3 FCC Rcd. 6073 (F.C.C.), 3 F.C.C.R. 6073, 1988 WL 489321
DA 88–1447

In the Matter of
AMERICAN TELEPHONE AND TELEGRAPH COMPANY AT&T OF PUERTO RICO, INC. MCI INTERNATIONAL, INC. RCA GLOBAL COMMUNICATIONS, INC. US SPRINT COMMUNICATIONS COMPANY WU WORLD COMMUNICATIONS, INC.
Joint Application for Authorization Pursuant to Section 214 of the Communications Act of 1934, as Amended, to: (A) Construct the Transcaribbean Cable System; (B) Assign Capacity in that Cable System; (C) Acquire Overseas Extension Facilities; (D) Grant Capacity to Foreign Telecommunications Entities and (E) Activate and Operate these Facilities.

File No. I-T-C–88–071

MEMORANDUM OPINION, ORDER, AUTHORIZATION AND CERTIFICATE

Adopted: September 14, 1988; Released: September 15, 1988
****1** ***6073** By the Chief, Common Carrier Bureau:

INTRODUCTION

1. We are here considering the above-captioned joint application filed on February 9, 1988 by several United States International Service Carriers (USISCs) [1] requesting authority pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214 (1987), to construct the Transcaribbean cable system (TCS–1), a digital, optical fiber cable proposed to extend from the United States mainland to Puerto Rico and then to the Dominican Republic, Jamaica and Columbia. The USISCs also request authority to assign capacity in TCS–1, acquire capacity in certain extension facilities required to extend TCS–1 capacity to destination countries on both a lease and an indefeasible right of user (IRU) basis, and grant capacity in TCS–1 to foreign administrations on an IRU basis.

2. The subject application was placed on public notice on February 17, 1988. On March 17, 1988, the Puerto Rico Planning Board (PRPB) filed a letter indicating its intent to review the proposed TCS–1 cable system for consistency with the Puerto Rico Coastal Management Program pursuant to Section 307(c)(3)(A) of the Coastal Zone Management Act, 16, U.S.C. § 1456(c)(3)(A). [2] The Puerto Rico Telephone Company (PRTC) filed a pleading entitled 'Comments and Motion for Consolidation of the Puerto Rico Telephone Company' on March 17, 1988. [3] Caribbean Automated Long Lines Services, Inc. (CALLS) filed comments on March 21, 1988. On March 31, 1988, the USISCs filed an opposition and motion to strike. PRTC filed reply comments on April 12, 1988. On July 21, 1988, AT&T filed a letter enclosing a copy of the PRPB's July 19, 1988 certificate concurring with AT&T's certification that the proposed TCS–1 cable system complied with Puerto Rico environmental requirements. On August 16, 1988, PRTC filed a pleading entitled 'Contingent Withdrawal of Comments and of Motion for Consolidation of the Puerto Rico Telephone Company.'

DESCRIPTION OF FACILITIES

3. The TCS–1 cable system, as defined by the initialed Construction and Maintenance Agreement (C&MA) appended to the application, will consist of: (a) 2880 minimum assignable units of ownership (hereinafter MAUOs or 64 kilobit per second (kb/s) circuits) [4] in the proposed Florico-2 cable system between Florida and Puerto Rico; [5] (b) a digital, optical fiber cable having two traffic bearing fiber pairs, each operating at 140 megabits per second (mb/s) between Puerto Rico and an undersea branching repeater where one of the fiber pairs will be routed to Colombia and the other fiber pair to

the Dominican Republic; (c) a digital, optical fiber cable having a single traffic bearing fiber pair with a design capacity of 140 mb/s but which will be equipped to operate at 45 mb/s [6] between the Dominican Republic and Jamaica; and (d) cable terminals associated with the cable located at: West Palm Beach, Florida; San Juan, Puerto Rico; Santo Domingo, Dominican Republic; Barranquilla, Colombia; and Kingston, Jamaica. [7]

****2** 4. Each segment of the TCS–1 cable will be capable of providing the following number of MAUOs and, if fully equipped with Digital Circuit Multiplication Systems (DCMS) providing a 5-to-1 circuit multiplication ratio on MAOUs used for voice services, would provide the indicated number of equivalent voice paths: [8]

TCS–1 SEGMENT	NO. OF MAUOS	NO. OF EQUIVALENT VOICE PATHS
Florico-2	7560	37,800
Portion of Florico-2 Ceded to TCS–1	2880	14,400
Puerto Rico—Dominican Republic	1890	9,450
Puerto Rico—Colombia	1890	9,450
Dominican Republic—Jamaica	630	3,150

5. The USISCs indicate that the total cost of the TCS–1 cable system is projected to be approximately $133.5 million. [9] This total cost is distributed as follows:

SEGMENT OF TCS–1	COST MILLIONS
F [10]	$ 30.5
G–1	$ 28.0
G–2	$ 3.8
G–3	$ 21.2
G–4	$ 41.0
Total Transmission Portion	$124.5
Route Survey and Administration [11]	$ 6.0
Cable Stations (Segments A, B, C, D and E)	$ 3.0
TOTAL	**$133.5**

These capital costs, as well as the maintenance and operating costs for each segment of the cable are allocated among the TCS–1 owners [12] on a pro rata basis as shown in Schedule C appended to the C&MA which is attached to this decision as Appendix 2. Schedule B appended to the C&MA showing the voting interests in the TCS–1 cable is also attached to this decision as Appendix 1.

****3** 6. TCS–1 and the extension facilities requested will be used to supplement the Applicant's existing facilities [13] in the provision of service between points in or reached via the United States mainland and points in or reached via Antigua, Barbados, the British Virgin Islands, Colombia, Dominica, the Dominican Republic, the French Antilles, Grenada, Haiti, Jamaica, Montserrat, the Netherlands Antilles, Panama, Puerto Rico, St. Kitts and Nevis, St. Lucia, St. Vincent, and Trinidad and Tobago. MCII, RCA Globcom, US Sprint, and WU Worldcom will use TCS–1 for services between the US mainland and Puerto Rico. AT&T-PR and WU Worldcom will use TCS–1 for services between Puerto Rico and the Dominican Republic. Some of the foreign owners of TCS–1 will use the system for limited intra-Caribbean traffic.

THE PLEADINGS

7. In its 'Contingent Withdrawal of Comments and of Motion for Consolidation of the Puerto Rico Telephone Company', PRTC states that it and AT&T have reached a settlement agreement which resolves numerous outstanding disputes between the two companies. PRTC further states that, as a part of the settlement agreement, it has agreed to withdraw its Comments and Motion for Consolidation, contingent on all terms and conditions of the Settlement Agreement being fulfilled. We shall grant PRTC's contingent request. Consequently, we need not describe or discuss the issues raised in the PRTC pleading being withdrawn, the USISCs opposition to that pleading and PRTC's reply to that opposition.

8. In its comments, CALLS states that it believes TCS–1 provides a serious potential for anti-competitive behavior and labels the ownership arrangment a 'cartel which will operate to the detriment not only of other competitors in the Caribbean market, but to the detriment of the public as well.' According to CALLS, it was not given the opportunity to purchase an ownership interest in the cable system. CALLS states that once the joint owners have made the massive investment to construct TCS–1, they will have an incentive to ignore alternative transmission facilities which may be more efficient and less costly. CALLS notes that there is already an existing earth station in the Virgin Islands which can carry additional traffic. CALLS further asserts that AT&T apparently has plans to construct an earth station on St. Croix. CALLS labels the need for the TCS–1 cable, and in particular the extension to the Virgin Islands, 'highly questionable'. CALLS states that the applicants have not made a satisfactory showing for the need of the system.

9. In their opposition and Motion to Strike, the USISCs move to strike CALLS's comments as untimely filed. [14] Substantively, the USISCs assert that CALLS' arguments merely seek to relitigate the facilities plan for the Caribbean Region approved by the Commission in its Report and Order in CC Docket No. 83–525. [15] Moreover, the USISCs contend that CALLS' claim is based on a gross misapprehension of significant facts.

****4** 10. The USISCs note that the TCS–1 cable will not land in the United States Virgin Islands. Thus, the earth stations in the Virgin Islands are not physically available as alternatives to Segment F of the TCS–1 cable system. In addition, the USISCs assert taht the St. Thomas earth station referenced by CALLS is a domestic earth station owned by RCA America Communications, Inc. and that said earth station is not licensed to carry international traffic. According to the USISCs, the AT&T-VI earth station on St. Croix is a customer-premises domestic facility used exclusively in providing private line service to one customer. It is not a part of the switched network available for the completion of international traffic. The USISCs further assert that, even if these earth stations were available, it would make neither economic nor operational sense to complete international traffic from TCS–1's Segment G via earth stations in the United States Virgin Islands. To do so they argue, would eliminate the many advantages of the TCS–1 configuration found to be in the public interest by the Commission such as the introduction of digital optical fiber submarine cable technology in the region, maintenance of media and route diversity and the promotion of intramodal and intermodal competition.

11. With respect to CALLS' assertion that it has not been offered the opportunity to participate in the TCS–1 cable system, the USISCs state that they have no knowledge of any request from CALLS for such participation. They assert that, in any event, the subject application as well as paragraph 29(a) of the TCS–1 C&MA provide a mechanism by which CALLS and other carriers can obtain TCS–1 capacity. The USISCs also note that CALLS must obtain appropriate Section 214 authority before it can become a facilities-based common carrier.

DISCUSSION

A. Background

12. The issues concerning the need for and timing of facilities in the Caribbean region for the 1985–1995 period have been considered in the comprehensive planning process in CC Docket No. 83–525. In the Report and Order, the Commission reviewed the ability of alternative facilities plans to: satisfy forecasted demand; provide demand flexibility; provide media and route diversity; introduce digital optical fiber technology; and enhance intermodal and intramodal competition. The costs of the alternative plans, the foreign correspondents' acceptance of the plans and national security concerns also were important considerations. The Commission found that TCS–1 cable, configured as proposed in the USISCs' preferred plan would preserve route and media diversity for the Dominican Republic, Jamaica and Haiti and introduce media diversity for service between the United States mainland and Colombia. TCS–1 would minimize blockage that would occur in the event of a failure of the largest facility route to major Caribbean load centers that include Colombia, Barbados, the Dominican Republic, Haiti, Jamaica and Trinidad.

****5 *6075** 13. The Commission noted further that construction of TCS–1 would allow Puerto Rico to serve as a hub for terrestrial digital services and enhance restoration capabilities. Fiber optic technology would be directly introduced to each of TCS–1's landing points and unforeseen increases in forecasted demands could be accommodated. The Commission found that the provision of TCS–1 by AT&T, a United States supplier, will benefit the national economy and enhance the leading role of this country in worldwide optical fiber cable technology. [16] Therefore, the Commission adopted as a guideline for the construction and use of facilities in the Caribbean region during the 1985–1995 period, its finding that the TCS–1 cable as proposed by the USISCs in their preferred plan, with a ready for service date as early as the fourth quarter of 1989, is in the public interest.

B. Allocation of TCS–1 Capacity

14. The USISCs indicate that capacity in the TCS–1 cable has been allocated among them on the basis of each USISCs' bilateral negotiations with its correspondents. The capacity assignments arrived at considered capacity requirements to the year 2000 and contemplate the future use of DCMS equipment. The USISCs further state, that with two exceptions, [17] all of the USISCs have existing Section 214 authority for the provision of service to the points which they propose to serve by means of the TCS–1 cable system.

15. The specific allocations of MAUOs in each segment of the TCS–1 cable system are set forth in Schedule D of the C&MA which is attached as Appendix 3. As may be noted from Appendix 3, most of the MAUOs assigned to each of the USISCs are jointly owned by the USISC and one of its correspondents. However, some of the USISCs propose to acquire the whole interest in some MAUOs in the various segments of the TCS–1 cable system. MCII, RCA Globcom, U.S. Sprint and WU Worldcom propose to acquire whole interests in a total of 1,170 MAUOs in the Florida—Puerto Rico portion of TCS–1 cable system (Segment F) for the provision of service between the United States mainland and Puerto Rico and the United States Virgin Islands. [18]

16. AT&T proposes to acquire the whole interest in 290 MAUOs in the Florida—Puerto Rico, 354 MAUOs in the Puerto Rico—Dominican Republic and 256 MAUOs in the Dominican Republic—Jamaica segments of the TCS–1 cable system for the provision of international services. The USISCs indicate that AT&T's assignment of whole interest in a number of MAUOs reflects its negotiations with the administrations in the Netherlands Antilles, the French Antilles and Panama. AT&T indicates that it proposes to retire the United States—Jamaica analog cable system upon the activiation of the TCS–1 cable system. Thereafter, it proposes to use the TCS–1 cable system to extend to the United States mainland, the 144 circuits provided by the Jamaica—Panama analog cable system. AT&T indicates it will file for the appropriate authority after arrangements with its correspondent have been finalized.

****6** C. Costs

17. The capital, maintenance and operating costs for the TCS–1 cable system will be allocated on a pro rata basis according to the subject application and the attached C&MA. The USISCs do not provide specific amounts indicating the total USISCs' share of the $133.5 million capital cost of the TCS–1 cable system or the individual share of each of the USISC'. However, Schedule B of the C&MA, which forms Appendix 1 of this decision, sets forth each TCS–1 owner's voting percentage. As described in Appendix 1, the voting percentages indicated are derived from each owners' ownership interest in Segments F and G of the TCS–1 cable system weighted by the estimated costs of each segment. Voting percentages thus seem to equate to ownership percentages. Therefore, it would appear that multiplying the total projected capital cost of the TCS–1 cable system by each USISCs' voting or ownership percentage will provide a reasonable approximation of the USISCs' share of the capital costs of the cable. [19] Applying this procedure yeilds the following results:

USISC	OWNERSHIP PERCENTAGE	USISC TCS–1 CAPITAL COST
AT&T	47.99469	$64.073 Million
AT&T-PR	0.95296	$ 1.272 Million
MCII	1.70235	$ 2.273 Million
RCA Globcom	0.84106	$ 1.123 Million
U.S. Sprint	6.36340	$ 8.495 Million
WU Worldcom	2.18978	$ 2.923 Million
TOTAL USISCS SHARE	60.0442	$80.159 Million

D. Extension Facilities

18. The USISCs state that the TCS–1 cable will be extended to Caribbean points east of Puerto Rico and from the Dominican Republic west to Haiti. Those USISCs having circuit requirements to Haiti will acquire one-half interests in circuits in a digital microwave radio system extending from the TCS–1 terminal in the Dominican Republic to the Dominican Republic—Haiti border. Their Haitian correspondent will acquire the remaining one-half interests in such circuits. These circuits will be acquired on a right of passage or leased basis from a telecommunications entity in the Dominican Republic. The USISCs state that an appropriate application requesting authority for the acquisition of these connecting circuits will be filed when the acquisition terms for the right of passage have been more fully defined.

****7** 19. TCS–1 circuits extended to points in the Eastern Caribbean will be extended by means of circuits in a digital microwave radio system extending from the Puerto Rico terminal of the TCS–1 cable system to the United States Virgin Islands. These circuits will be acquired from AT&T-PR and AT&T–VI, on an IRU basis, at a net book cost of approximately $637 per one-half interest in each 64 kb/s circuit. These circuits will be extended from the United States Virgin Islands to Tortola by means of a digital microwave radio system between those islands. One-half interests in 64 kb/s circuits in that digital microwave radio system will be acquired from AT&T–VI on an IRU basis at a net book cost of approximately $230. From Tortola, these circuits will be extended by means of circuits in the new digital ECMS system to points as far south as Trinidad. Capacity in the ECMS will be acquired from C&W on an IRU basis at a cost based on the original book costs on the ECMS activation date.

20. Attachment D to the subject application sets forth the connecting circuits requested by AT&T and the costs for such circuits. Attachment D is appended to this decision as Appendix 4. The connecting circuits requested by AT&T include those required to provide its services to Barbados, British Virgin Islands, Dominica, the French ***6076** Antilles, Grenada, Montserrat, the Netherlands Antilles, St. Kitts and Nevis, St. Lucia, St. Vincent and Trinidad and Tobago.

21. In addition to AT&T's request to acquire the connecting facilities set forth in Appendix 4, the USISCs request authority to acquire appropriate overseas connecting facilities on a lease basis. The USISCs, other than AT&T, also request such authority as may be necessary to acquire the appropriate connecting facilities between the TCS–1 cable terminals in Florida and Puerto Rico and their respective operating offices in the United States mainland and Puerto Rico. We shall grant all of the above requests.

E. Availability of Capacity to New United States Carriers

22. The USISCs state that paragraph 29(a) of the C&MA provides for the admission, as owners, of other United States certificated carriers which identify a need for TCS–1 capacity prior to the provisional acceptance date [20] for that cable. The USISCs further state that, after the provisional acceptance date for TCS–1, the capacity requirements of other such carriers may be satisfied by IRU, leased MAUOs or other mutually agreed upon arrangements, subject to Commission authorization.

23. Specifically, paragraph 29(a) of the C&MA states:
29. (a) If, subsequent to the initialing of this Agreement and prior to the Provisional Acceptance date, a United States carrier certified by the Federal Communications Commission desires to obtain capacity and to participate as an owner in the TCS–1 Cable System, the following arrangements shall apply:
(1) AT&T will allocate such additional number of MAUOs in Segment F to the requesting carrier as is mutually agreed between AT&T and such carrier. Such additional MAUOs will be added to the aggregate number of MAUOs specified in Subparagraph 1(d)(i) as comprising Segment F.

****8** (ii) MAUOs in any of the subsegments of Segment G will be allocated to such requesting carrier by such of those parties assigned capacity in the appropriate subsegments electing to allocate capacity to the requesting carrier. If more than one party shall be willing to allocate capacity, the requesting carrier and the party to this Agreement which is to be the correspondent of the requesting carrier shall designate which party's capacity shall be allocated.

The foregoing provision makes it clear that the C&MA does provide a mechanism by which new carriers can obtain TCS–1 circuits on an ownership basis up to March 31, 1990, the date of the provisional acceptance of the TCS–1 cable. [21] We also note that paragraphs 11(j) and (k) of the C&MA provide for making circuits available to non-owning carriers on an IRU basis.

24. The Commission has for some time made specific provision for new United States international carriers to have access to circuits in submarine cable systems. [22] We shall continue to follow this precedent. Specifically, we shall adopt the approach taken by the Commission in its TAT–8 authorization [23] and shall authorize the construction and operation of the TCS–1 cable system on condition that the applicants make IRU interests available to carriers who receive authority from the Commission pursuant to Section 214 to acquire such capacity. The making of ownership interests available to such carriers as described in paragraph 29(a) of the C&MA would also satisfy this condition. We will also reserve the right to reallocate capacity in the TCS–1 cable to the extent necessary to enforce our future policies regarding the

accommodation of additional carriers. We would note that these conditions apply to the portion of the Florico-2 cable which is not ceded to the TCS–1 cable as well. [24]

F. CALLS Comments

25. We find no merit in the comments filed by CALLS which raise the potential for TCS–1 being used for anticompetitive ends. CALLS' fear is based only on the unsupported assertion that once the massive investment is made in TCS–1, the joint-owners will have an incentive to ignore alternative transmission facilities which may be more efficient and less costly. We disagree. First, the application for construction of TCS–1 was filed as a result of a comprehensive planning process which considered, inter alia, the need for TCS–1 and alternative facilities that would be available during the planning period. Moreover, as stated in the Report and Order, the needs of carriers to maintain and increase media and path diversity to ensure of service reliability argue against total reliance on a particular facility or transmission medium. We have also reviewed the C&MA, which specifically provides for making capacity available to new entrants. As in past authorizations of cable facilities, the Commission retains jurisdiction to allocate circuits among carriers if no satisfactory agreement can be reached. In light of these circumstances, we find no reason to reconsider the conclusion reached in the Report and Order concerning the need for TCS–1.

CONCLUSIONS

****9** 26. After consideration of the instant application to construct and operate the TCS–1 cable system, we find that the proposal is fully consistent with the Commission's policy objectives expressed in the Report and Order in CC Docket No. 83–525 and the ultimate conclusion that the introduction of submarine cable systems in the Caribbean as early as the first quarter of 1989 is in the public interest. The system will also introduce digital technology in the Caribbean, permitting interconnection with a rapidly-developing global digital network, and promote technological development and customer choice.

27. The introduction of this new technology in the Caribbean will sharpen intermodal and intramodal competition by supplemental existing cable and satellite communications. This will increase more incentives for more efficient operations by all facilities supplies in the Caribbean. It will also provide service quality benefits in terms of path diversity, media diversity, and restoration capacity. The proposed system also meets international comity concerns, the needs of national security, and benefit the U.S. economy as a whole and will preserve the leading role of U.S. industry in optical fiber cable system technology. Upon consideration of the foregoing, we find that the present and future public convenience and necessity require the construction and operation of the TCS–1 cable system as described herein.

***6077** ORDERING CLAUSES

28. IT IS CERTIFIED, the public convenience and necessity require the provision of IMTS service by U.S. Sprint to Colombia and the provision of IMTS service by MCII to Barbados.

29. Accordingly, IT IS ORDERED, that application File No. I-T-C–88–071 of the USISCs IS GRANTED and the USISCs are authorized to:
(a) construct and operate the TCS–1 cable system described herein;

(b) acquire, on an ownership basis, the interests indicated in the numbers of MAUOs specified in Appendix 3;

(c) acquire appropriate overseas connecting facilities on a lease basis; and

(d) utilize digital circuit multiplication systems equipment to derive additional voice paths from the circuits (MAUOs) authorized herein accordance with the appropriate Commission authorizations.

30. IT IS FURTHER ORDERED that AT&T is authorized to acquire, on an IRU basis, the connecting facilities set forth in Appendix 4.

31. IT IS FURTHER ORDERED that AT&T is authorized to make available to its correspondent in the Netherlands Antilles and the French Antilles, on an IRU basis, one-half interest in 30 and 90 MAUOs, respectively, in the Florida —Puerto Rico segment of the TCS–1 cable system.

32. IT IS FURTHER ORDERED that MCII, RCA Globcom, U.S. Sprint and WU Worldcom are authorized to acquire the appropriate connecting facilities between the TCS–1 cable terminals in Florida and Puerto Rico and their respective operating offices in the United States mainland and Puerto Rico.

33. IT IS FURTHER ORDERED that when a given applicant seeks to acquire or transfer an ownership or IRU interest in TCS–1 capacity, the reimbursement it receives shall be on the basis of depreciated original cost (or the pro rated accumulated cost of such circuit if the systems are not then operational) or in conformance with such policy as the Commission may develop in the future regarding the price at which IRUs will be made available.

****10** 34. IT IS FURTHER ORDERED that the Applicants shall make available interests in the TCS–1 capacity to such present and future U.S. carriers as may be authorized by the Commission to acquire such capacity.

35. IT IS FURTHER ORDERED that the Applicants shall make capacity in the TCS–1 system available to non-carriers in conformance with the policies developed in CC Docket No. 83–1230. See International Communication Policies, 104 FCC 2d 208 (1986).

36. IT IS FURTHER ORDERED that the Commission retains jurisdiction to reallocate U.S. carriers' interests in capacity herein authorized, as the public interest may require to accommodate additional carriers or otherwise, with, where required, the concurrence of the foreign administration or carriers concerned, and, further, jurisdiction is retained by the Commission over all matters relating to the applicants' ownership, management, maintenance, and operation of the cable system as authorized herein, to assure the most efficient use not only of this cable system, but of all means of communications between the U.S. and the Caribbean Region.

37. IT IS FURTHER ORDERED that the Commission retains jurisdiction to review the DCMS, multiplexing, and interworking arrangements and attribution of the costs thereof and to require such changes in the provision of these services and equipment as may be necessary.

38. IT IS FURTHER ORDERED that no Applicant, which is deemed a dominant carrier pursuant to the Commission's decision in CC Docket No. 85–107, herein shall dispose of any interest in any TCS–1 capacity it is authorized to acquire in any way without prior authorization by the Commission.

39. IT IS FURTHER ORDERED that this authorization is issued subject to the terms and conditions of any license issued to the Applicants herein under the act entitled ‘An Act relating to the landing and operation of submarine cables in the United States' (47 U.S.C. Sections 34–39), covering the subject submarine cable, and shall become effective upon the acceptance of the aforementioned license by all such parties.

40. IT IS FURTHER ORDERED that PRTC's contingent request to withdraw its ‘Comments and Motion for Consolidation of the Puerto Rico Telephone Company’ IS GRANTED and said pleading is hereby dismissed.

41. This order is issued under Section 0.291 of the Commission's Rules and is effective upon adoption.

FEDERAL COMMUNICATIONS COMMISSION

Gerald Brock
Chief, Common Carrier Bureau

1 The applicants are American Telephone and Telegraph Company (AT&T), AT&T of Puerto Rico, Inc. (AT&T-PR), MCI International, Inc. (MCII), RCA Global Communications, Inc. (RCA Globcom), US Sprint Communications Company (US Sprint), and WU World Communications, Inc. (WU Worldcom).

2 Also see Section 930.54(b) of the Rules of the National Oceanic and Atmospheric Administration (NOAA), 15 C.F.R. Section 930.54(b).

3 PRTC filed corrections to its pleading on March 21, 1988.

4 The C&MA defines a MAUO in all segments of the TCS–1 cable, other than the Dominican Republic-Jamaica leg, as consisting of 64,000 usable bits per second (b/s) and an additional 9,684.656 b/s required for multiplexing each of the 1890 such MAUOs in each segment. For purposes of ownership allocation in the Dominican Republic—Jamaica segment, a MAUO is defined as consisting of 64,000 usable b/s and an additional 7,009.524 b/s required for multiplexing each of the 630 MAUOs in such segment.

5 The Florico-2 cable is a proposed digital, optical fiber cable between Florida and Puerto Rico which will provide two traffic bearing fiber pairs, each operating at 280 mb/s. The Florico-2 cable will provide a total of 7560 MAUOs of which 2880 are proposed to be ceded to the TCS–1 cable system. See paragraph 1(d)(i) of the C&MA. The Florico-2 cable was initially proposed by AT&T for only domestic use between the United States mainland and Puerto Rico. See Application File No. W-P-C–5944 filed on February 18, 1987. However, the application was subsequently amended to provide for the mixed domestic/international use now proposed. See Amendment to Application File No. W-P-C–5944 filed on March 29, 1988. As now proposed, the 2880 MAUOs ceded to the TCS–1 cable system will be used by the USISCs for international services between the United States mainland and other countries and by the USISCs, other than AT&T, for services between the United States mainland and Puerto Rico and the United States Virgin Islands. AT&T will use the remainder of the 7560 MAUOs for its United States mainland—Puerto Rico and United States—Virgin Islands services except to the extent that additional MAUOs may be ceded to the TCS–1 system pursuant to paragraph 29(a) of the C&MA.

6 The Dominican Republic—Jamaica portion of TCS–1 was originally proposed to provide a single traffic bearing fiber pair designed to operate at 45 mb/s. However, the joint application indicates that it has recently been determined that a 45 mb/s cable will not be available until approximately nine months after the proposed March 31, 1990 ready for service date for the TCS–1 system. Therefore, the supplier of the cable, AT&T, has agreed to substitute a 140 mb/s design capacity cable equipped to operate at 45 mb/s at no increase in cost.

7 The C&MA designated the various subsections of the TCS–1 cable systems as follows and indicates the following ownership thereof:

CABLE SEGMENT	DESIGNATION	OWNERSHIP
West Palm Beach, Florida Cable Terminal	Segment A	AT&T
San Juan, Puerto Rico Cable Terminal	Segment B	AT&T-PR
Santo Domingo, Dominican Republic Cable Terminal	Segment C	Compania Dominicana de Telefonos, C por A (CODETEL)
Kingston, Jamaica Cable Terminal	Segment D	International Telecommunications, Limited (JAMINTEL)
Barranquilla, Colombia Cable Terminal	Segment E	Empresa Nacional de Telecommunications (TELECOM)
That portion of the Florico-2 Cable System consisting of 2880 MAOUs ceded to the TCS–1 cable system	Segment F	Jointly by the TCS–1 owners as set forth in Schedule D of the C&MA.

The whole of the submarine cable between and among the cable stations at Puerto Rico, Dominican Republic, Jamaica and Colombia	Segment G	Same as Segment F.
That portion of Segment G between Puerto Rico and the Branching Repeater, including the Branching Repeater	Subseg. G–1	Same as Segment F.
That port of Segment G between the Branching Repeater and the Dominican Republic	Subseg. G–2	Same as Segment F.

That portion of Segment G between Subseg. G–3 Same as Segment F. the Dominican Republic and Jamaica.

That portion of Segment G between Subseg. G–4 Same as Segment F. the Branching Repeater and Colombia

8 The number of equivalent voice paths shown assumes that all MAUOs in each segment of the cable are used for the provision of voice services. Since this will not be the case, the number of equivalent voice paths shown should be considered as an upper limit.

9 According to the USISCs, these costs do not include the cost for DCMS equipment. We also note that the application does not indicate that interest during construction is included in these costs.

10 The $30.5 million shown for Segment F is only the capital cost associated with the 2880 MAUOs in the Florico-2 cable which have been ceded to the TCS–1 cable system. These 2880 MAUOs comprise 38.0 percent of the 7560 MAUO design capacity of Florico-2. The $30.5 million cost for these 2880 MAUOs was derived by multiplying the estimated $80.5 million cost of the Florico-2 cable by 38.5 percent. See C&MA, paragraph 1(d) and Annex 2 to the C&MA, Section 3 Annex.

11 According to the USISCs, Administration costs include insurance, project management, customs and duties, landing point support and miscellaneous costs.

12 In addition to the USISCs, several telecommunications entities of other countries will participate in the TCS–1 cable on an ownership basis. These entities are: Barbados External Telecommunications Limited (BET); Cable and Wireless Public Limited Company (C&W); CODETEL; TELECOM; JAMINTEL; Telecommunications D'Haiti, S.A.M. Titre III (Teleco d'Haiti); and Trinidad and Tobago External Telecommunications Company Limited (TEXTEL). AT&T's wholly-owned subsidiary, Transocean Communications, Inc., will hold AT&T's interests in the cable terminals in the Dominican Republic, Jamaica and Colombia as well as in segments of the TCS–1 cable lying in the territorial waters of these countries.

13 WU Worldcom's request for the whole interest in ten MAUOs for this purpose is not reflected in the C&MA attached to the application but will be included in an amended C&MA.

14 We deny the USISCs' motion to strike and have considered CALLS comments herein.

15 Caribbean Region Telecommunications Needs, 1985–1995, 3 FCC Rcd 97 (1988).

16 In the application before us the USISCs state that AT&T will be the supplier of the TCS–1 cable system and that over 93 percent of TCS–1's cost will be paid to United States industry.

17 U.S. Sprint does not currently have Section 214 authority for the provision of IMTS to Colombia. MCII does not have Section 214 authority for the provision of IMTS to Barbados. We shall grant the necessary authority for both of these USISCs in this decision.

18 Each of these USISCs propose to acquire the whole interest in the following number of MAUOs in Segment F for the provision of United States Mainland—Puerto Rico and United States—Virgin Islands services:

USISC	NUMBER OF MAUOS
MCII	180
RCA Globcom	90
U.S. Sprint	630
WU Worldcom	270
TOTAL	1,170

19 Any error in this approximation of costs would not be of sufficient magnitude to alter our findings herein.

20 Paragraph 2.2 of Section of Annex 2 to the C&MA defines the date of provisional acceptance as the date on which specified tests indicate that Segments F and G of the TCS–1 cable system conform to the TCS–1 Technical Annex. Paragraph 4(b) of the C&MA projects the date of provisional acceptance to be March 31, 1990.

21 United States carriers seeking to acquire TCS–1 circuits on an ownership basis are required to file both a Section 214 application seeking authority to acquire such circuits and an application for modification of the Submarine Cable Landing License for that cable seeking to add the requesting carrier as a licensee. See American Telephone and Telegraph Company, 37 FCC 1131, 1157 (1964) and ITT Cables and Radio, Inc.—Puerto Rico, 5 FCC 2d 823, 832–833 (1966). Non-dominant international carriers as well as dominant international carriers continue to be required to follow this procedure. See International Carrier Policies, 102 FCC 2d 812, 845 (1985).

22 See AT&T Co., 73 FCC 2d 248, 260 (1979) and AT&T Co., 98 FCC 2d 440, 452–456 (1984).

24 See Order and Authorization, File No. W-P-C–5944 also adopted this date.

APPENDIX 1

SCHEDULE B

VOTING INTERESTS IN THE TCS–1 CABLE SYSTEM

PARTIES	VOTING INTEREST PERCENTAGE
BET	0.13788
C&W	0.59820
CODETEL	4.67277
JAMINTEL	7.98058
TELECO D'HAITI	1.13052
TELECOM	25.10645
TEXTEL	0.32938
AT&T	47.99469
AT&T-PR	0.95296
ITT WORLDCOM	2.18978
MCII	1.70235
RCA GLOBCOM	0.84106
US SPRINT	6.36340
TOTAL	100.00000

****11** Notes to Schedule B

Note 1 The voting interest percentages set forth in Schedule B are derived from the Segment F and Subsegments G1, G2, G3 and G4 ownership interest percentages set forth in Schedule C weighted by the estimated costs of each such segment and subsegment and expressed as a percentage of the estimated total costs.

Note 2 The voting interest percentages set forth in Schedule B will be adjusted in accordance with the procedures to be determined by the B&B Subcommittee.

APPENDIX 2

SCHEDULE C

PERCENTAGE ALLOCATION OF CAPITAL, OPERATING AND MAINTENANCE COSTS OF

SEGMENTS A, B, C, D and E OF THE TCS–1 CABLE SYSTEM AND

PERCENTAGE OF

OWNERSHIP INTERESTS IN AND ALLOCATION OF

CAPITAL, OPERATING AND MAINTENANCE COSTS OF

SEGMENT F AND SUBSEGMENTS G1, G2, G3 AND G4

PARTIES	SEGMENT A SUBSEGMENT B1 SUBSEGMENT F NOTE 1	SUBSEGMENT B2 SUBSEGMENT G1	SUBSEGMENT C1 SUBSEGMENT G2 NOTE 2	SUBSEGMENT C2 SEGMENT D SUBSEGMENT G3	SEGMENT E SUBSEGMENT G4
BET	0.59028	0.00000	0.00000	0.00000	0.00000
C&W	2.17014	0.07937	0.15873	0.39683	0.00000
CODETEL	4.82639	11.42857	22.30159	0.47619	0.55556
JAMINTEL	4.02778	6.66667	13.33333	29.68254	0.00000
TELECO D'HAITI	1.57986	2.50000	5.00000	0.23810	0.00000
TELECOM	10.93750	25.19841	0.39683	0.00000	50.00000
TEXTEL	0.52083	0.19841	0.39683	0.87302	0.00000
AT&T	33.54167	49.02116	50.95238	67.46032	47.08995
AT&T-PR	0.00000	3.30688	6.61376	0.00000	0.00000
ITT WORLDCOM	9.37500	0.00000	0.00000	0.00000	0.00000
MCII	6.49306	0.26455	0.52910	0.63492	0.00000
RCA GLOBCOM	3.22917	0.15873	0.31746	0.23810	0.00000

US SPRINT	22.70833	1.17725	0.00000	0.00000	2.35450
TOTAL	100.00000	100.00000	100.00000	100.00000	100.00000

APPENDIX 3

**12 SCHEDULE D

MINIMUM ASSIGNABLE UNITS OF OWNERSHIP (MAUOS) IN THE TSC–1 CABLE SYSTEM—SEGMENT F

U.S. MAINLAND—PUERTO RICO HALF INTERESTS IN MAUOS

SUBSCHEDULE D1 FOR SERVICES BETWEEN POINTS IN, OR ROUTED VIA U.S. MAINLAND AND POINTS ROUTED VIA PUERTO RICO

PARTIES	BET	C&W	CODETEL	JAMINTEL	TELECO D'HAITI	TELECOM	TEXTEL	AT&T	AT&T-PR	ITT WORLDCOM	MCII	RCA GLOBCOM	US SPRINT	TOTAL
BET	0	0	0	0	0	0	0	24	0	0	4	0	6	34
C&W	0	0	0	0	0	0	0	113	0	0	0	0	12	125
CODETEL	0	0	0	0	0	0	0	270	0	0	5	3	0	278
JAMINTEL	0	0	0	0	0	0	0	225	0	0	5	2	0	232
TELECO D'HAITI	0	0	0	0	0	0	0	90	0	0	0	1	0	91
TELECOM	0	0	0	0	0	0	0	600	0	0	0	0	30	660
TEXTEL	0	0	0	0	0	0	0	30	0	0	0	0	0	30
AT&T	24	113	270	225	90	600	30	580	0	0	0	0	0	1932
AT&T-PR	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ITT WORLDCOM	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MCII	4	0	5	5	0	0	0	0	0	0	0	0	0	14
RCA GLOBCOM	0	0	3	2	1	0	0	0	0	0	0	0	0	6
US SPRINT	6	12	0	0	0	30	0	0	0	0	0	0	0	48
D1 TOTAL	34	125	278	232	91	630	30	1932	0	0	14	6	48	3420

SUBSCHEDULE D2 FOR SERVICES SOLELY BETWEEN US MAINLAND AND PUERTO RICO

PARTIES	ITT WORLDCOM	MCII	RCA GLOBCOM	US SPRINT	TOTAL
ITT WORLDCOM	540	0	0	0	540
MCII	0	360	0	0	360
RCA GLOBCOM	0	0	180	0	180

US SPRINT	0	0	0	1260	1260
D2 TOTAL	540	360	180	1260	2340

TOTAL HALF INTERESTS IN MAUOs in SEGMENT F: 5760

MINIMUM ASSIGNABLE UNITS OF OWNERSHIP (MAUOS) IN THE TSC–1 CABLE SYSTEM—SUBSEGMENT G1

PUERTO RICO—DOMINICAN REPUBLIC LIGHTGUIDE PAIR HALF INTERESTS IN MAUOS

PARTIES	BET	C&W	CODETEL	JAMINTEL	TELECO D'HAITI	TELECOM	TEXTEL	AT&T	AT&T-PR	ITT WORLDCOM	MCII	RCA GLOBCOM	US SPRINT	TOTAL
BET	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C&W	0	0	0	6	0	0	0	0	0	0	0	0	0	6
CODETEL	0	0	0	0	0	15	0	562	250	0	10	6	0	843
JAMINTEL	0	6	0	0	0	0	15	469	0	0	10	4	0	504
TELECO D'HAITI	1	0	0	0	0	0	0	187	0	0	0	2	0	189
TELECOM	0	0	15	0	0	0	0	0	0	0	0	0	0	15
TEXTEL	0	0	0	15	0	0	0	0	0	0	0	0	0	15
AT&T	0	0	562	469	187	0	0	708	0	0	0	0	0	1926
AT&T-PR	0	0	250	0	0	0	0	0	0	0	0	0	0	250
ITT WORLDCOM	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MCII	0	0	10	10	0	0	0	0	0	0	0	0	0	20
RCA GLOBCOM	0	0	6	4	2	0	0	0	0	0	0	0	0	12
US SPRINT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	6	843	504	189	15	15	1926	250	0	20	12	0	3780

MINIMUM ASSIGNABLE UNITS OF OWNERSHIP (MAUOS) IN THE TSC–1 CABLE SYSTEM—SUBSEGMENT G1

PUERTO RICO—COLOMBIA LIGHTGUIDE PAIR HALF INTERESTS IN MAUOS

PARTIES	BET	TELECOM	C&W	CODETEL	JAMINTEL	TELECO D'HAITI	TEXTEL	AT&T	AT&T-PR	ITT WORLDCOM	MCII	RCA GLOBCOM	US SPRINT	TOTAL
BET	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C&W	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CODETEL	0	0	0	0	0	21	0	0	0	0	0	0	0	21
JAMINTEL	0	0	0	0	0	0	0	0	0	0	0	0	0	0

TELECO D'HAITI	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TELECOM	0	0	21	0	0	0	0	1780	0	0	0	0	89	1890
TEXTEL	0	0	0	0	0	0	0	0	0	0	0	0	0	0
AT&T	0	0	0	0	0	1780	0	0	0	0	0	0	0	1780
AT&T-PR	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ITT WORLDCOM	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MCII	0	0	0	0	0	0	0	0	0	0	0	0	0	0
RCA GLOBCOM	0	0	0	0	0	0	0	0	0	0	0	0	0	0
US SPRINT	0	0	0	0	0	89	0	0	0	0	0	0	0	89
TOTAL	0	0	21	0	0	1890	0	1780	0	0	0	0	89	3780

MINIMUM ASSIGNABLE UNITS OF OWNERSHIP (MAUOS) IN THE TSC–1 CABLE SYSTEM—SUBSEGMENT G2

PUERTO RICO—DOMINICAN REPUBLIC LIGHTGUIDE PAIR HALF INTERESTS IN MAUOS

PARTIES	BET	C&W	CODETEL	JAMINTEL	TELECO D'HAITI	TELECOM	TEXTEL	AT&T	AT&T-PR	ITT WORLDCOM	MCII	RCA GLOBCOM	US SPRINT	TOTAL
BET	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C&W	0	0	0	6	0	0	0	0	0	0	0	0	0	6
CODETEL	0	0	0	0	0	15	0	562	250	0	10	6	0	843
JAMINTEL	0	6	0	0	0	0	15	469	0	0	10	4	0	504
TELECO D'HAITI	0	0	0	0	0	0	0	187	0	0	0	2	0	189
TELECOM	0	0	15	0	0	0	0	0	0	0	0	0	0	15
TEXTEL	0	0	0	15	0	0	0	0	0	0	0	0	0	15
AT&T	0	0	562	469	187	0	0	708	0	0	0	0	0	1926
AT&T-PR	0	0	250	0	0	0	0	0	0	0	0	0	0	250
ITT WORLDCOM	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MCII	0	0	10	10	0	0	0	0	0	0	0	0	0	20
RCA GLOBCOM	0	0	6	4	2	0	0	0	0	0	0	0	0	12
US SPRINT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	6	843	504	189	15	15	1926	250	0	20	12	0	3780

MINIMUM ASSIGNABLE UNITS OF OWNERSHIP (MAUOS) IN THE TSC–1 CABLE SYSTEM—SUBSEGMENT G3

DOMINICAN REPUBLIC—JAMAICA LIGHTGUIDE PAIR HALF INTERESTS IN MAUOS

PARTIES	BET	C&W	CODETEL	JAMINTEL	TELECO D'HAITI	TELECOM	TEXTEL	AT&T	AT&T-PR	ITT WORLDCOM	MCII	RCA GLOBCOM	US SPRINT	TOTAL
BET	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C&W	0	0	0	5	0	0	0	0	0	0	0	0	0	5
CODETEL	0	0	0	6	0	0	0	0	0	0	0	0	0	6
JAMINTEL	0	5	6	0	3	0	11	338	0	0	8	3	0	374
TELECO D'HAITI	0	0	0	3	0	0	0	0	0	0	0	0	0	3
TELECOM	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TEXTEL	0	0	0	11	0	0	0	0	0	0	0	0	0	11
AT&T	0	0	0	338	0	0	0	512	0	0	0	0	0	850
AT&T-PR	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ITT WORLDCOM	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MCII	0	0	0	8	0	0	0	0	0	0	0	0	0	8
RCA GLOBCOM	0	0	0	3	0	0	0	0	0	0	0	0	0	3
US SPRINT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	5	6	374	3	0	11	850	0	0	8	3	0	1260

MINIMUM ASSIGNABLE UNITS OF OWNERSHIP (MAUOS) IN THE TSC–1 CABLE SYSTEM—SUBSEGMENT G4

PUERTO RICO—COLOMBIA LIGHTGUIDE PAIR HALF INTERESTS IN MAUOS

PARTIES	BET	C&W	CODETEL	JAMINTEL	TELECO D'HAITI	TELECOM	TEXTEL	AT&T	AT&T-PR	ITT WORLDCOM	MCII	RCA GLOBCOM	US SPRINT	TOTAL
BET	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C&W	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CODETEL	0	0	0	0	0	21	0	0	0	0	0	0	0	21
JAMINTEL	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TELECO D'HAITI	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TELECOM	0	0	21	0	0	0	0	1780	0	0	0	0	89	1890
TEXTEL	0	0	0	0	0	0	0	0	0	0	0	0	0	0
AT&T	0	0	0	0	0	1780	0	0	0	0	0	0	0	1780

AT&T-PR	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ITT WORLDCOM	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MCII	0	0	0	0	0	0	0	0	0	0	0	0	0	0
RCA GLOBCOM	0	0	0	0	0	0	0	0	0	0	0	0	0	0
US SPRINT	0	0	0	0	0	89	0	0	0	0	0	0	0	89
TOTAL	0	0	21	0	0	1890	0	1780	0	0	0	0	89	3780

APPENDIX 4

ATTACHMENT D

AT&T EXTENSION FACILITIES REQUESTED

System	**MAUOs Requested**	**Cost per Half-MAUO**	
Puerto Rico—St. Thomas			
St. Thomas—Tortola			
Eastern Caribbean Microwave System By segment	**MAUOs Required**	**2Mb/s Channels Requested** *	**Cost ($000) Per 2 Mb/s Half-Channel**
Tortola—Saba	280	10	21.4
Saba—St. Kitts	250	9	11.3
St. Kitts—Montserrat	245	9	16.7
Montserrat—Guadeloupe	192	7	14.0
Guadeloupe—Marie Galante	102	4	8.6
Marie Galante—Dominica	102	4	8.1
Dominica—Martinique	90	3	8.1
Martinique—St. Lucia	90	3	9.0
St. Lucia—St. Vincent	80	3	8.5
St. Vincent—Carriacou	43	2	12.2
Carriacou—Grenada	43	2	19.3
Grenada—Trinidad	30	1	18.4
Spurs			

Saba—St. Maarten	30	1	**
Montserrat—Antigua	49	2	47.5
St. Vincent—Barbados	24	1	89.0

* C&W provides capacity in the ECMS either on an individual MAUO or on a 2 Mb/s channel basis (30 MAUOs). Because individual MAUOs require more multiplex equipment than IRU obtained on a 2 Mb/s channel basis, it is more economical to purchase IRU on a 2 Mb/s channel basis when more than about 9 MAUOs are required.

** Capacity in the Saba—St. Maarten Spur will be obtained from Lands Radio on an IRU basis. Lands Radio, unlike C&W, has not yet fully developed its price for the IRU. Such price is expected to be commensurate with the price for the IRU being obtained from C&W, considering the size and fill of Lands Radio's digital microwave radio system.

FCC

Footnotes

FN23 98 FCC 2d at p. 455.

3 FCC Rcd. 6073 (F.C.C.), 3 F.C.C.R. 6073, 1988 WL 489321