



PUBLIC NOTICE

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Wednesday December 26, 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 license; (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 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.

Submarine Cable Landing License

Application filed by Edge Cable Holdings USA, LLC (Edge USA), China Mobile International Limited (CMI), and Vadata, Inc. (Vadata, collectively the "Applicants") for a license to land and operate within the United States a non-common carrier fiber-optic submarine cable system connecting Grover Beach, California; Changi, Singapore; Chung Hom Kok, Hong Kong SAR; and Cherating, Malaysia, the Bay to Bay Express Cable System (BtoBE).

The BtoBE system will consist of four segments and have a total cable length of approximately 15,393 kilometers. Segment A of BtoBE will connect the existing cable landing station in Grover Beach, California to Branching Unit 1 off the coast of Hong Kong. It will have a total length of 12,182 kilometers and will be comprised of six fiber pairs with an aggregate design capacity of 102 Terrabits per second (Tbps). Segment B will connect Branching Unit 1 to an existing cable landing station in Changi, Singapore. It will have a total length of 2,236 kilometers and will be comprised of five fiber pairs with an aggregate design capacity of 85 Tbps. Segment C will connect an existing cable landing station in Chung Hom Kok, Hong Kong SAR with Branching Unit 1. It will have a total length of 612 kilometers and will be comprised of nine fiber pairs with an aggregate design capacity of 162 Tbps. Segment D will connect an existing cable landing station in Cherating, Malaysia with Branching Unit 2. It will have a total length of 363 kilometers and will be comprised of four fiber pairs with an aggregate design capacity of 72 Tbps. The aggregate design capacity between California and Hong Kong will be 18 Tbps, and the aggregate design capacity on the California to Singapore and California to Malaysia routes will each be 16 Tbps. The Applicants have not yet made decisions about the initial lit capacity of the system's segments and intend to commence commercial operation in the second calendar quarter of 2021.

Applicants state that the BtoBE system will enhance competition on the U.S.-Singapore, U.S.-Hong Kong, and U.S.-Malaysia routes by competing vigorously with other submarine cable systems on those routes (i.e., Asia-America Gateway(AAG), APCN-2, Asia Pacific Gateway (APG), Asia Submarine-cable Express (ASE), EAC/C2C, Southeast Asia-Japan cable, and the planned Hong Kong Americas (HKA) and Pacific Light Cable Network). Further, Applicants state that the system will provide geographically-diverse data connectivity for some of BtoBE's owners, and provide significant new and replacement capacity on routes where capacity demand continues to increase substantially each year.

The ownership and control of the BtoBE cable system segments are the following:

Segment A: (1) Edge USA, a Facebook affiliate, will hold a 41.6667% equity and a 50% voting interest in the portion of the system within U.S. territorial waters, and Edge Network Services Limited (Edge), a Facebook affiliate, will hold a 41.6667% equity and a 50% voting interest in the portion of the system beyond U.S. territorial waters; (2) CMI (50% equity and 42.8571% voting interest); and (3) Vadata (8.3333% equity and 7.1429% voting interest).

Segment B: (1) Kusu Pte. Ltd., a Facebook affiliate, will hold a 50% equity and voting interest in the portion of the system within Singapore territorial waters, and Edge will hold a 50% equity and voting interest in the portion of the system beyond Singapore territorial waters; (2) CMI (40% equity and voting interest); and (3) Vadata (10% equity and voting interest).

Segment C: (1) Edge Network Services Hong Kong Limited (Edge Hong Kong), a Facebook affiliate, will hold a 33.3333% equity and voting interest in the portion of the system within Hong Kong territorial waters, and Edge will hold a 33.3333% equity and voting interest in the portion of the system beyond Hong Kong territorial waters; (2) CMI (56.5556% equity and voting interest); and (3) Vadata (11.1111% equity and voting interest).

Segment D: (1) Edge Network Services Limited (Malaysia Branch), a Facebook affiliate, will hold a 100% equity and voting interest in the portion of the system within Malaysia territorial waters, and Edge will hold a 50% equity and voting interest in the portion of the system beyond Malaysia territorial waters.

The ownership and control of each of the cable landing stations are the following: (1) Edge USA will control the existing Grover Beach cable landing station which is owned and operated by PC Landing Corp., under a contract with Edge USA; (2) CMI will control the existing Changi, Singapore cable landing station which is owned by Singapore Telecommunications Limited; (3) CMI will control the existing Chung Hom Kok, Hong Kong SAR cable landing station which is owned by GB21 (Hong Kong) Limited; and (4) Edge Network Services Limited (Malaysia Branch) will control the existing Cherating, Malaysia cable landing station which is owned by TIME dotCom Berhad. Applicants seek a waiver of 1.767(h)(1) of the Commission's rules, stating that PC Landing Corp. will have no ability to affect significantly the operation of the BtoBE cable system.

Applicants request a waiver of section 1.767(h)(1) so that PC Landing Corp., a U.S. company, need not be a joint applicant for the BtoBE cable landing license. Section 1.767(h)(1) requires that "any entity that owns or controls a cable landing station in the United States" shall be "applicants for, and licensees on, a cable landing license." 47 C.F.R. § 1.767(h)(1). According to Applicants, PC Landing Corp. will have no ability to affect significantly BtoBE system's operation, and inclusion of PC Landing Corp. as a joint applicant 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 any cable landing license. Applicants state that Edge USA will enter an agreement with PC Landing Corp. granting them an indefeasible-right-of-use (IRU) for PC Landing Corp.'s beach manhole, one of its bore pipes at Grover Beach, and a conduit connecting the beach manhole with PC Landing Corp.'s cable landing station. PC Landing Corp. will also grant to Edge USA a long-term lease for collocation space for power feed equipment in the cable landing station, space over which Edge USA, on behalf of the Applicants, will have exclusive control. Edge USA will also retain operational authority over the BtoBE landing facilities and terminal equipment at Grover Beach, and provide direction to PC Landing Corp. in all matters relating to the BtoBE cable system. Applicants state that Edge will seek to ensure that both the IRU and lease agreements will have initial 15-year terms, with the option of two five-year extensions that may be exercised at Edge USA's sole discretion, for a maximum of 25 years each.

The Applicants propose to operate the BtoBE system on a non-common carrier basis, either by using the capacity as in input for services offered by them and their respective affiliates or by providing bulk capacity to wholesale and enterprise customers on particularized terms and conditions

by their and their respective affiliates or by providing such capacity to wholesale and enterprise customers on particularized terms and conditions pursuant to individualized negotiations. Applicants state that BtoBE will provide Edge USA and its affiliates with capacity to support Facebook's global platform to connect its users and data centers, will provide CMI and its affiliates with capacity to support its wholesale capacity businesses in Asia and the Americas, and will provide Vadata and its affiliates with capacity to support Amazon's cloud services offerings and connect its data centers.

Edge USA, a Delaware corporation, is a wholly-owned, direct subsidiary of Facebook, Inc. (Facebook), a Delaware corporation. The ten-percent-or-greater direct or indirect interest holders of Edge USA are: (1) Facebook (100% voting and equity interest), (2) CZI Holdings, LLC (CZI), a Delaware company (50.77% voting interest and 12.62% equity interest in Facebook's outstanding shares; and (3) Mark Zuckerberg, a U.S. citizen who serves as Chairman and CEO of Facebook (100% ownership interest in all of CZI's member interests and, together with his ownership positions in Facebook, owns approximately 13.43% of Facebook's outstanding shares and holds an approximate 58.84% voting interest in Facebook that includes (a) a 50.77% voting interest for shares he holds directly or controls through CZI; and (b) a 6.8% voting interest that he has authority to vote pursuant to voting agreements with (i) Dustin Moskovitz, Trustee of the Dustin Moskovitz 2008 Annuity Trust dated March 10, 2008, and (ii) Dustin Moskovitz, Trustee of the Dustin A. Moskovitz Trust dated December 27, 2005. The remainder of Facebook's shares are publicly traded on the NASDAQ Stock Market. Edge USA has no other ten-percent-or-greater direct or indirect shareholders.

CMI, a Hong Kong corporation, manages and operates the international business of China Mobile Limited (CML), of which it is a wholly-owned indirect subsidiary. CMI's ten-percent-or-greater direct or indirect interest holders are: (1) China Mobile International Holdings Limited (CMIHL), a Hong Kong company (100% voting and equity interest), (2) CML, a Hong Kong company (100% voting and equity interest in CMIHL), (3) China Mobile Hong Kong (BVI) Limited (CMHK-BVI), a British Virgin Islands company (72.72% voting and ownership interest in CML), (4) China Mobile (Hong Kong) Group Limited (CMHKG), a Hong Kong SAR company (100% voting and equity interest in CMHK-BVI), and (5) China Mobile Communications Corporation (CMCC), a People's Republic of China company (100% voting and equity interest in CMHKG). CMCC is 100% owned by the Chinese Government and subject to the supervision of the State-Owned Assets Supervision and Administration Commission (SASAC) of the State Council of the People's Republic of China. No other individual or entity owns 10 percent or more of CMI's shares.

Vadata, a Delaware corporation, is wholly-owned, indirect subsidiary of Amazon.com, Inc. (Amazon). The ten-percent-or-greater direct or indirect interest holders of Vadata are: (1) Amazon.com Services, Inc., a U.S. company (100% voting and equity interest), (2) Amazon (100% voting and equity interest in Amazon.com Services, Inc.), and (3) Mr. Jeffrey P. Bezos, a U.S. citizen who serves as Chairman, President and CEO of Amazon (as of August 31, 2018, owned approximately 16.2% of Amazon's outstanding shares and held sole voting and investment power with respect to 78,885,140 shares and shared voting and investment power with respect to 6,822 shares. Amazon's shares are traded publicly on the NASDAQ Stock Market. Vadata has no other 10-percent-or-greater direct or indirect shareholders.

Applicants each agree to accept and abide by the routine conditions specified in section 1.767(g)(1)-(14) of the Commission's rules, 47 C.F.R. §1.767(g)(1)-(14).

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.