



# PUBLIC NOTICE

FEDERAL COMMUNICATIONS COMMISSION  
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**Report No. SCL-00231S**

**Wednesday December 19, 2018**

## **Streamlined Submarine Cable Landing License Applications Accepted For Filing**

Unless otherwise specified, the following procedures apply to the applications listed below:

The applications listed below have been found, upon initial review, to be acceptable for filing and subject to the streamlined processing procedures set forth in section 1.767 of the Commission's rules, 47 C.F.R. § 1.767. Pursuant to the Submarine Cable Landing License Act, 47 U.S.C. §§ 34-39, and Executive Order No. 10530, reprinted as amended in 3 U.S.C. § 301, each applicant seeks: (a) the grant of a cable landing licensee; (b) the modification of a cable landing license; and/or (c) the assignment or transfer of control of an interest in a submarine cable landing license.

Pursuant to its decision in Review of Commission Consideration of Applications under the Cable Landing License Act, IB Docket No. 00-106, FCC 01-332, 16 FCC Rcd 22167 (2001), and section 1.767 of the rules, the Commission will take action upon these applications within forty-five (45) days after release of this public notice, unless upon further examination an application is deemed ineligible for streamlined processing.

Ex parte communications between outside parties and Commission staff concerning these applications are permitted subject to the Commission's rules for "permit-but-disclose proceedings." See 47 C.F.R. § 1.1206. Filings relating to this application must be received within 14 days of this notice. Such filings will not necessarily result in an application being deemed ineligible for streamlined processing.

People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to [fcc504@fcc.gov](mailto:fcc504@fcc.gov) or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 1-888-835-5322 (tty). All applications listed are subject to further consideration and review, and may be returned and/or dismissed if not found to be in accordance with the Commission's rules, regulations, and other requirements.

## Modification

Application filed by Telxius Cable USA, Inc. (Telxius USA), Telxius Cable Puerto Rico, Inc. (Telxius Puerto Rico), and Telxius Cable America, S.A. (Telxius America) (together, the "Applicants") for authority to modify the cable landing license for the South America-1 submarine cable system (SAM-1 Cable), SCL-LIC-20000204-00003, SCL-MOD-20061207-00012, to (1) authorize construction and operation of a segment landing in the Dominican Republic (SAM-1 DR Spur), and (2) add Telxius America as a joint licensee. The Applicants filed supplemental information on November 16, 2018 and December 18, 2018.

The SAM-1 Cable is a non-common carrier cable system that is approximately 25,000 kilometers in length and connects Boca Raton, Florida; San Juan, Puerto Rico; Las Toninas, Argentina; Fortaleza, Rio de Janeiro, and Salvador, Brazil; Arica and Valparaiso, Chile; Barranquilla, Colombia; Punta Carnero, Ecuador; Puerto Barrios and Puerto San Jose, Guatemala; and Lurin and Mancora, Peru. The SAM-1 Cable has up to four fiber pairs per segment, with each fiber pair having a current design capacity of 19.2 Terra bits per second (Tbps) per fiber pair. The Commission granted a cable landing license for SAM-1 in 2000. Telefónica SAM USA, Inc. and Telefónica SAM de Puerto Rico, Inc., File No. SCL-LIC-20000204-00003, Cable Landing License, 15 FCC Rcd 14915 (IB 2000). The cable landing license was modified in 2007 to authorize the extension of the SAM-1 cable to Colombia. Actions Taken Under Cable Landing License Act, SCL-MOD-20061207-00012, Public Notice, 22 FCC Rcd 6630 (IB 2007). Applicants state that other segments of the SAM-1 Cable have not changed since grant of the SAM-1 cable landing license.

The SAM-1 DR Spur will include approximately 80 kilometers of new submarine cable that will connect the existing Branching Unit 5 on the SAM-1 segment between San Juan, Puerto Rico, and Barranquilla, Colombia, and a new cable landing station at Punta Cana, Dominican Republic. The SAM-1 DR Spur will consist of two fiber pairs with a design capacity of 10 Tbps per fiber pair, and an initial lit capacity that has not yet been determined.

Telxius Cable Republica Dominicana, S.A.S. (Telxius Dominicana), a Dominican Republic company, will own that portion of the SAM-1 DR Spur's wet segment in the Dominican Republic territorial sea extending from Punta Cana, and will contract with CHT Holdings Dominicana S.A.S. to use its existing building to create a new cable landing station in Punta Cana, Dominican Republic.

Telxius USA will continue to own and control the cable landing station in Boca Raton, Florida and that portion of the SAM-1 Cable system's wet segment in the U.S. territorial sea extending from Boca Raton. Telxius Puerto Rico will continue to own and control the cable landing station in San Juan, Puerto Rico and that portion of the SAM-1 Cable system's wet segment in the U.S. territorial sea extending from San Juan. Telxius America will continue to own and control that portion of the SAM-1 Cable system's wet segment in international waters. Applicants request that the Commission add Telxius America, a Uruguay company, as a joint licensee, as it owns a 5-percent-or-greater interest in the cable system and uses the U.S. end points of the SAM-1 Cable system.

Telxius USA, a Florida company, Telxius Puerto Rico, a Puerto Rico company, and Telxius America, a Uruguay company, are majority-owned, indirect subsidiaries of Telefonica S.A. (Telefonica Parent), whose shares are publicly-traded on the Spanish electronic trading system and listed on the London, Buenos Aires, Lima, and New York stock exchanges.

The following individuals and entities have a ten-percent-or-greater direct or indirect interest in Telxius USA and Telxius Puerto Rico: (1) Telxius Cable America, S.A. (Telxius America), a Uruguay company (100% voting and equity); (2) Telxius Telecom S.A.U. (Telxius Parent), a Spain company (100% voting and equity interest in Telxius America); (3) Pontel Participaciones, S.L. (Pontel), a Spain company (60% voting and equity interest in Telxius Parent); (4) Telefonica Parent, a Spain company (83.5% voting and equity interest in Pontel); (5) Taurus Bidco S.a.r.l. (KKR Bidco), a Luxembourg company (40% voting and equity interest in Telxius Parent, and certain negative control rights as a result of certain investments by KKR Bidco in Telxius Parent); (6) Taurus Midco S.a.r.l. (KKR Midco), a Luxembourg company (100% voting and equity interest in KKR Bidco); (7) Taurus Topco S.a.r.l. (KKR Topco), a Luxembourg company (100% voting and equity interest in KKR Midco); and (8) KKR Taurus Aggregator L.P., a Canada company (100% voting and equity interest in KKR Topco).

The principal direct and indirect voting and equity interests in KKR Taurus Aggregator L.P. are held by and through the following entities: (1) KKR Taurus Aggregator GP Limited, a Cayman Islands company (general partner of and 100% voting and equity interest in KKR Taurus Aggregator L.P.); (2) KKR Global Infrastructure Investors II L.P., a Cayman Islands company (sole shareholder of and 100% voting and equity interest in KKR Taurus Aggregator GP Limited, and limited partner of and 26.41% equity interest (no direct voting) in KKR Taurus Aggregator L.P.); (3) KKR Taurus Co-Invest L.P., a Canada company (limited partner of and 44.97% equity interest (no voting) in KKR Taurus Aggregator L.P.); (4) KKR Associates Infrastructure II L.P., a Cayman Islands company (general partner of and 100% voting and 5% equity interest in KKR Global Infrastructure Investors II L.P.); (5) KKR Infrastructure II Limited, a Cayman Islands company (general partner of and 100% voting and 99% equity interest in KKR Associates Infrastructure II L.P.); (6) KKR Financial Holdings LLC, a Delaware company (50% voting interest in, and a non-fixed economic interest based on the investment returns allocable to KKR Associates Infrastructure II, L.P. as the general partner of KKR Global Infrastructure Investors II L.P.); (7) KKR Fund Holdings L.P., a Cayman Islands company (50% voting interest in, and a non-fixed economic interest based on the investment returns allocable to KKR Associates Infrastructure II, L.P. as the general partner of KKR Global Infrastructure Investors II L.P.); KKR Fund Holdings L.P. also holds a 100% voting and equity interest in KKR Financial Holdings LLC); (8) KKR Fund Holdings GP Limited, a Cayman Islands company (general partner of and 100% voting interest (no equity) in KKR Fund Holdings L.P.); (9) KKR Group Holdings Corp., a Cayman Islands company (sole shareholder of and 100% voting and economic interest in KKR Fund Holdings GP Limited; general partner and limited partner of, and 63.3% equity interest in KKR Fund Holdings L.P.); (10) KKR & Co. Inc., a Delaware company (100% voting and equity interest in KKR Group Holdings Corp.); and (11) KKR Management LLC (KKR Management), a Delaware company (100% voting interest (no equity) in KKR & Co. Inc.). No entity holds a 10-percent-or-greater direct or indirect equity interest in the Applicants through either KKR Global Infrastructure Investors II L.P. or KKR Taurus Co-Invest L.P. The equity interests in the Applicants that are held through KKR Bidco are predominantly by investment funds, all of which are limited partnerships organized under the laws of Canada, the Cayman Islands, and England and Wales. Telxius USA and Telxius Puerto Rico have no other 10-percent-or-greater direct or indirect interest holders.

—Telxius USA, Telxius Puerto Rico, and Telxius America are affiliated with foreign carriers that are presumed to have market power in Argentina, — Brazil, Chile, Colombia, or Peru. Telxius USA and Telxius Puerto Rico each agree to continue to, and Telexius America agrees to, accept and abide by the reporting requirements in section 1.767(l), 47 CFR §1.767(l), for the U.S.-Argentina, U.S.-Brazil, U.S.-Chile, U.S.-Colombia, and U.S.-Peru routes.

Telxius USA and Telxius Puerto Rico each agree to continue to, and Telexius America agrees to, accept and abide by the routine reporting requirements specified in section 1.767(g) of the Commission's rules, 47 CFR § 1.767(g).

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#### REMINDERS:

Applicants must certify that neither the applicant nor any party to the application is subject to a denial of federal benefits by federal and/or state courts under authority granted in 21 U.S.C. § 862. See C.F.R. §§ 1.2001-1.2003.

By this notice, we inform the public that submarine cable landing license applications that are part of larger transactions involving multiple Commission licenses or authorizations may involve "extraordinary circumstances" as referenced in Review of Commission Consideration of Applications under the Cable Landing License Act, Report and Order, 16 FCC Rcd 22167 (2001) and Rules and Policies on Foreign Participation in the U.S. Telecommunications Market, Report and Order and Order on Reconsideration, 12 FCC Rcd 23891 (1997), paras. 327-28, Order on Reconsideration, 15 FCC Rcd 18158 (2000). Additionally, extraordinary circumstances result where Executive Branch agencies petition the Commission to defer action on an application pending the resolution of potential national security, law enforcement, foreign policy and trade policy issues. Accordingly, these applications may be removed from streamlined processing and may not be acted on within the 90-day review period that the Commission has established as the period of time normally required to reach a decision on non-streamlined cable landing licenses. This notice shall serve as public notice to applicants that, in these circumstances, additional time may be required for Commission review and final action. No additional formal public notice will be provided routinely with respect to specific applications in the event that the applicable review period extends beyond 90 days.