#### FOREIGN CARRIER AFFILIATION OF AST TELECOM, LLC, D/B/A BLUE SKY COMMUNICATIONS, AMERICAN SAMOA HAWAII CABLE, LLC, AND SAMOA AMERICAN SAMOA CABLE, LLC

#### I. INFORMATION REQUIRED BY 47 C.F.R. § 1.768: PRE-CONSUMMATION FOREIGN CARRIER AFFILIATION NOTIFICATION

A. Name of the Newly-Affiliated Foreign Carrier and the Country at the Foreign End of the Cable in Which It Is Authorized to Provide Telecommunications Services to the Public or Where It Owns or Controls a Cable Landing Station<sup>1</sup>

AST Telecom, LLC, d/b/a Blue Sky Communications ("Blue Sky"), American Samoa Hawaii Cable, LLC ("ASHC"), and Samoa American Samoa Cable, LLC ("SASC," with Blue Sky and ASHC, "Cable Landing Licensees") propose to become affiliated with SamoaTel Limited ("SamoaTel"). SamoaTel is authorized to provide telecommunications services in the Independent State of Samoa ("Independent Samoa") and also owns and controls the cable station at Apia, Independent Samoa, where the American Samoa Hawaii cable system ("ASH Cable") lands. On January 21, 2011, Blue Sky entered into an agreement with the Government of Independent Samoa to acquire control of SamoaTel. Blue Sky directly owns 68 percent of a special-purpose subsidiary, Blue Sky SamoaTel Investments, Ltd. ("BSI"), which will, upon consummation, directly own 75 percent of SamoaTel's shares outstanding.

The Cable Landing Licensees have filed this notification on paper, as there is no form within the International Bureau Filing System ("IBFS") for a foreign carrier affiliation notification made pursuant to 47 C.F.R. § 1.768.<sup>2</sup>

<sup>&</sup>lt;sup>1</sup> 47 C.F.R. § 1.768(e)(1).

<sup>&</sup>lt;sup>2</sup> See id. §§ 1.768(n), 1.1000 *et seq*. (requiring electronic filing where forms exist within IBFS).

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## **B.** WTO Status of Destination Country<sup>3</sup>

Independent Samoa is not a WTO Member. Although Independent Samoa has applied

for WTO membership, it is currently a WTO observer.<sup>4</sup>

# C. Name of the Cable System that is the Subject of the Notification, and the FCC File Numbers Under Which the License Was Granted <sup>5</sup>

This notification is made with respect to the ASH Cable, which the Commission licensed

on January 9, 2009. See FCC File No. SCL-LIC-20080814-00016.<sup>6</sup>

- D. Name, Address, Citizenship, and Principal Business of Any Person or Entity that Directly or Indirectly Owns at Least Ten (10) Percent of the Equity of Each of the Cable Landing Licensees, and the Percentage of Equity Owned by Each of Those Entities (to the Nearest One Percent)<sup>7</sup>
  - 1. Existing Ownership of the Cable Landing Licensees
    - a. Blue Sky

Blue Sky is a wholly-owned, direct subsidiary of eLandia International, Inc.

("eLandia"), a Delaware corporation. eLandia's address is:

8200 NW 52nd Terrace, Suite 102 Miami, Florida 33166

<sup>&</sup>lt;sup>3</sup> 47 C.F.R. § 1.768(e)(2).

<sup>&</sup>lt;sup>4</sup> *See* World Trade Organization, Accession Status: Samoa, *available at* <u>http://www.wto.org/english/thewto\_e/acc\_e/a1\_samoa\_e.htm</u>.

<sup>&</sup>lt;sup>5</sup> 47 C.F.R. § 1.768(e)(3).

<sup>&</sup>lt;sup>6</sup> See Actions Taken Under Cable Landing License Act, Public Notice, 24 FCC Rcd. 226 (2009) ("ASH Cable Landing License").

<sup>&</sup>lt;sup>7</sup> 47 C.F.R. § 63.11(e)(5).

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eLandia is a diversified holding company with investments in the information technology and communications sectors. eLandia is currently controlled by **Pete R. Pizarro** through a voting trust, described below. Mr. Pizarro is also an individual shareholder of eLandia, holding approximately 2.75 percent of the issued and outstanding common shares of eLandia. Mr. Pizarro is the Chief Executive Officer of eLandia, and is a U.S. citizen. Mr. Pizarro's address is:

c/o eLandia International, Inc. 8200 NW 52nd Terrace, Suite 102 Miami, Florida 33166

The **Voting Trust** was established as part of eLandia's capital structure reorganization in February 2009. That transaction replaced Stanford International Bank Limited ("SIBL") as the majority owner of eLandia. SIBL was issued Voting Trust Certificates in exchange for SIBL's shares of eLandia. SIBL has become subject to a receivership imposed by the United States District Court for the Northern District of Texas in connection with a lawsuit by the Securities and Exchange Commission. The Receiver has "complete and exclusive control, possession, and custody" of "the assets, monies, securities, properties, real and personal, tangible and intangible, or whatever kind and description, wherever located" of SIBL.<sup>8</sup> The Receiver confirmed by letter dated June 2, 2009, to Pete Pizarro that "the assets and business operations of eLandia and its subsidiaries are *not* part of the Receivership Estate. The Voting Trust Certificates are, however,

<sup>&</sup>lt;sup>8</sup> See Amended Order Appointing Receiver, Securities and Exchange Commission v. Stanford Int'l Bank, Ltd., Case No. 3-09-cv-0298-N (N.D. Tex Mar. 12, 2009.), ¶¶ 1, 4.

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a part of the Receivership Estate."<sup>9</sup> The Voting Trust now holds 44.75 percent of the common stock of eLandia, and also holds non-voting preferred stock of eLandia. Under the Voting Trust, Mr. Pizarro is given discretion to vote the eLandia common stock held by the Voting Trust on most matters (and the Voting Trust Agreement sets forth voting requirements on the other matters). Because Mr. Pizarro individually also owns 2.75 percent of the outstanding common stock of eLandia, Mr. Pizarro now exercises the right to vote 47.50 percent of the voting shares of eLandia, and has control of eLandia pursuant to the Communications Act of 1934, as amended, and the Commission's rules and regulations.<sup>10</sup>

The Voting Trust agreement provides that Mr. Pizarro, as trustee, has both the "duty" and "the full power and authority" to vote the shares in the Voting Trust as in the judgment of the trustee may be for the best interest of eLandia "at all meetings of the stockholders" of eLandia and "all actions to be taken by written consent of the stockholders" on any and all matters and questions which may be brought before such meetings, including "in the election of directors."<sup>11</sup> The only limitation imposed by the Voting Trust on Mr. Pizarro's voting power is a requirement that Mr. Pizarro vote the shares in trust in the same proportion as the holders of the remaining outstanding shares of common stock present and voting at any meeting of the stockholders with

<sup>&</sup>lt;sup>9</sup> See Letter from Ralph S. Janvey, Receiver, to Pete R. Pizarro, CEO, eLandia International, Inc. (June 2, 2009) (emphasis added), *filed as attachment to* SEC Form 8-K filed by eLandia International, Inc. (June 3, 2009).

<sup>&</sup>lt;sup>10</sup> See Stratos Global Corporation, Transferor, Robert M. Franklin, Transferee, Consolidated Application for Consent to Transfer of Control, Memorandum Opinion and Order and Declaratory Ruling, 22 FCC Rcd. 21,328 (Dec. 7, 2007) (holding that trustee with the power to vote shares is deemed to control shares in trust).

<sup>&</sup>lt;sup>11</sup> Voting Trust Agreement § 4.2(a).

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respect to the sale of eLandia whether by merger, consolidation, sale of all or substantially all the assets, or other similar transaction and with respect to certain increases to the amount of shares issuable pursuant to a stock option or other equity plan.<sup>12</sup> Because Mr. Pizarro possesses voting control of the shares deposited by SIBL in the Voting Trust, he is deemed to control those shares.<sup>13</sup> Following the consummation of the Proposed Acquisition (described below), Mr. Pizarro will individually own and control 0.42 percent of the voting stock of eLandia.

#### b. ASHC

The American Samoa Government ("ASG") owns 33.33 percent of the member interests in ASHC. The ASG governs American Samoa, an unincorporated and unorganized territory of the United States. Although the United States Congress has given plenary authority over American Samoa to the U.S. Department of the Interior, the Secretary of the Interior has given American Samoa the authority to draft its own constitution, under which the democratically elected ASG functions through an executive branch led by the directly-elected governor and a bicameral legislature, known as the Fono. The current governor is the Honorable Togiola T.A. Tulafono, who maintains his office at the following address:

> Office of the Governor Executive Office Building Third Floor, Utulei Pago Pago, American Samoa 96799

<sup>&</sup>lt;sup>12</sup> *Id.* § 4.2(b).

<sup>&</sup>lt;sup>13</sup> Mr. Pizarro may not be terminated as trustee by SIBL. Mr. Pizarro will cease to be trustee when he ceases to be the Chief Executive Officer of eLandia, or upon his resignation, death, disability, bankruptcy, or breach of the Voting Trust. *See id.* § 6.1.

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eLandia Technologies, Inc. ("ELT") owns 66.66 percent of the member interests in ASHC. ELT is a corporation organized under the laws of the State of Delaware. ELT is engaged in the provision of telecommunications products and services and information technology. ELT's address is 8200 NW 52nd Terrace, Suite 102, Miami, Florida 33166. ELT is a wholly-owned, direct subsidiary of eLandia, as described in part I.D.1.a above. Upon consummation of the Proposed Acquisition, Amper will have an 84.88-percent direct interest in eLandia and a 56.58-percent indirect interest in ASHC.

#### c. SASC

ASHC owns 100 percent of the member interests of SASC. ASHC's ownership is described in part I.D.1.b above.

#### 2. Pending Transfer of Control of Cable Landing Licensees

On July 29, 2010, eLandia entered into an agreement ("Contribution Agreement") with Amper, whereby **Amper S.A.** ("Amper") will acquire approximately 84.88 percent of eLandia's issued and outstanding shares and, upon closing, indirectly control the Cable Landing Licensees ("Proposed Acquisition"). Following the consummation of the Proposed Acquisition, the Cable Landing Licensees will continue to exist as indirect subsidiaries of Amper. eLandia, Amper, the Cable Landing Licensees, and their other affiliates have received Commission consent to the transfers of control embodied in the Proposed Acquisition.<sup>14</sup>

<sup>&</sup>lt;sup>14</sup> See IB Docket No. 10-229; FCC File Nos. SCL-T/C-20101022-00024, SCL-T/C-20101022-00025, SCL-T/C-20101022-00026, ITC-T/C-20101025-00425, ISP-PDR-20101022-00019; ULS Application Nos. 0004430192, 0004430196.

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Pursuant to the Contribution Agreement, Amper will acquire 165,705,913 shares of eLandia's newly issued common stock in exchange for the contribution to eLandia by Amper of approximately 90 percent of the outstanding capital stock of Hemisferio Norte, S.A. ("Hemisferio"). Hemisferio owns 100 percent of Hemisferio Sul Participaçoes Ltda. ("Hemisferio Sul"), which owns 88.96 percent of Medidata Informática, S.A. ("Medidata"), which owns 100 percent of XC Comercial e Exportadora Ltda. ("XC," with Hemisferio, Hemisferio Sul, and Medidata, the "Contributed Entities"). The shares of eLandia's common stock being issued to Amper will represent approximately 84.88 percent of eLandia's issued and outstanding shares of common stock following the closing of the transactions contemplated by the Contribution Agreement.<sup>15</sup>

In addition, the Contribution Agreement grants eLandia an option to buy Amper's remaining interest in Hemisferio in exchange for an option price of \$8.9 million, payable by the issuance of shares of eLandia common stock at a price per share equal to the fair market value of a share of eLandia common stock as of the date of the exercise of the option ("Hemisferio Option"). eLandia may exercise the Hemisferio Option within six months of the closing of the Proposed Acquisition. eLandia's exercise of the Hemisferio Option would significantly increase Amper's ownership of eLandia.

The Proposed Acquisition will not terminate the ownership interests of eLandia's current shareholders. Rather, the current shareholders' ownership shares will be diluted by eLandia's

<sup>&</sup>lt;sup>15</sup> For further detail and pre- and post-close ownership diagrams, please see the applications filed in IB Docket No. 10-229.

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newly-issued common stock. The Voting Trust also currently holds non-voting preferred stock of eLandia, which will convert to common shares of eLandia as part of the Proposed Acquisition.<sup>16</sup> In addition, pursuant to the Voting Trust agreement, following the Proposed Acquisition, the Voting Trust will terminate, and ownership of the shares previously held by the Voting Trust will revert to SIBL.<sup>17</sup> The Receiver will have "complete and exclusive control, possession, and custody" of those shares.<sup>18</sup>

Amper is a Spanish *sociedad anónima*, *i.e.*, corporation. It operates as a Spanish holding company whose shares trade publicly on the Madrid Stock Exchange under the symbol AMP. Amper's operating units concentrate in three sectors: telecommunications, defense, and homeland security. Neither Amper nor any of its existing subsidiaries is a telecommunications carrier in any market. Amper's address is:

Calle Marconi, 3 Parque Tecnológico Madrid 28760 Tres Cantos Madrid Spain

Following consummation of the Proposed Acquisition, Amper will hold a direct 84.88 percent interest in eLandia, and an indirect 84.88 percent interest in Blue Sky and a 56.58-percent indirect interest in both ASHC and SASC.

<sup>&</sup>lt;sup>16</sup> SIBL holds Voting Trust Certificates which entitle SIBL to dividends and distributions from eLandia, if any, in respect of the shares SIBL deposited in the Voting Trust.

<sup>&</sup>lt;sup>17</sup> Voting Trust Agreement §§ 7, 8.

<sup>&</sup>lt;sup>18</sup> See Amended Order Appointing Receiver, Securities and Exchange Commission v. Stanford Int'l Bank, Ltd., Case No. 3-09-cv-0298-N (N.D. Tex Mar. 12, 2009), ¶ 4.

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Amper's only 10-percent-or-greater shareholder is **Tvikap AB** ("Tvikap"). Tvikap is a Swedish *aktiebolaget*, *i.e.*, corporation. Tvikap's address is:

Höllandargatan 27 SE 113 59 Stockholm Sweden

Tvikap's principal business is managing investments for institutional and private clients. Tvikap is privately held, owned by more than forty (40) corporate and individual investors and has no majority or controlling owner. Tvikap owns 22.011 percent of Amper's shares. Following consummation of the Proposed Acquisition, Tvikap will hold, on a fully-diluted basis, an indirect 18.68 percent interest in eLandia, and an indirect 18.68 percent interest in Blue Sky. Upon consummation of the Proposed Acquisition, Tvikap will have, on a fully-diluted basis, an indirect 12.46-percent interest in both ASHC and SASC.

## E. Names of Any Interlocking Directorates with SamoaTel<sup>19</sup>

None of the Cable Landing Licensees has any interlocking directorates with SamoaTel.

## F. Basis of Notification and Projected Closing Date<sup>20</sup>

This notification is made pursuant to 47 C.F.R. § 1.768(a)(1), as one of the Cable Landing Licensees (Blue Sky) has entered into an agreement to purchase a controlling interest in a foreign carrier (SamoaTel) that is authorized to operate in a market (Independent Samoa) where the cable (the ASH Cable) lands.

<sup>&</sup>lt;sup>19</sup> 47 C.F.R. §§ 1.768(e)(5), 63.09(g).

<sup>&</sup>lt;sup>20</sup> *Id.* § 1.768(e)(6).

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47 C.F.R. § 1.768(a) does not clearly require a prior notification of the proposed affiliation by ASHC and SASC. Neither ASHC nor SASC is a parent entity of Blue Sky, so no notification is required under 47 C.F.R. § 1.768(a)(1).<sup>21</sup> Moreover, no foreign carrier is acquiring an interest in ASHC or SASC, so no notification is required under 47 C.F.R. § 1.768(a)(2).<sup>22</sup> Nevertheless, to avoid an unnecessary post-consummation filing by ASHC and SASC (as post-consummation filing would still be required under Section 1.768(c) of the Commission's rules with respect to these licensees)<sup>23</sup>, those licensees are included within the scope of this notification.

Blue Sky's acquisition of SamoaTel is expected to close on March 31, 2011.

## G. Dominant/Non-Dominant Status

During the pendency of this foreign carrier affiliation notification, each Cable Landing Licensee has agreed, upon issuance of special temporary authority ("STA"), to be regulated as dominant on the U.S.-Independent Samoa route. Nevertheless, upon approval of this foreign carrier affiliation and cancellation or expiration of the STA, the Cable Landing Licensees seek to

<sup>&</sup>lt;sup>21</sup> Id. § 1.768(a)(1) (requiring notification in the case of "[a]cquisition by the licensee, or by any entity that controls the licensee, or by any entity that directly or indirectly owns more than twenty-five percent (25%) of the capital stock of the licensee, of a controlling interest in a foreign carrier that is authorized to operate in a market where the cable lands").

<sup>&</sup>lt;sup>22</sup> Id. § 1.768(a)(2) (requiring notification in the case of "[a]cquisition of a direct or indirect interest greater than twenty-five percent (25%), or of a controlling interest, in the capital stock of the licensee by a foreign carrier that is authorized to operate in a market where the cable lands, or by an entity that controls such a foreign carrier.").

<sup>&</sup>lt;sup>23</sup> Id. § 1.768(c) (requiring that "[a]ny licensee that becomes affiliated with a foreign carrier and has not previously notified the Commission pursuant to the requirements of this section shall notify the Commission within thirty (30) days after consummation of the acquisition.").

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be regulated as non-dominant on the U.S.-Independent Samoa route, as SamoaTel lacks sufficient market power on the foreign end of the route to affect competition adversely in the U.S. market.

But for SamoaTel's market share in the market for fixed local termination (discussed further below), ASLI would qualify for a presumption of non-dominance on the U.S.-Independent Samoa route. The other relevant markets specified in 47 C.F.R. § 63.10(a) are not at issue. There is no distinct market for intercity services given the tiny market of Independent Samoa. As for the market for international facilities and services, Digicel and the Internet service provider CSL have full access to SamoaTel's cable station at Apia, as required by the Samoa Regulator and operate their own international gateways.<sup>24</sup> Moreover, the Cable Landing Licensees estimate that Digicel Samoa holds approximately 60 percent market share for international telecommunications services, whereas SamoaTel holds approximately 35 percent of that market.

Even in the market for local termination in Independent Samoa, however, SamoaTel lacks market power as defined by the Commission. In evaluating market power on the foreign end of the route which could affect competition adversely in the U.S. market, the Commission focuses on:

See Individual Licence Granted by the Regulator Under the Telecommunications Act 2005 to American Samoa Hawaii Cable, LLC, for the Establishment and Operation of a Submarine Cable System in Samoa, to Be Known as the Samoa-American Samoa Cable System § 10.1 (May 2009) ("SAS Cable License"), attached as Exhibit 2 to this notification. ASHC later assigned its interest to SASC.

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(1) the foreign incumbent's market share in the relevant terminating market on the foreign end of the particular route; (2) the supply elasticity of the market; (3) the demand elasticity of the market's customers; and (4) the foreign incumbent's cost structure, size, and resources. In evaluating market power, the Commission has recognized that neither market share, by itself, nor lower costs, sheer size, superior resources, financial strength, and technical capability, by themselves, confer market power. Indeed, the Commission has stated that, consistent with well-accepted economic principles, market conditions related to demand and supply elasticities are the more crucial determinants of a firm's market power. These conditions include the availability of close demand substitutes and ease of entry and expansion.<sup>25</sup>

With respect to the first factor, SamoaTel's market share in the Independent Samoa

market for local termination is small and has been shrinking. The predominant mode of communications in Independent Samoa is mobile, rather than fixed. Independent Samoa's mobile sector is dominated by Digicel Samoa, with more than 80 percent market share. By the Cable Landing Licensees' estimate, Digicel Samoa has more than 50,000 (mobile) subscribers, whereas SamoaTel has approximately 12,000 fixed subscribers and 13,000 mobile subscribers.

With respect to the second factor, the Independent Samoa market for local termination is characterized by significant supply elasticity. "Supply elasticity" is "a measure of the aggregate propensity of firms to expand output of a commodity given an increase in the commodity's price. Two factors determine supply elasticity in a market. The first is the supply capacity of existing

<sup>&</sup>lt;sup>25</sup> Americatel Corporation and Telecom Italia of North America, Inc.; Application to Modify Regulatory Classification From Dominant to Non-Dominant on the U.S.- Brazil Route, Memorandum Opinion and Order, 19 FCC Rcd. 9672, 9683-84 ¶ 20 (Int'l Bur. 2004) ("Americatel Brazil Order").

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competitors, and the second is low market entry barriers.<sup>26</sup> In a mere three years, Digicel Samoa has captured more than 80 percent of the Independent Samoa mobile market and more than 70 percent of the local market (accounting for both fixed and mobile services). Moreover, as noted in parts II.A and B below, Independent Samoa has low market-entry barriers.

With respect to the third factor, the Independent Samoa market for local termination is characterized by significant demand elasticity. "Demand elasticity" is "a measure of the propensity of an incumbent's customers to switch carriers or otherwise change the amount of service that they purchase from an incumbent in response to given changes in price and quality."<sup>27</sup> In a mere four-and-a-half years, Digicel Samoa's subscriber based has swelled from 10,000 to 50,000, including many former SamoaTel subscribers. With respect to the fourth factor, SamoaTel's cost structure, size, resources and financial strength, and technical capabilities do not confer advantages constituting market power. Most importantly, SamoaTel does not receive subsidies from the Independent Samoa Government. For these reasons, the Cable Landing Licensees believe that they qualify for non-dominant regulation on the U.S.-Independent Samoa route.

<sup>&</sup>lt;sup>26</sup> Americatel Corporation and Telecom Italia of North America, Inc.; Application to Modify Regulatory Classification from Dominant to Non-Dominant on the U.S.-Argentina Route, Memorandum Opinion and Order, 18 FCC Rcd. 26,811, 26,820-21 ¶ 16 n.81 (Int'l Bur. 2003) ("Americatel Argentina Order").

<sup>&</sup>lt;sup>27</sup> *Id.* at 26,821 ¶ 16 n.82.

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#### II. INFORMATION REQUIRED BY 47 C.F.R. § 1.767(G)(2): EFFECTIVE COMPETITIVE OPPORTUNITIES SHOWING

The Independent Samoa market offers effective opportunities for U.S. investors and carriers to land and operate undersea cables in Independent Samoa. Independent Samoa has a well-developed regulatory framework to permit licensing and market access, ensure interconnection of foreign and domestic networks, safeguard competition, and enforce legal requirements and safeguards. In fact, Independent Samoa has already demonstrated its openness by licensing one of the Cable Landing Licensees party to this very notification—AHSC, a U.S. limited-liability company organized in Delaware and ultimately owned by eLandia, a company owned primarily by U.S. investors—to land and operate the ASH Cable segment between Independent Samoa and the Territory of American Samoa.<sup>28</sup>

The Cable Landing Licensees believe that the showings provided below satisfy the requirements of the Commission's effective competitive opportunities test as applied to a proposed affiliation by cable landing licensees (Blue Sky, ASHC, and SASC) with a foreign carrier (SamoaTel) in a non-WTO Member destination market (Independent Samoa) where the undersea cable (ASH Cable) lands. The Cable Landing Licensees further believe it unnecessary for the Commission to impose any conditions to address any public-interest harms, of which the Cable Landing Licensees believe there are none.<sup>29</sup>

<sup>&</sup>lt;sup>28</sup> See SAS Cable License. ASHC later assigned this interest to SASC.

<sup>&</sup>lt;sup>29</sup> See 47 C.F.R. § 1.768(g)(2) (stating that where "the foreign carrier is authorized to operate in, or own a cable landing station in, a non-WTO Member, the licensee must demonstrate that it continues to serve the public interest for it to retain its interest in the cable landing license for that segment of the cable that lands in the non-WTO destination market by

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#### A. Background on the Independent Samoa Telecommunications Market and Regulatory and Investment Environments

In 2005, Independent Samoa adopted the Telecommunications Act 2005, liberalizing the

Independent Samoa telecommunications market and opening it to competition.<sup>30</sup> As detailed

demonstrating either that the foreign carrier lacks market power in that destination market pursuant to  $\S$  63.10(a)(3) of this chapter or the market offers effective opportunities for U.S. companies to land and operate a submarine cable in that country."); Rules and Policies on Foreign Participation in the U.S. Telecommunications Market, Market Entry and Regulation of Foreign-Affiliated Entities, Report and Order and Order on Reconsideration, 12 FCC Rcd. 23,891, 23,946 ¶ 130 (1997) ("Foreign Participation Order") (stating that "we will continue to apply an ECO test in this context as part of our analysis under Section 2 of the Submarine Cable Landing License Act. Thus, when considering an application to land and operate a submarine cable that will connect to a non-WTO Member country, we will consider whether the applicant is or is affiliated with a carrier that has market power in the destination market of the cable, and if so, we will consider whether that destination market offers effective opportunities for U.S. companies to land and operate a submarine cable in that country. We will also continue to consider, in addition to the *de jure* and *de facto* ECO criteria, other factors consistent with our discretion under the Submarine Cable Landing License Act that may weigh in favor of or against grant of a license.") and Note to Paragraph (g)(2) (stating that "[t]he assessment of whether a destination market offers effective opportunities for U.S. companies to land and operate a submarine cable will be made under the standard established in Rules and Policies on Foreign Participation in the U.S. Telecommunications Market, Market Entry and Regulation of Foreign-Affiliated Entities, IB Docket Nos. 97–142 and 95– 22, Report and Order and Order on Reconsideration, 12 FCC Rcd. 23891, 23946 at paragraph 130, 62 FR 64741, December 9, 1997."); "An act relating to the Landing and Operation of Submarine Cables in the United States" § 2, codified at 47 U.S.C. § 35 ("Cable Landing License Act") (granting the President the right to deny a cable landing license to "assist in securing rights for the landing or operation of cables in foreign countries, or in maintaining the rights or interests of the United States or of its citizens in foreign countries, or will promote the security of the United States."); Executive Order No. 10530 (May 10, 1954), codified at 3 C.F.R. 189 (1954-1958), reprinted in 3 U.S.C. § 301 app. (1988) (delegating licensing authority to the FCC).

<sup>30</sup> See Telecommunications Act (No. 20) 2005, as amended ("Telecommunications Act"), attached as Exhibit 1 to this notification and *available at* www.regulator.gov.ws/LegalFramework/TelecommunicationsAct/tabid/2978/language/en-US/Default.aspx.

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below, the Telecommunications Act establishes a transparent and enforceable framework for market entry, competition, regulation of market dominance, interconnection, and a host of other sectoral matters.

The Telecommunications Act also established the Office of the Regulator ("Regulator") as an independent and impartial regulator and tasks it with, among other responsibilities, granting individual licenses (including licenses to land undersea cables in Independent Samoa); fostering cost-based interconnection and competition in the telecommunications sector; enforcing prohibitions on abuse of dominant market position and on other anticompetitive activities; managing and licensing the radio spectrum; administering Independent Samoa's national numbering plan; ensuring protection of consumers and their network information; and resolving telecommunications-related disputes. The Regulator is independent of the Minister of Communications and Information Technology ("Minister"). Although the Regulator provides policy advice to the Minister, the Regulator (and not the Minister) retains responsibility for licensing and market-entry-related matters.<sup>31</sup>

The Telecommunications Act prohibits a dominant service provider from abusing its dominant market position.<sup>32</sup> The Regulator is charged with regulating such abuses of dominant

<sup>&</sup>lt;sup>31</sup> See Telecommunications Act §§ 8, 22. The Minister retains particular responsibility with respect to universal access and the universal access fund, *see id.* §§ 21, 22, and also makes interim appointments until a new Regulator is appointed by Independent Samoa's head of state, *see id.* § 6(4).

<sup>&</sup>lt;sup>32</sup> See id. § 27.

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market position, whether *sua sponte* or in response to a complaint,<sup>33</sup> and has exercised its powers to do so. Moreover, the Telecommunications Act establishes a variety of remedies to be imposed at the Regulator's discretion upon a finding of abuse of dominant market position.<sup>34</sup>

Independent Samoa maintains a very open approach to foreign investment. It does not impose foreign investment restrictions in the telecommunications sector (including undersea cables), much less particular restrictions for classes or types of service.<sup>35</sup>

## B. Under Independent Samoa's Telecommunications Regulatory Framework, U.S. Investors and Carriers Are Permitted to Land and Operate Undersea Cables in Independent Samoa

U.S. investors and carriers have the legal ability to enter the Independent Samoa market

to land and operate undersea cables in Independent Samoa. The Telecommunications Act

requires a license for the landing and operation of undersea cables but does not impose

limitations on the number of licenses or licensees or foreign ownership in licensees.<sup>36</sup> The

Regulator has promulgated detailed rules setting forth license application criteria and application

<sup>&</sup>lt;sup>33</sup> See id. § 29.

<sup>&</sup>lt;sup>34</sup> See id. § 30.

<sup>&</sup>lt;sup>35</sup> See Foreign Investment Act (No. 3) 2000, as amended ("Foreign Investment Act"), available at www.samoa.ws/parliament/documents/acts/FOREIGN\_INVESTMENT\_ACT\_2000\_-\_ENGLISH.pdf and attached as Exhibit 3 to this notification. Foreign investment is barred only in the following sectors: buses for transportation of the general public; taxis; vehicles for hire; retailing; and sawmilling. See id., Schedule – Reserved List. Foreign investment is also limited to 40 percent for fishing vessels with shareholders. See Ministry of Commerce, Industry and Labour ("MCIL"), Information Booklet on Procedures for Setting Up a Business, at 3 (Feb. 2007), available at www.mcil.gov.ws/idipd/forms/setup\_information\_booklet.pdf.

<sup>&</sup>lt;sup>36</sup> See Telecommunications Act §§ 12-17.

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processing timeframes.<sup>37</sup> Similarly, the Licensing Rules do not impose limitations on the number of licenses or licensees or foreign ownership in licensees.<sup>38</sup>

Foreign investors, including foreign investors in the telecommunications sector, must obtain a Foreign Investment Certificate from the Independent Samoa Ministry of Commerce, Industry and Labour.<sup>39</sup> The MCIL has previously granted such certificates to foreign investors in Independent Samoa's telecommunications market but declined to require such a certificate for a foreign-owned undersea cable landing in Independent Samoa.<sup>40</sup> The Cable Landing Licensees therefore believe that this showing regarding Independent Samoa's licensing and investment framework, taken together with the showings in part II.A. above and parts II.C-E below, satisfies the requirements of Section 1.768(g)(2) of the Commission's rules, the *Foreign Participation Order*, the Cable Landing License Act, and Executive Order No. 10530.<sup>41</sup>

<sup>&</sup>lt;sup>37</sup> See Rules for the Licensing of Telecommunications Services and the Ownership or Operation of Telecommunications Networks in Samoa (effective Mar. 21, 2006) ("Licensing Rules"), attached as Exhibit 4 to this notification.

<sup>&</sup>lt;sup>38</sup> See id.

<sup>&</sup>lt;sup>39</sup> See Interim Guidelines: Application for a Foreign Investment Certificate in Samoa, available at <u>www.mcil.gov.ws/idipd/forms/guidelines\_FIC\_app.pdf</u> and attached as Exhibit 5 to this notification.

<sup>&</sup>lt;sup>40</sup> For example, Digicel Samoa received such a certificate in connection with its acquisition of Telecom Samoa Cellular Limited. It did not require the issuance of such a certificate for ASHC or its assignee, SASC.

<sup>&</sup>lt;sup>41</sup> See 47 C.F.R. § 1.768(g)(2).

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#### C. Independent Samoa's Interconnection Regime Ensures the Ability of U.S. Investors and Carriers to Operate Undersea Cables in Independent Samoa

Independent Samoa's telecommunications regulatory framework mandates reasonable and nondiscriminatory charges, terms and conditions for interconnection to a foreign carrier's domestic facilities for termination and origination of international services. Independent Samoa has adopted and implemented a transparent, pro-competitive interconnection regime focused on preventing abuses of dominant market position. This framework therefore ensures the ability of U.S. investors and carriers to operate undersea cables in Independent Samoa by ensuring their ability to terminate or pick up originating traffic in Independent Samoa.

At the most general level, the Telecommunications Act tasks the Regulator with promoting "adequate, efficient and cost-oriented interconnection of telecommunications networks and access by service providers to telecommunications facilities of other service providers" and to establish an open, non-discriminatory and commercially viable regulatory framework for interconnection and access with a view to minimizing regulatory and other barriers to entry into telecommunication markets."<sup>42</sup> The Telecommunications Act directs the Regulator to impose interconnection arrangements and rates in the event that private negotiations fail and to resolve interconnection disputes among service providers.<sup>43</sup>

Independent Samoa's regulatory framework includes many detailed legal requirements for interconnection:

<sup>&</sup>lt;sup>42</sup> See Telecommunications Act § 32.

<sup>&</sup>lt;sup>43</sup> *See id.* 

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- *Duty to Negotiate in Good Faith*. Upon receipt of a written request by another service provider, a service provider must enter into good-faith negotiations to enter into an interconnection agreement to "connect and keep connected the telecommunications networks of both service providers" and "provide access to such telecommunications facilities, including but not limited to central officers and other switching equipment locations, mast sites, towers, poles, subscriber access lines and underground facilities, as are reasonably requested in order for the service providers to provide telecommunications to their customers."<sup>44</sup>
- Deemed Violations of Duty to Interconnect. The Telecommunications Act deems the

following acts and omissions as violations of the duty to negotiate in good faith to

interconnect:

(a) obstructing or delaying negotiations, or failing to make reasonable efforts to resolve outstanding disputes; (b) refusing to provide information about a service provider's own telecommunications services or telecommunications network or other facilities that are necessary for the interconnection arrangements; (c) misleading or coercing a party into reaching an agreement the party would not otherwise have made; (d) interfering in any way with a service provider's ability to communicate with the Regulator, including having a service provider sign a nondisclosure agreement that preludes the service provider from providing information requested by the Regulator; or (e) refusing to permit amendment of the interconnection agreement to take into account changes in circumstances, including changes to this Act, a regulation or rule.<sup>45</sup>

<sup>&</sup>lt;sup>44</sup> *See id.* § 33.

<sup>&</sup>lt;sup>45</sup> See id. The Telecommunications Act further defines as abuses of dominant market position the "failing to supply essential facilities to a competitor within a reasonable time after a request and on reasonable conditions, or discriminating in the provision of interconnection or other telecommunications service providers; except under circumstances that are objectively justified based on differences in supply conditions, including different costs or a shortage of

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**Requests for Interconnection.** Interconnection arrangements offered by a dominant service provider must comply with the Telecommunications Act and any rules and policies developed by the Regulator. Such offers must "be no less favourable than any reference interconnection offer that has been approved by the Regulator for the service provider." The dominant service provider must "meet all reasonable requests for interconnection with the dominant service provider's telecommunications network at any technically feasible point" and "in all other respects, incorporate reasonable terms and conditions, including technical standards and specifications." A dominant service provider must: apply "similar conditions to all interconnecting service providers under similar circumstances;" provide "interconnection to interconnecting service providers under substantially the same conditions and of substantially the same quality as it provides for the dominant service provider's own telecommunications services, or those of the dominant service provider's affiliates;" make "available on request all necessary or reasonably required information and interconnection;" and use only "information received from a service provider seeking interconnection for the purposes for which such information was supplied and does not disclose the information or otherwise use the information to obtain a competitive advantage."<sup>46</sup>

available facilities or resources" and the "failing to comply with the interconnection obligations of a dominant service provider specified in Part VII" of the Telecommunications Act. *See id.* § 29.

<sup>&</sup>lt;sup>46</sup> *See id.* § 35.

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- *Interconnection Charges*. A dominant service provider must maintain cost-based interconnection charges. Such charges must comport with the Telecommunications Act and any rules and policies developed by the Regulator, "including any pricing, costing and cost separation guidelines established by order of the Regulator." The Regulator may, at its discretion, require advance approval for a dominant service provider's interconnection charges.<sup>47</sup>
- *Reference Interconnection Offers*. A dominant service provider must prepare a reference interconnection offer ("RIO") for approval by the Regulator within the time period specified by order of the Regulator. The RIO must include a full list of services to be supplied to service providers, setting out the associated terms and conditions, including the charges for each service. The dominant service provider must periodically update its RIO. The RIO must comply with the Telecommunications Act and any rules and policies developed by the Regulator.<sup>48</sup>
- *Publication of Interconnection Agreements*. A dominant service provider must file a copy of any interconnection agreement with the Regulator within 10 days of execution, after which time the Regulator will publish the agreement on its web site.<sup>49</sup>

<sup>&</sup>lt;sup>47</sup> *See id.* § 36.

<sup>&</sup>lt;sup>48</sup> *See id.* § 37.

<sup>&</sup>lt;sup>49</sup> *See id.* § 38.

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• *Non-Compliant Interconnection Agreements*. If the Regulator determines that an interconnection agreement does not comply with the Act, the Regulator may order the parties to amend the agreement.<sup>50</sup>

The Regulator has established fixed and mobile network interconnection rates applicable to SamoaTel and Digicel Samoa, the two principal service providers in the market and the only ones designated as dominant in the provision of a particular service.<sup>51</sup> SamoaTel and Digicel Samoa were unable to reach agreement in private negotiations, so the Regulator intervened to establish interconnection rates. The current rates are effective until September 30, 2013 unless modified by the Regulator:

**Fixed Termination Rate**: The cost based rate for terminating calls on the SamoaTel fixed network that originate on any mobile network in Samoa shall be 3.3 sene per minute.

**Mobile Terminating Rate**: The cost based rate for terminating on any mobile network in Samoa shall be 17.7 sene per minute. (Where this rate applies to calls originating in the fixed network or another mobile network.)

**SMS**: The charge for terminating an SMS message shall be 5 sene per message.

**Directory Services**: The charge for a call to directory enquiries for subscribers to SamoaTel shall not exceed 27 sene per call and all future reductions that might be implemented for this service to the customers of SamoaTel will be passed on to the Digicel customers in the same percentage.

<sup>&</sup>lt;sup>50</sup> See id. § 39.

<sup>&</sup>lt;sup>51</sup> 47 C.F.R. § 63.11(k)(3)(ii).

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**Inbound International calls**: The parties will charge each other the relevant international transit rate as included in the parties' agreement which has been approved by the Regulator. If the agreement is terminated and is not replaced by a similar agreement, approved by the Regulator, the Regulator shall determine the rates to apply to all incoming international calls transiting their network and destined for the mobile customers of the mobile network of the other party.

**Outbound International Traffic**: The Parties will charge each other a rate not to exceed that charged to its own customers for traffic to similar destinations and any applicable volume discounts.<sup>52</sup>

The Cable Landing Licensees therefore believe that this showing regarding the interconnection

regime in Independent Samoa, taken together with the showings in parts II.A and B above and

parts II.D and E below, satisfies the requirements of Section 1.768(g)(2) of the Commission's

<sup>52</sup> The *tala* is the Independent Samoa currency. One *tala* is divided into 100 sene and is currently worth approximately US\$0.42. These interconnection rates superseded a series of orders establishing interim interconnection rates and dating back to 2006. See Replacement Interconnection Charges Applicable to Digicel (Samoa) Limited and SamoaTel Limited, Order No. 2009/03, available at www.regulator.gov.ws/Portals/112/Order2009%2003.pdf; Replacement Interconnection Charges applicable to Digicel (Samoa) Limited and SamoaTel Limited, Order No. 2009/02, available at www.regulator.gov.ws/Portals/112/Order2009%2002.pdf; Interim Interconnection Charges applicable to Digicel (Samoa) Limited and SamoaTel Limited, Order No. 2009/01, available at www.regulator.gov.ws/Portals/112/Order%202009%2001.pdf; Interim Interconnection Charges, Order No. 2008/03, available at www.regulator.gov.ws/Portals/112/documents/legal/Orders/2007-4,%20Interconnection%20rate%20order.pdf; Fixed and Mobile Network Interconnection Terminating Rates, Order No. 2007/4, available at www.regulator.gov.ws/Portals/112/documents/legal/Orders/2007-4,%20Interconnection%20rate%20order.pdf; Interim Interconnection Rates for Fixed and GSM Systems, Order No. 2006/4, available at www.regulator.gov.ws/Portals/112/documents/legal/Orders/2006-4,%20Interconnect%20Rate%20Order.pdf.

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rules, the Foreign Participation Order, the Cable Landing License Act, and Executive Order No.

10530.53

## D. Independent Samoa's Telecommunications Regulatory Framework Establishes Competitive Safeguards that Ensure the Ability of U.S. Investors and Carriers to Operate Undersea Cables in Independent Samoa

Independent Samoa's telecommunications regulatory framework establishes competitive

safeguards to protect against anticompetitive practices. These safeguards further ensure the

ability of U.S. investors and carriers to operate undersea cables in Independent Samoa.

First, Independent Samoa's telecommunications regulatory framework establishes cost-

allocation rules in the foreign country to prevent cross-subsidization. The Telecommunications

Act specifically defines as an abuse of dominant market power:

[U]sing revenues or the allocation of costs from one telecommunications service to cross-subsidize a competitive telecommunications service with the objective of lessening competition, except where such cross subsidy is specifically approved by order of the Regulator or by approval of tariffs for relevant telecommunications services.<sup>54</sup>

As noted in part II.A above, the Regulator is charged with enforcing this requirement and applying statutory remedies as necessary.

*Second*, Independent Samoa's telecommunications regulatory framework establishes timely and nondiscriminatory disclosure of technical information needed to use, or interconnect with, carriers' facilities. The Telecommunications Act specifically defines as an abuse of dominant market power:

<sup>&</sup>lt;sup>53</sup> See 47 C.F.R. § 1.768(g)(2).

<sup>&</sup>lt;sup>54</sup> Telecommunications Act § 27(h)(iv).

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[the] failing to make available to other service providers on a timely basis technical specifications, information about essential facilities or other commercially relevant formation which is required by such other service providers to provide telecommunications services and which is not available from other sources" where such action has "the effect of impeding or preventing a competitor's entry into, or expansion in, a market.<sup>55</sup>

As noted in part II.A above, the Regulator is charged with enforcing this requirement and applying statutory remedies as necessary.

*Third*, Independent Samoa's telecommunications regulatory framework protects carrier and customer proprietary information. "Except as permitted or required by law, or with the consent of the person to whom the personal information relates, a service provider shall not collect, use, maintain or disclose customer information or customer communication for undisclosed purposes."<sup>56</sup> The Telecommunications Act also requires that "[t]he purposes for which customer information is collected by a service provider shall be identified at or before collection, and a service provider shall not, subject to this section, collect, use, maintain or disclose customer information for undisclosed purposes."<sup>57</sup> Service provides must ensure the accuracy and completeness of customer information, and ensure that both customer information

<sup>&</sup>lt;sup>55</sup> *Id. See also id.* § 13(6) (providing that "[1]icences for service providers that provide the same telecommunications services or own or operate the same telecommunications networks shall not unfairly discriminate between such licensees.").

<sup>&</sup>lt;sup>56</sup> *Id.* § 50(2).

<sup>&</sup>lt;sup>57</sup> *Id.* § 50(3).

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and communications "are protected by security safeguards that are appropriate to the sensitivity

of such information and communications."58

Independent Samoa's regulatory framework includes numerous other safeguards to guard

against anticompetitive conduct. The Telecommunications Act specifically prohibits

arrangements between two or more service providers that:

- "directly or indirectly fix the prices or other terms or conditions of telecommunications services in telecommunications markets;"
- "directly or indirectly determine which person will win a contract or business opportunity in a telecommunications market;" or
- "apportion, share or allocate telecommunications markets among themselves or other service providers."<sup>59</sup>

As noted in part II.A above, the Telecommunications Act also prohibits a dominant

service provider from abusing its dominant market position.<sup>60</sup> Such abuses are defined to

include (in addition to those discussed above) the following:

- "[B]undling of telecommunications services, whereby the service provider requires, as a condition of supplying a service to a competitor, that the competitor does not require;"
- "[O]ffering a competitor more favourable terms or conditions that are not justified by cost differences if the competitor acquired another service that the competitor does not require;"
- "[P]re-emptively acquiring or securing scarce facilities or resources, including but not limited to rights of way, required by another service provider for the operation of such service provider's business, with the effect of denying the use of the facilities or resources to such service provider;"

<sup>&</sup>lt;sup>58</sup> *Id.* §§ 50(4), (5).

<sup>&</sup>lt;sup>59</sup> See id. § 28.

<sup>&</sup>lt;sup>60</sup> See id. § 27.

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- "[S]upplying competitive telecommunications services at prices below long run average incremental costs or such other cost standard as may be established by the Regulator;"
- "[P]erforming any of the following actions, where such actions have the effect of impeding or preventing a competitor's entry into, or expansion in, a market:"
- "[D]eliberately reducing the margin of profit available to a competitor that requires wholesale telecommunications services from the dominant service provider, by increasing the prices for the wholesale telecommunications services required by that competitor, or decreasing the prices of the retail telecommunications services in markets where they compete, or both;"
- "[R]equiring or inducing a supplier to refrain from selling to a competitor;"
- "[A]dopting technical specifications for networks or systems to deliberately prevent interoperability with a network or system of a competitor;"
- "[F]ailing to make available to other service providers on a timely basis technical specifications, information about essential facilitie[s] or other commercially relevant [in]formation which is required by such other service providers to provide telecommunications services and which is not available from other sources;"
- "[U]sing information obtained from competitors for purposes related to interconnection of supply of telecommunications services by the dominant service provider to compete with such competitors;" and
- "[A]ny other action or activity engaged in by a dominant service provider that the Regulator determines in accordance with section 29 [of the Telecommunications Act] to have the effect, or likely to have the effect, of materially restricting or distorting competition in a telecommunications market.<sup>61</sup>

The Cable Landing Licensees therefore believe that this showing regarding Independent Samoa's

competitive safeguards, taken together with the showings in part II.A-C above and part II.E

below, satisfies the requirements of Section 1.768(g)(2) of the Commission's rules, the Foreign

Participation Order, the Cable Landing License Act, and Executive Order No. 10530.62

<sup>&</sup>lt;sup>61</sup> *See id.* 

<sup>&</sup>lt;sup>62</sup> See 47 C.F.R. § 1.768(g)(2).

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## E. Independent Samoa Has an Effective Regulatory Framework for Developing, Implementing, and Enforcing Legal Requirements, Interconnection Arrangements, and Other Safeguards, Thereby Ensuring the Ability of U.S. Investors and Carriers to Operate Undersea Cables in Independent Samoa

Independent Samoa has an effective regulatory framework for developing, implementing, and enforcing legal requirements, interconnection arrangements, and other safeguards. As discussed in parts II.A-D above, the Telecommunications Act itself establishes detailed legal requirements for the Independent Samoa telecommunications sector. It tasks the Regulator with enforcing these requirements and safeguards and arms the Regulator with a variety of enforcement remedies. The Cable Landing Licensees therefore believe that Independent Samoa's regulatory framework for developing, implementing, and enforcing legal requirements, interconnection arrangements, and competitive safeguards ensures the ability of U.S. investors and carriers to operate undersea cables in Independent Samoa

Independent Samoa's regulatory framework is no mere formality. To the contrary, the Regulator has used the full range of its powers under the Telecommunications Act to advance its pro-competitive, consumer protection, and market development mandates. The Regulator has issued findings of market dominance in particular sectors.<sup>63</sup> It has considered and resolved

<sup>63</sup> See, e.g., Digicel Dominance Order, No. 2006/6 (finding Digicel Samoa dominant in the cellular radio market), *available at* <u>www.regulator.gov.ws/Portals/112/documents/legal/Orders/2006-6,%20Digicel%20Dominance%20Order.pdf</u>; SamoaTel Dominance Order for International ISP Connectivity, No. 2006/5 (finding SamoaTel dominant in the international Internet access services market), *available at* <u>www.regulator.gov.ws/Portals/112/documents/legal/Orders/2006-5,%20Samoa%20Tel%20IP%20Dominance%20Order.pdf</u>; Telecom Samoa Cellular Dominance Order for Cellular Radio Systems, No. 2006/2 (finding TSCL dominant in the Foreign Carrier Affiliation Notification of AST Telecom LLC d/b/a Blue Sky Communications, American Samoa Hawaii Cable, LLC, and Samoa American Samoa Cable, LLC 15 March 2011 Page 30 of 32

interconnection disputes between licensed carriers<sup>64</sup> and ordered interconnection and imposed

interconnection rates between the dominant service providers SamoaTel and Digicel Samoa.<sup>65</sup> It

has set retail rates for dominant service providers.<sup>66</sup> It has also resolved complaints by one

service provider against another.<sup>67</sup> The Cable Landing Licensees therefore believe that this

cellular mobile market), available at

www.regulator.gov.ws/Portals/112/documents/legal/Orders/2006-

2,%20Order%20Designating%20a%20Dominant%20Service%20Provider%20%28TSCL%2 9.pdf; SamoaTel Dominance Order for fixed line telephony and interconnection No. 2006/1 (finding SamoaTel dominant in the fixed-line public telephony and interconnection to fixedline networks markets), *available at* 

www.regulator.gov.ws/Portals/112/documents/legal/Orders/2006-

<u>1,%20Order%20Designating%20a%20Dominant%20Service%20Provider%20%28SamoaTe</u> <u>1%29.pdf</u>.

<sup>64</sup> See, e.g., Refusal by SamoaTel to Interconnect with Digicel's DigiFixed Service, Order No. 2010/02 (ordering SamoaTel to interconnect with Digicel's DigiFixed service and ordering Digicel to refrain from charging customers retail rates below the mobile termination rates as determined by the Regulator in Order 2010/01), *available at* www.regulator.gov.ws/Portals/112/Order%202010.01%20-%20Cost%20Based%20Rates.pdf; Refusal by SamoaTel to Interconnect with Digicel's Fixed Wireless Service, Order No. 2009/04 (ordering SamoaTel to interconnect with Digicel's fixed wireless service), *available at* www.regulator.gov.ws/Portals/112/Order2009%2004%20-SamoaTel%20to%20interconnect%20with%20Digifixed.pdf.

- <sup>65</sup> *See* part II.D above.
- <sup>66</sup> See, e.g., Approval of Changes to Retail Pricing Structure for SamoaTel Limited, Order No. 2008/02, available at www.regulator.gov.ws/Portals/112/documents/legal/Orders/2008-02,%20Approval%20of%20Changes%20to%20Retail%20Pricing%20Structure%20for%20S amoaTel%20Limited.pdf; Order for New SamoaTel Fixed to Mobile Rates, Order No. 2008/1, available at www.regulator.gov.ws/Portals/112/documents/legal/Orders/2008-1,%20SamoaTel%20mobile%20rate%20order.pdf.
- <sup>67</sup> See, e.g., SamoaTel Limited's Complaint against Digicel (Samoa) Limited's LCR/Sim Box Units, Order No. 2010/03 (ordering Digicel to reprogram all least-cost router ("LCR") units, refrain from charging customers retail rates below the mobile termination rates as determined by the Regulator in Order 2010/01, provide the Regulator with evidence of

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showing regarding Independent Samoa's development, implementation, and enforcement of its telecommunications regulatory framework, taken together with the showings in parts II.A-D above, satisfies the requirements of Section 1.768(g)(2) of the Commission's rules, the *Foreign Participation Order*, the Cable Landing License Act, and Executive Order No. 10530.<sup>68</sup>

## **III. CERTIFICATIONS**

## A. Accuracy-of-Information Certification<sup>69</sup>

By the signature below, each Cable Landing Licensees certifies that it shall maintain the continuing accuracy of information provided pursuant to 47 C.F.R. § 1.768, for a period of 45 days after the filing of this notification and will file a corrected notification with the Commission as promptly as possible during this period, and in any event within 10 days unless good cause is shown, in the event that the information is no longer accurate during the 45-day period.

## **B.** Certification re the Anti-Drug Abuse Act of 1988<sup>70</sup>

By the signature below, each of the Cable Landing Licensees certifies that no party to this application is subject to a denial of federal benefits under Section 5301 of the Anti-Drug Abuse Act of 1988, as amended.

<sup>70</sup> See id. §§ 1.767(a)(8), 63.18(o).

regulatory approval for retail rates charged for LCR services, and submit to the Regulator copies of contracts between Digicel Samoa Limited and its LCR customers), *available at* http://www.regulator.gov.ws/Portals/112/Use\_Order2010.03.pdf.

<sup>&</sup>lt;sup>68</sup> See 47 C.F.R. § 1.768(g)(2).

<sup>&</sup>lt;sup>69</sup> See id. § 1.767(h).

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#### CONCLUSION

The Cable Landing Licensees hereby request expedient approval of this foreign-carrier

affiliation notification in order to allow timely closing on its acquisition of SamoaTel.

Adolfo Montenegro

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American Samoa Hawaii Cable, LLC, and

Samoa American Samoa Cable, LLC

President and Chief Executive Officer AST TELECOM, LLC, D/B/A BLUE SKY COMMUNICATIONS

President AMERICAN SAMOA HAWAII CABLE, LLC

President SAMOA AMERICAN SAMOA CABLE, LLC

P.O. Box 478 Pago Pago, American Samoa 96799 +1 684 699 2759 tel

15 March 2011

#### CERTIFICATION

I certify that I am an officer of AST Telecom, LLC, d/b/a Blue Sky Communications, American Samoa Hawaii Cable, LLC, and Samoa American Samoa Cable, LLC; that I have examined the foregoing notification and that to the best of my knowledge, information and belief, all statements of fact contained in this notification are true.

Adolfo Montenegro

President and Chief Executive Officer AST TELECOM, LLC, D/B/A BLUE SKY COMMUNICATIONS

President AMERICAN SAMOA HAWAII CABLE, LLC

President SAMOA AMERICAN SAMOA CABLE, LLC

Executed on March 15, 2011

## LIST OF EXHIBITS

Exhibit 1:	Telecommunications Act (No. 20) 2005, as amended
Exhibit 2:	Individual Licence Granted by the Regulator Under the Telecommunications Act 2005 to American Samoa Hawaii Cable, LLC, for the Establishment and Operation of a Submarine Cable System in Samoa, to Be Known as the Samoa-American Samoa Cable System (May 2009)
Exhibit 3:	Foreign Investment Act (No. 3) 2000, as amended
Exhibit 4:	Rule for the Licensing of Telecommunications Services and the Ownership or Operation of Telecommunications Networks in Samoa
Exhibit 5:	Guidelines: Application for a Foreign Investment Certificate in Samoa