is given shall be accepted by the Licensees by filing a letter with the Secretary, Federal Communications Commission, Washington, D.C. 20554, within 30 days of the release of this cable landing license.

12. This Order is issued under Section 0.261 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 the date of public notice of this order (*see* 47 C.F.R. 1.4(b)(2)).

FEDERAL COMMUNICATIONS COMMISSION

George / 2 for

Diane J. Cornell
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