

C

DA 87-1550

In the Matter of
ALLNET COMMUNICATION SERVICES, INC.

Application for authority to acquire and operate facilities for services to the
United Kingdom

File No. **I-T-C-87-113**

ORDER, AUTHORIZATION AND CERTIFICATE

Adopted: October 21, 1987; Released: October 27, 1987

****6633** By the Chief, Common Carrier Bureau:

1. The Commission has under consideration an application filed by Allnet Communication Services, Inc. (Allnet) requesting authority pursuant to Section 214 of the Communications Act of 1934, as amended, to acquire and operate facilities for the provision of its authorized common carrier services, including switched voice service, between the United States and the United Kingdom and points beyond. The application was placed on the Commission's public notice and no comments were received.

2. Allnet is a common carrier authorized to provide communications services throughout the U.S. and between the U.S. and Canada. Allnet is a non-dominant carrier in the provision of both its domestic and international service offerings. In the instant application Allnet proposes to provide telecommunications services between the U.S. and the United Kingdom, and to other locations through the United Kingdom. Specifically, Allnet requests authority to acquire from Comsat 80 voice-grade satellite half-circuits and to acquire from PTAT Systems, Inc. half interests in 96 64-kbps undersea cable circuits in the PTAT-1 cable system to provide its proposed service. [FN1] Allnet also requests authority to lease connecting facilities between its technical operating center in New York City and earth station facilities at Etam, West Virginia and the PTAT-1 cablehead. Allnet states that the requested facilities represent its projected three-year requirements for its proposed services.

3. This application is the first request filed by a common carrier seeking authority to acquire and operate facilities on the PTAT cable system to provide common carrier services. The Commission authorized the PTAT system under the Cable Landing License Act, [47 U.S.C. Sections 34-39 \(1964\)](#), as a private cable system in which the licensee will sell and lease capacity on a non-common carrier basis. [FN2] In doing so, however, the Commission did not preclude the possibility that common carriers could acquire capacity in the system for the provision of their services. The Commission stated that carriers which propose to acquire capacity

in private systems would be required to seek Section 214 authority before acquiring capacity and providing service over the cable. In addition, the Commission said that it would consider the potential effect of traffic diversion away from existing or planned satellite or cable common carrier facilities in the application process. Specifically, the Commission stated that, "... if common carriers seek to divert major amounts of traffic from existing transmission facilities, we can take any steps necessary at that time to determine whether significant economic harm to common carriers owning and using existing cables would occur and would be contrary to the public interest." [FN3] Finally, the Commission indicated that the extent to which any U.S. carriers may intend to use private cable facilities could be considered within the North Atlantic Consultative Process. [FN4]

*2 4. We find that Allnet's proposed acquisition and use of PTAT facilities will not result in significant economic harm to carriers owning and using existing transmission facilities nor will it impair services to the public. We further find that the proposal before us will have no effect on Commission consideration in Docket No. 79-184 of policy guidelines for authorization of new common carrier facilities to meet North Atlantic telecommunications needs during the 1991-2000 period. Allnet seeks here to acquire only half interests in 96 64-kbps circuits in the PTAT-1 cable for the provision of services to the United Kingdom. This is a minuscule number of circuits in comparison to the number of circuits now on existing facilities and planned for new facilities in the North Atlantic. [FN5] As such, we will not consider Allnet's proposed use of PTAT in the context of CC Docket No. 79-184. As a result, we do not believe it is necessary to withhold action until completion of the current phase of the North Atlantic Consultative Process. Accordingly, we will grant Allnet's request at this time.

5. Accordingly, IT IS ORDERED that application File No. **I-T-C-87-113** IS GRANTED and Allnet Communications Services, Inc. is AUTHORIZED TO:

(1) lease from Comsat and operate 80 voice-grade satellite half-circuits between the Etam, West Virginia earth station and an appropriate Atlantic Ocean Region satellite;

(2) acquire and operate 96 64-kbps half-circuits in the PTAT-1 cable system;

(3) acquire and operate necessary connecting facilities between its New York City technical operating center and the Etam, West Virginia earth station and the PTAT-1 cablehead;

(4) install and operate necessary terminal equipment, including multiplexing equipment; and

(5) use these facilities to provide its authorized communication services between the U.S. and the United Kingdom and beyond.

6. The authority granted herein must be implemented by the acquisition of an op-

erating agreement within a period of three years from the release date of this order. A copy of the operating agreement shall be filed with the Commission within 30 days of its execution.

7. The Commission retains jurisdiction over this matter to reallocate circuits in the satellite system among the various international common carriers and other authorized users as required to insure nondiscriminatory use of, and equitable access to, the communications satellite system.

****6634** 8. This authorization is effective on its release date and shall be continued year-to-year, unless the Commission notifies the applicant to the contrary and requires a new application to be filed. If the Commission requires a new application to be filed, the authorization will continue in effect until Commission action on the application.

9. This order is issued under Section 0.291 of the Commission's rules and is effective upon release. Petitions for reconsideration under Section 1.106 or applications for review under Section 1.115 of the rules may be filed within 30 days of the date of public notice of this order (see Section 1.4(b)(2)).

***3 FEDERAL COMMUNICATIONS COMMISSION**

Gerald Brock

Chief, Common Carrier Bureau

FN1 Allnet will acquire satellite circuits pursuant to Comsat's tariff. Allnet states that it will acquire cable capacity at a cost of \$20,000--\$25,000 per 64-kbps half-circuit.

FN2 [Tel-Optik Limited \(Private Submarine Cable decision\)](#), 100 FCC 2d 1033 (1985).

FN3 Private Submarine Cable decision, at 1048.

FN4 Private Submarine Cable decision, at 1049.

FN5 The total voice grade circuit capacity of North Atlantic cables (TAT-5, TAT-6, TAT-7 and CANTAT-2) currently in service is 10.885 bearer circuits. TAT-8 will begin service in 1988 and have a capacity of 7,560 64-kbps circuits or the equivalent of 40,000 virtual voice circuits. TAT-9 is proposed for service beginning in 1991 with about twice the capacity of TAT-8. Additionally, in 1986 INTELSAT provided 53,545 half-circuits in the Atlantic Ocean Region.

FCC

1987 WL 345600 (F.C.C.), 2 F.C.C.R. 6633, 2 FCC Rcd. 6633

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