



# PUBLIC NOTICE

FEDERAL COMMUNICATIONS COMMISSION  
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**Report No. SCL-00244S**

**Friday June 21, 2019**

## **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.

## Submarine Cable Landing License

Application filed by GU Holdings Inc. (GU Holdings), AARNet Pty Ltd (APL), RTI JGA Pte. Ltd. (RTI JGA), and RTI Connectivity Pte. Ltd. (RTI Connectivity) (the "Applicants") for a license to construct, land, and operate a non-common carrier fiber-optic submarine cable system connecting Guam and Australia, the Japan-Guam-Australia (JGA) South system (JGA South). Applicants filed a supplemental letter on June 17, 2019, clarifying terms of a landing services agreement.

JGA South consists of a main trunk from Piti, Guam to Sydney, Australia (Main Trunk) and a branching unit that extends the system from the Main Trunk to the Sunshine Coast in Australia (Sunshine Coast Branch). The Main Trunk and Sunshine Coast Branch, with approximate lengths of 7,081 and 552 kilometers, respectively, will each have two fiber pairs with a design capacity of a minimum of 18 Terra bits per second (Tbps) per fiber pair using current technology. The Applicants intend to commence commercial operation of the cable system in the fourth quarter of 2019.

Applicants state that JGA South is the first new cable system since 2009 to directly connect Guam to Australia and that the cable will provide critical new and replacement where capacity demand is increasing substantially each year. Further, they state that the system will compete vigorously with existing systems directly connecting Guam to Australia (PIPE Pacific Cable-1 (PPC-1), Australia Japan Cable (AJC)), as well as compete with cable systems providing indirect connectivity between Guam and Australia via Hawaii (Endeavor and Asia-American Gateway (AAG)).

JGA South will be separately owned and operated from the planned JGA North system, a consortium cable system connecting Guam and Japan. The owners of JGA North have a cable landing license pending before the Commission. See SCL-LIC-20181106-00035.

The voting and equity interests in the Main Trunk of the system are as follows: (1) RTI JGA (62.5% voting and equity), (2) APL (12.5% voting and equity), and (3) GU Holdings and certain of its affiliates (25% voting and equity). GU Holdings will hold a 25% interest in the portion of the system in the U.S. territorial sea extending from Piti, Guam, Google Infrastructure Bermuda Limited (GIB) will hold a 25% interest in the international waters portion of the system, and Google Australia Pty Ltd will hold a 25% interest in the portion of the system in the Australia territorial sea. GU Holdings states that under section 1.767(h)(2) of the Commission's rules, 47 CFR § 1.767(h)(2), GIB and Google Australia are not required to be applicants for the cable landing license since neither will use the U.S. end points of the system.

The voting and equity interests in the Sunshine Coast Branch will be 100% owned and controlled by RTI Connectivity. RTI JGA will own the branching unit connecting the Sunshine Coast to the Main Branch.

RTI Connectivity, in its role as Asset Manager of RTI JGA, will control the 62.5% equity and voting interest that will be owned by RTI JGA in the Main Trunk and will control the 100% equity ownership that will be held by RTI JGA in the Sunshine Coast Branch. RTI Connectivity was appointed RTI JGA's Asset Manager through an Asset Management Agreement between the two companies, and under the agreement RTI Connectivity may not be removed except for cause or in the event RTI Connectivity's majority shareholder, Mr. Russ Matulich, holds less than a 50-percent interest in RTI Connectivity.

TeleGuam Holdings, LLC (GTA), a Guam company, owns the existing cable landing station at Piti, Guam. GTA's affiliated company, Gateway Network Connections, Inc. (GNC), a Guam company, will control the Piti, Guam, landing arrangements and enter into a long-term contract with the Applicants for collocation and operation and maintenance services to be provided at the station by GTA. GNC will be 51% owned by Asia Connectivity Elements Pte. Ltd. (ACE), a Singapore company, and 49% owned by GTA. Mr. Russell Matulich, a U.S. citizen, directly holds a 100% voting and equity interest in ACE. The existing cable landing station at Sydney, Australia will be owned and controlled by SCCL Australia Limited and the new cable landing station to be constructed at a landing point located along the Sunshine Coast will be owned by the Sunshine Regional Coast Council.

The Applicants request a waiver of section 1.767(h)(1) of the Commission's rules which 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 CFR § 1.767(h)(1). According to the Applicants, GTA, the owner of the Piti, Guam, cable landing station, will not be able to affect significantly the operation of JGA South, and it is not necessary for GTA to be a joint applicant to ensure compliance with the Cable Landing License Act, the Commission's cable landing rules, or the terms of the cable landing license. GNC will contract with the Applicants for GTA to provide collocation space and operation and maintenance services at the joint direction of the Applicants that would not provide GTA with any ability to affect significantly the operation of JGA South. Applicants will retain operational authority over the JGA South landing facilities and provide direction to GTA in all matters relating to JGA South. Applicants will seek to ensure that the lease agreement will have an initial term, with extension options at Applicants' sole discretion, for a total of 25 years, coextensive with the term of the cable landing license.

The Applicants propose to operate the JGA South system on a non-common carrier basis. They state that they will not sell capacity indifferently to the user public, and that the system capacity will be used by Applicants and their affiliates to meet their own internal needs for bandwidth or will be made available to third parties pursuant to individually-negotiated indefeasible rights of use (IRUs) and capacity leases, the terms of which will vary depending on the characteristics and needs of the particular capacity purchase.

GU Holdings, a Delaware company, is an indirect, wholly-owned subsidiary of Google LLC (Google), a Delaware company. The 10-percent-or-greater direct or indirect interest holders of GU Holdings are: (1) Google International LLC (Google International (100% voting and equity interest); (2) Google LLC (97% voting and equity interest in Google International); (3) XXVI Holdings Inc., a Delaware company (100% voting and equity interest in Google LLC); (4) Alphabet Inc. (Alphabet), a Delaware company (99% voting and equity interest in XXVI Holdings Inc.); (5) Mr. Larry Page, a U.S. citizen and CEO of Alphabet (26.1% voting interest in Alphabet through ownership of 42.9% of Alphabet's Class B common stock); and (6) Mr. Sergey Brin, a U.S. citizen and President of Alphabet (25.2% voting interest in Alphabet through ownership of 41.3% of Alphabet's Class B common stock). Alphabet's shares are publicly-traded on the NASDAQ stock market. No other entity or individuals hold a 10-percent-or-greater voting or equity interest in Alphabet or GU Holdings.

APL, an Australian not-for-profit company and licensed telecommunication carrier in Australia, owns and operates Australia's Academic and Research Network (AARNet). Each of the 38 Australian universities and the Commonwealth Scientific and Industrial Research Organization (CSIRO) hold an equal shareholding in APL. APL certifies that it does not have any 10-percent-or-greater interest holders.

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RTI JGA, a Singapore company, has the following 10-percent-or-greater direct or indirect interest holders: (1) Fund Corporation for the Overseas Development of Japan's ICT and Postal Services, Inc. (JICT), a Japan company (37.5% equity interest through its ownership of 100% of JGA Class A Preferred Shares. JICT is 50% owned and controlled by the Japanese Ministry of Finance, which holds a 50% voting and equity interest in JICT, with the remaining voting and equity interests of JICT held by 21 Japanese companies, none of which has a 10-percent-or-greater voting or equity interest in RTI JGA; (2) NEC Corporation (NEC), a publicly-traded Japan company with no 10%-or-greater shareholders (37.5% equity interest in RTI JGA through its ownership of 100% of JGA Class B Preferred Shares); (3) Mr. Russell Alan Matulich, a U.S. citizen (16.7% equity interest through his ownership of 51% of JGA Class C shares); (4) The RTI JGA Share Trust (RTI JGA Trust), a Singapore company that holds all the shares of RTI JGA in trust for the equity interest holders (owns one ordinary share of RTI JGA); (5) Singapore Trust Company Pte. Ltd. (STC), a Singapore company that serves as Trustee of the RTI JGA Trust; (6) STC Group Ltd., a British Virgin Islands company (100% voting and equity interest in STC); (7) Mr. Tan Boon Aun Rudy, a Singapore citizen (20% voting and equity interest in STC Group); (8) Ocorian Limited (Ocorian), a Bailiwick of Jersey company (80% voting and equity interest in STC); (9) Inflexion Supplemental Fund IV (No. 1) LP (Inflexion Supplemental), a Guernsey company (16% voting and equity interest in Ocorian); and (10) Inflexion Buyout Fund IV (No. 1) LP (Inflexion No. 1), a Guernsey company (29% voting and equity interest in Ocorian). Inflexion Supplement and Inflexion Buyout have no controlling interest shareholders. No other entity or individuals hold a 10-percent-or-greater voting or equity interest in RTI JGA.

RTI Connectivity, a Singapore company, has the following 10-percent-or-greater direct or indirect voting and equity interest holders: Mr. Russell Matulich holds a 99% voting and equity interest in RTI Connectivity. No other entity or individuals hold a 10-percent-or-greater voting or equity interest in RTI Connectivity.

Applicants agree to abide by the routine conditions 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.