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> DA No. 04-74 January 15, 2004

ACTIONS TAKEN UNDER CABLE LANDING LICENSE ACT

Section 1.767(a) Cable Landing Licenses, Modifications, and Assignments or Transfers of Control of Interests in Cable Landing Licenses (47 C.F.R. § 1.767(a))

By the Chief, Policy Division, International Bureau:

Pursuant to An Act Relating to the Landing and Operation of Submarine Cables in the United States, 47 U.S.C. §§ 34-39 (Cable Landing License Act), Executive Order No. 10530, Exec. Ord. No. 10530 *reprinted as amended in* 3 U.S.C. § 301, and section 1.767 of the Commission's rules, 47 C.F.R. § 1.767, the following applications ARE GRANTED. These grants of authority are taken under section 0.261 of the Commission's rules, 47 C.F.R. § 0.261, and are effective upon release of this public notice. Petitions for reconsideration under section 1.106 or applications for review under section 1.115 of the Commission's rules, 47 C.F.R. §§ 1.106, 1.115, may be filed within 30 days of the date of this public notice.

This public notice serves as each cable landing licensee's Cable Landing License, or modification thereto, pursuant to the Cable Landing License Act and sections 1.767 and 1.768 of the Commission's rules. Cable landing licensees should review carefully the terms and conditions of their licenses. Failure to comply with these terms and conditions or relevant Commission rules and policies could result in fines or forfeitures.

The Commission most recently amended its rules applicable to submarine cable landing licenses 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), 67 Fed. Reg. 1615 (Jan. 14, 2002). An updated version of sections 1.767 and 1.768 of the rules is available at

http://www.fcc.gov/ib/pd/pf/telecomrules.html. See also

http://hraunfoss.fcc.gov/edocs_public/attachmatch/DA-02-598A1.pdf for a March 13, 2002 Public Notice; http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-01-332A1.pdf for the December 14, 2001 Report and Order.

SCL-LIC-20031125-00032

Antilles Crossing Limited

SUBMARINE CABLE LANDING LICENSE

Action Taken:

Grant of Cable Landing License to land and operate a private fiber-optic cable system, the Antilles Crossing system, between the U.S. Virgin Islands and St. Lucia and Barbados. *See* Application for Cable Landing License – Streamlined Processing Requested, File No. SCL-LIC-20031125-00032 (filed Nov. 25, 2003) ("Application"); Letter from Kent D. Bressie, Counsel for Antilles Crossing Limited, to Secretary, Federal Communications Commission, File No. SCL-LIC-20031125-00032 (filed Dec. 3, 2003) ("Letter").

Acceptability for Filing Public Notice:

See Antilles Crossing Limited, Application for a License to Land and Operate a Private Fiber-Optic Cable System between the U.S. Virgin Islands, St. Lucia, and Barbados, for the Antilles Crossing System, File No. SCL-LIC-20031125-00032, Public Notice, Streamlined Submarine Cable Landing License Applications Accepted For Filing, DA 03-3884 (Int'l Bur., Dec. 5, 2003). The only public comment was a December 19, 2003 letter from AT&T Wireless Services, Inc. in support of the Application. See Letter from Mike Verstegen, Vice President, International, AT&T Wireless Services, Inc. to Secretary, Federal Communications Commission, File No. SCL-LIC-20031125-00032 (filed Dec. 19, 2003).

Conditions and Requirements:

Antilles Crossing Limited SHALL COMPLY with the routine conditions set out in section 1.767(g)(1)-(14) of the Commission's rules. *See* 47 C.F.R. § 1.767(g)(1)-(14).

This grant IS CONDITIONED upon Licensee providing a specific description of the Vigie Beach, St. Lucia landing point, including a map with specific geographic coordinates of the cable landing station and of any beach joint where those coordinates differ from the coordinates of the cable landing station, no later than ninety (90) days prior to construction. See 47 C.F.R. § 1.767(a)(5), (g)(8).

<u>Licensee Information</u>:

Antilles Crossing Limited ("ACL") is a limited liability company organized under the laws of Bermuda. *See* Application at 2. ACL will own and operate the whole of Antilles Crossing between St. Croix, St. Lucia, and Barbados, and will own, control and operate the cable stations in St. Lucia and Barbados. *See* Application at 8; *see also* Letter at 2. By virtue of its planned ownership and control of the two cable stations, ACL will be a foreign carrier in St. Lucia and Barbados. *See* Letter at 2; *see also* Note to § 1.767, 47 C.F.R. § 1.767 Note (the term "foreign carrier" shall include any entity that owns or controls a cable landing station in a foreign market). ACL advises that: (1) no entity controlling a foreign carrier in St. Lucia or Barbados owns more than twenty-five percent (25%) of ACL, or controls ACL; and (2) no foreign carriers in St. Lucia or Barbados (or parties that control foreign carriers in St. Lucia or Barbados) own, in the aggregate, more than twenty-five percent (25%) of ACL and are parties to, or the beneficiaries of, a contractual relation affecting the provision or marketing of international basic telecommunications services in the United States. *See* Letter at 2. St. Lucia and Barbados are Members of the World Trade Organization. *See* www.wto.org/english/thewto e/whatis e/tif e/org6 e.htm.

ACL is 99-percent owned by Leucadia National Corporation ("Leucadia"), a New York corporation operating as a holding company engaged in telecommunications, banking and lending, and other businesses. The common shares of Leucadia are publicly traded on the New York Stock Exchange. *See* Application at 8; Letter at 2. Leucadia has two ten-percent-or-greater shareholders, Ian M. Cumming "Cumming") and Joseph Steinberg ("Steinberg"), both U.S. citizens. Cumming beneficially owns approximately 13.2 percent of the outstanding shares of Leucadia. Steinberg beneficially owns approximately 13.0 percent of the outstanding shares of Leucadia. In each case, the beneficial ownership

includes shares owned by charitable trusts or trusts for the benefit of Steinberg's children over which Steinberg does not have voting or dispositive power. *See* Application at 8-9. Cumming and Steinberg exercise no individual or joint control over Leucadia, although they have an oral agreement to consult with each other with respect to elections to Leucadia's board of directors. *See* Letter at 1, Application at 9. ACL is affiliated with non-dominant foreign carriers in Canada, Hong Kong, Japan, and the United Kingdom. *See* Application at 9.

<u>Interlocking Directorates</u>:

Douglas G. Cunningham, President of ACL, is also President and a director of TeleCayman Limited, a new entrant in the Cayman Islands market authorized to provide local, international long distance, international private line, fixed wireless, and Internet services. *See* Application at 9.

Regulatory Status of Cable:

Applicant proposes to operate on a non-common carrier basis and the record provides no reason to require the cable to operate on a common carrier basis. ACL will make capacity available to customers of Antilles Crossing on an indefeasible-right-of-use or leased-capacity basis. *See* Application at 1. Antilles Crossing will provide connectivity on the U.S.-St. Lucia and U.S.-Barbados routes in competition with the existing Eastern Caribbean Fiber System. *See* Application at 2. Accordingly, Antilles Crossing is authorized to operate as a non-common carrier, or private, cable system. *See* NARUC I, 525 F.2d 630, 642 (D.C. Cir. 1976), *cert. denied*, 425 U.S. 992 (1976).

Cable Design and Capacity, Map, Cable Station Information, and Landing Point Notification:

Antilles Crossing will be a digital fiber-optic system with a minimum design capacity of 10 Gbps per fiber pair on two fiber pairs. Each fiber pair will be capable of carrying a minimum of one wavelength of traffic. Exhibit A provides a route map showing the routing of Antilles Crossing, including the main segment between the U.S. Virgin Islands and Barbados and the branch for the segment landing in St. Lucia. *See* Application at 3 and Exhibit A.

The Antilles Crossing system will land at Hams Bay, St. Croix, U.S. Virgin Islands; Vigie Beach, St. Lucia, and Needham's Point, Barbados. *See* Application at 1. At Vigie Beach, St. Lucia and St. Michael, Barbados, ACL will construct, own, and operate new cable stations. At Hams Bay/Northside St. Croix, U.S. Virgin Islands, ACL will land Antilles Crossing using the existing beach landing and cable station owned by Global Crossing St. Croix Inc. *See* Application at 3-4 and 4 note 6. The Hams Bay, St. Croix beach landing and cable station is located at: 17° 45.702N Latitude, 64° 53.207W Longitude (Northside, St. Croix). The Needham's Point, Barbados beach landing and cable station will be located at 13° 04.80N Latitude, 59° 36.74W Longitude.(St. Michael, Barbados). ACL states that it will provide a specific description of the Vigie Beach, St. Lucia landing point no later than ninety (90) days prior to construction. *See* Application at 4; *see also* 47 C.F.R. § 1.767(a)(5).