



NEWS

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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See MCI v. FCC. 515 F 2d 385 (D.C. Cir 1974).

FOR IMMEDIATE RELEASE:
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COMMISSION ADOPTS STREAMLINING PROCEDURES FOR SUBMARINE CABLE LANDING LICENSES

Washington, D.C. – Today, the Commission adopted new streamlining procedures to promote competition in the submarine cable market. These new measures should achieve twin objectives –allowing the submarine cable market to operate with minimal regulatory oversight and preserving competitive safeguards. As a result, the costs of deploying submarine cables should decrease to the ultimate benefit of U.S. consumers. These improvements are significant because over two-thirds of U.S. international traffic is carried on submarine cables.

As detailed in the attached Fact Sheet, the new procedures for reviewing submarine cable applications track those that the Commission adopted in 1997 for reviewing section 214 applications to provide international telecommunications services. In addition, the Commission:

- Adopted a new post-transaction notification procedure for *pro forma* applications to assign or transfer control of an interest in a submarine cable landing license;
- Adopted a new rule no longer requiring all entities using the U.S. end of a submarine cable to become licensees.
- Codified its existing routine cable landing license conditions, along with the new streamlining procedures, a no special concessions rule for all licensees, standard competitive safeguards, *pro forma* procedure, and applicant-licensee rule;
- Decided that it will grant submarine cable landing licenses by public notice unless a written order is required.

Action by the Commission November 8, 2001, by Report and Order (FCC 01-332). Chairman Powell, Commissioners Abernathy, Copps and Martin.

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IB Docket No. 00-106

FACT SHEET
NEW COMMISSION STREAMLINING PROCEDURES
FOR SUBMARINE CABLE LANDING LICENSES
(IB Docket No. 00-106)

New Streamlining Process. The new process tracks the streamlining procedures the Commission uses for section 214 authorizations of international telecommunications services. Applicants having no affiliation with a carrier with market power in any of the cable's destination markets will be eligible for streamlining. Additionally, applicants having an affiliation with a market power carrier in a World Trade Organization (WTO) destination market will be eligible for streamlining if the affiliated applicants agree to accept a limited set of competitive safeguards. Once the procedures are in effect, a cable landing license application eligible for streamlining will be acted upon in a 45-day period following the public notice announcing the application as acceptable for filing. An application acceptable for filing but ineligible for streamlining will be acted upon within 90 days unless the Commission notifies the applicant that the application presents issues that require additional scrutiny, in which case the Commission will extend the review for another 90 days.

Protection Against Possible Anti-competitive Conduct. To protect against possible anti-competitive conduct, the new streamlining process requires applicants with affiliations with foreign carriers that have market power in WTO destination markets to comply with certain competitive safeguards. These safeguards include a requirement to file quarterly provisioning and maintenance reports and quarterly circuit status reports, and are designed to detect and deter harm to competition in the United States that may result from a foreign carrier's market power. In addition, all licensees are prohibited from entering into discriminatory arrangements with foreign carriers that have market power regarding certain matters such as collocation at cable landing stations and access to backhaul. The Commission retains the ability to impose additional tailored conditions on the licensee when necessary.

New Post-Transaction Notification for *Pro Forma* Transactions. The Commission adopted a new post-transaction notification procedure for *pro forma* assignments or transfers of control of an interest in a submarine cable landing license. Once the procedures are in effect, the post-transaction notification will replace the current requirement for prior approval and will allow licensees the flexibility to proceed in a timely fashion with *pro forma* transactions.

New Applicant-Licensee Rule. Under the new rules, those entities that are U.S. cable landing station parties, or non-landing parties having a five percent or greater interest in the cable and using the U.S. end of the cable system will need to become applicants. This new rule eliminates regulatory burden on smaller carriers or investors as they no longer need to become licensees.

Codification. To provide clarity and certainty, the Commission codified its existing routine cable landing license conditions, along with the new streamlining procedures, standard competitive safeguards, *pro forma* procedure, and applicant-licensee rule.

Public Notice. To speed licensing, the Commission will grant applications by public notice unless a written order is necessary.