

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of

AMERICAN TELEPHONE AND
TELEGRAPH COMPANY
GTE HAWAIIAN TELEPHONE
COMPANY INCORPORATED
MCI INTERNATIONAL, INC.
SPRINT COMMUNICATIONS File No. SCL-93-001
COMPANY
LIMITED PARTNERSHIP
TELEFONICA LARGA DISTANCIA
DE PUERTO RICO
THE ST. THOMAS AND SAN JUAN
TELEPHONE COMPANY, INC.
TRT/FTC COMMUNICATIONS, INC.
WORLD COMMUNICATIONS, INC.

Joint Application for a License to Land
and Operate a High Capacity Digital
Submarine Cable System Between and
Among the United States Mainland,
Mexico, U.S. Virgin Islands, Spain, Italy
and Portugal

CABLE LANDING LICENSE

Adopted: July 13, 1993;

Released: July 26, 1993

By the Acting Chief, Common Carrier Bureau:

1. On November 10, 1992, eight United States international service carriers (hereinafter referred to as Joint Applicants)¹ filed the above-captioned Joint Application requesting authority pursuant to "An Act Relating to the

¹ The Joint Applicants include American Telephone and Telegraph Company (AT&T), GTE Hawaiian Telephone Company Incorporated (HTC), MCI International, Inc. (MCI), Sprint Communications Company Limited Partnership (Sprint), Telefonica Larga Distancia de Puerto Rico (TLD), The St. Thomas and San Juan Telephone Company, Inc. (STJS), TRT/FTC Communications, Inc. (TRT/FTC), and World Communications, Inc. (Worldcom).

² See *infra* n.4.

³ Letter from Elaine R. McHale, Senior Attorney for AT&T, to Donna Searcy, Secretary of the FCC, dated March 12, 1993. AT&T's letter referenced a previously filed request by Sprint on January 19, 1993 that the Commission consider in future proceedings involving TLD both the general issue of reciprocal entry rights, and the issue of how Spain's treatment of U.S. carriers may affect grant of additional Section 214 authority to Spanish-owned carriers.

⁴ The Joint Application identifies these as: Segments T1, T2, T3, T4, T5 and T6, which are, respectively, the cable station at Cancun, Mexico; the cable station in West Palm Beach, Florida;

Landing and Operation of Submarine Cables in the United States," 47 U.S.C. §§ 34-39, to land and operate a high capacity digital submarine cable system known as the COLUMBUS II Cable System, extending from Mexico, to the U.S. mainland, then to the U.S. Virgin Islands (U.S.V.I.), then across the Atlantic Ocean to a branching unit which extends both to Spain and to another branching unit which extends to Italy and to Portugal. Segments of the COLUMBUS II Cable System operating between the U.S. mainland and the U.S.V.I. will be used in tandem with corresponding segments on the AMERICAS-1 Cable System (FCC File Nos. SCL-93-002, ITC-93-030), permitting the balancing of traffic and sharing of restoration capabilities between the two cable systems. These combined segments will be known as the "Common Segment."²

2. The Joint Application was placed on public notice on November 18, 1992. STC Submarine Systems, Inc. (STC) filed comments requesting the Commission to condition the requested Section 214 authorization and accompanying cable landing license on the Joint Applicants' competitive procurement of equipment and services for COLUMBUS II. AT&T and STSJ filed a joint reply. On March 12, 1993, AT&T filed a letter requesting the Commission to bifurcate the proceeding, and consider TLD's ownership interest apart from the other Joint Applicants.³ TLD opposed AT&T's request, and AT&T responded. On May 7, 1993, the Commission, in a public notice, requested additional comments on AT&T's request. MCII and TLD filed comments, and AT&T and TLD filed reply comments.

The COLUMBUS II Cable System

3. The proposed COLUMBUS II Cable System will extend from a landing point at a new cable station at Cancun, Mexico, to the cable station at West Palm Beach, Florida, to the cable station at Magens Bay, St. Thomas, U.S.V.I., then across the Atlantic Ocean to a branching unit which extends to the cable station at Sardina, Spain, and to another branching unit which extends both to the cable station at Palermo, Italy and to the cable station at Funchal, Portugal. Between Florida and St. Thomas there will be a "Common Segment" which will permit the sharing of capacity and restoration capabilities between the COLUMBUS II and AMERICAS-1 Cable Systems. The proposed cable system consists of nine segments.⁴ The

the cable station at Magens Bay, St. Thomas, U.S.V.I.; the cable station at Sardina, Spain; the cable station at Palermo, Italy; and the cable station at Funchal, Portugal; Segment A -- the submarine cable linking Segments T1 and T2; Segment B -- the submarine cable linking Segments T2 and T3; and Segment C -- the submarine cables linking Segments T3, T4, T5 and T6.

The portions of COLUMBUS II and AMERICAS-1 identified as the Common Segment are: (a) COLUMBUS II -- Segment B, and parts of Segments T2 and T3 of that system (b) AMERICAS-1 -- Segments N, T1 and part of T2 of that system (see AMERICAS-1 Section 214 authorization, DA 93-911, adopted July 13, 1993, for description of AMERICAS-1 segments); and (c) Segment L, a terrestrial fiber optic cable linking the Vero Beach (AMERICAS-1) and West Palm Beach (COLUMBUS II) cable stations. Because Segment L consists of a domestic facility, the Joint Applicants do not include it for purposes of this authorization as belonging to either the AMERICAS-1 or COLUMBUS II Cable Systems.

Common Segments B and N will be comprised of 2 fiber pairs each employing AT&T's latest SL2000 technology, operating at 2.4 Gigabits per second (Gbps). One fiber pair in each segment will be used for service while the other will be used for restoration. The Joint Applicants will have their traffic on the common segment balanced between Segments B and N in order to minimize circuit failures in the event of a disruption to either cable. In addition, by having a fully redundant restoration pair, 100% fiber-on-fiber restoration and route diversity is possible between Florida and St. Thomas on both COLUMBUS II and AMERICAS-1, resulting in high circuit reliability.

4. Segments A and C of the COLUMBUS II Cable System will employ technology operating at 560 Megabits per second (Mbps). Unless otherwise noted, the fiber pairs in these segments will be active, with none reserved for restoration. Segment A will consist of two fiber pairs. Subsegment C1, between St. Thomas and the First Branching Unit (BU1), will consist of three fiber pairs. Subsegment C2, between BU1 and Sardina, Spain, will consist of four fiber pairs, with one fiber pair reserved for restoration. Subsegment C3, between BU1 and the Second Branching Unit (BU2), will consist of two fiber pairs. Subsegments C4 and C5, between BU1 and Palermo, Italy, and between BU2 and Funchal, Portugal, respectively, will consist of one fiber pair each. The COLUMBUS II terminal equipment will employ the CCITT Recommendation G.703 paragraph 9.1 (Blue Book Vol. III, Fascicle III.4 November 1989) interface at 139,264,000 bits per second (140 Mbps) which is the Basic System Module (BSM).⁵

5. The design capacity of the COLUMBUS II Cable System Segments A, B, and C is as follows:

SEGMENT OR SUBSEG- MENT	NUMBER OF BASIC SYSTEM MODULES	NUMBER OF MIUs ⁶ (DESIGN)	NUMBER OF 64 kbps VOICE PATHS
A	8	504	15,120
B	32	2016	60,480
C1	12	756	22,680
C2	16	1008	30,240
C3	8	504	15,120
C4	4	252	7,560
C5	4	252	7,560

6. The proposed cable system will be jointly owned by the Joint Applicants and foreign telecommunications entities in the following countries: Argentina, Aruba, Australia, Austria, Barbados, Belgium, Brazil, Canada, Chile, China, Colombia, Costa Rica, Dominican Republic, El Salvador, France, Germany, Guatemala, Guyana, Haiti, Honduras, Hong Kong, India, Italy, Japan, Korea, Mexico, Netherlands, Netherlands Antilles, Nicaragua, Panama,

Paraguay, Philippines, Portugal, Singapore, Spain, Sweden, Switzerland, Trinidad and Tobago, Taiwan, the United Kingdom, Uruguay and Venezuela.

7. Although expressly supporting the construction of COLUMBUS II, STC requests the Commission to condition approval of the cable landing license and accompanying Section 214 authorization by requiring the Joint Applicants to use a fair and open procurement process in awarding the construction contracts for COLUMBUS II as it did in *Pacific Telecom Cable*.⁷ As detailed in the companion Section 214 authorization of COLUMBUS II, given competitive market circumstances, we can find no public interest benefit to involving the Commission in the management of the COLUMBUS II procurement decisions and do not believe that it is necessary to condition the grant of COLUMBUS II on assurances of competitive procurement practices.⁸

8. Pursuant to our obligations under 47 U.S.C. §§ 34-39, the Department of State has been notified and, after having coordinated with the National Telecommunications and Information Administration and the Defense Information System Agency, has approved the landing of COLUMBUS II in the United States on the condition that approval of TLD's ownership interests in that portion of the cable system designated for service to Spain be deferred pending further review.⁹

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 (1976).¹⁰ Consequently, no environmental assessment is required to be submitted with this Joint Application under Section 1.1311 of the Commission's Rules.

10. Concurrent with consideration of this application, this Commission has granted the Joint Applicants authority under Section 214 of the Communications Act of 1934, as amended, to construct and operate the COLUMBUS II Cable System.¹¹ As detailed in the companion Section 214 authorization of COLUMBUS II, we find that the proposed COLUMBUS II Cable System is in the public interest. However, we incorporate by reference our findings there that consideration of TLD's proposed ownership interest shall be deferred to a separate proceeding. Therefore, we grant to the Joint Applicants, except TLD, a cable landing license for the COLUMBUS II Cable System.

⁵ Each BSM consists of 63 Minimum Investment Units (MIUs).

⁶ A MIU is the minimum unit of investment for ownership in the AMERICAS-1 Cable network, allowing the use of 2.048 Mbps and the additional approximately 421 kilobits per second (kbps) required for multiplexing in each direction. Each MIU includes thirty 64 kbps voice paths. For voice services, digital circuit multiplication equipment (DCME) can be employed to derive about 150 virtual voice paths from a MIU.

⁷ *Pacific Telecom Cable, Inc.*, 2 FCC Rcd 2686 (1987) (Conditional license); 4 FCC Rcd 8061 (1989) (Final license).

⁸ See COLUMBUS II Section 214 authorization, DA 93-910, adopted July 13, 1993.

⁹ Letter from Michael T.N. Fitch, Acting U.S. Coordinator and Director, Bureau of International Communications and Information Policy, Department of State to Kathleen Levitz, Acting Chief, Common Carrier Bureau, Federal Communications Commission, dated June 30, 1993.

¹⁰ See Section 214 Application, File No. ITC-93-029, at p. 23.

¹¹ See *supra* n.8.

ORDERING CLAUSES

11. Accordingly, this Commission HEREBY GRANTS AND ISSUES under the provisions of "An Act Relating to the Landing and Operation of Submarine Cables in the United States," 47 U.S.C. §§ 34-39, and pursuant to authority delegated to this Commission under Executive Order No. 10530, dated May 10, 1954, 3 C.F.R. 1954-1958, Comp., p. 189 (1961), reprinted in 3 U.S.C.A. § 301 at 1052 (1985), to Joint Applicants AT&T, HTC, MCII, Sprint, STSJ, TRT/FTC, and Worldcom a license to land and operate one high capacity digital submarine cable system, having a capacity of: (a) 2.4 Gbps on each of two fiber pairs, extending between West Palm Beach, Florida and St. Thomas, U.S. Virgin Islands, (b) 560 Mbps on two fiber pairs between Cancun, Mexico and West Palm Beach, Florida, (c) 560 Mbps on three fiber pairs between Magens Bay, St. Thomas and the First Branching Unit (BU1), (d) 560 Mbps on four fiber pairs between BU1 and Sardina, Spain, (e) 560 Mbps on two fiber pairs between BU1 and the Second Branching Unit (BU2), (f) 560 Mbps on each single fiber pair between BU2 and Funchal, Portugal, and BU2 and Palermo, Italy. This license is subject to: (1) "An Act Relating to the Landing and Operation of Submarine Cables in the United States," 47 U.S.C. §§34-39; (2) the Communications Act of 1934, as amended, 47 U.S.C. §§151-609; (3) subsequent applicable acts; (4) all relevant rules and regulations of the Federal Communications Commission; (5) any treaties or conventions to which the United States of America is now or may hereafter become a party; (6) any actions by the Commission or the Congress of the United States of America rescinding, changing, modifying, or amending any rights accruing to any person; and (7) 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 the foreshore thereof, 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 to 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 controlling them or controlled by them do not enjoy and shall not acquire any right, for the purpose of handling 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 company by reason of any concession, contract, understanding, or working arrangement to which the Licensees or any persons or companies controlling them or controlled by them 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) This license is revocable after due notice and opportunity for hearing by the Federal Communications Commission in the event of breach or nonfulfillment of any requirement specified in Section 2 of "An Act Relating to the Operation of Submarine Cables in the United States," 47 U.S.C. §§34-39, or for failure to comply with the terms of the authorization;

(6) 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 that date, unless renewed or extended upon proper applications duly filed no less than six months prior to the expiration date; and, upon expiration of the license, all rights granted under it shall be terminated; and

(7) 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 order.

12. IT IS FURTHER ORDERED that STC's request to condition the COLUMBUS II cable landing license is hereby denied.

13. This order is issued under Section 0.291 of the Commission's Rules and is effective upon adoption. 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 public notice of this order (see Section 1.4(b)(2)).

FEDERAL COMMUNICATIONS COMMISSION

Kathleen B. Levitz
Acting Chief, Common Carrier Bureau