



PUBLIC NOTICE

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DA No. 02-2523
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ACTIONS TAKEN UNDER CABLE LANDING LICENSE ACT

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

By the Chief, Policy Division, International Bureau:

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

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

The Commission most recently amended its rules applicable to submarine cable landing licenses in *Review of Commission Consideration of Applications under the Cable Landing License Act*, IB Docket No. 00-106, FCC 01-332 (rel. Dec. 14, 2001), 67 Fed. Reg. 1615 (Jan. 14, 2002). An updated version of sections 1.767 and 1.768 of the rules is available at <http://www.fcc.gov/ib/pd/pf/telecomrules.html>. See also http://hraunfoss.fcc.gov/edocs_public/attachmatch/DA-02-598A1.pdf for a March 13, 2002 Public Notice; http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-01-332A1.pdf for the December 14, 2001 Report and Order.

SCL-ASG-20020814-00065

FLAG Atlantic Limited (Debtor-in-Possession) (Licensee and Assignor)
FLAG Telecom Global Network Limited (Assignee)

**FLAG Telecom Holdings Limited as Debtor-in-Possession
(Transferor)
FLAG Telecom Group Limited (Transferee)**

PRO FORMA ASSIGNMENT AND
TRANSFER OF CONTROL

Action Taken: Grant of authority to *pro forma* assign FLAG Atlantic-1 submarine cable landing license from FLAG Atlantic Limited as Debtor-in-Possession (FLAG Atlantic DIP) to FLAG Telecom Global Network Limited (FLAG Global), a wholly-owned subsidiary of FLAG Telecom Holdings Limited as Debtor-in-Possession (FLAG Telecom DIP), and grant of authority to simultaneously transfer control of FLAG Global from FLAG Telecom DIP to FLAG Telecom Group Limited (FTGL).

Conditions and Requirements: See *FLAG Atlantic Limited*, Cable Landing License, File No. SCL-LIC-19990301, 15 FCC Rcd 21359 (IB 1999). Licensees shall comply with the requirements of Section 1.768 (notifications and prior approval for submarine cable landing licensees that are or propose to become affiliated with a foreign carrier), 47 C.F.R. § 1.768. See also 47 C.F.R. § 1.767(g) (1) (14). Licensees may file, pursuant to paras. 33 and 63 of the Commission's Report and Order in IB Docket No. 00-106, to seek authority to substitute the new no special concession rule for the no exclusive arrangements condition in para. 15(4) of the Cable Landing License, and authority for post-transaction notification of *pro forma* transactions. See 47 C.F.R. §§ 1.767(g)(5), 1.767(g)(7); see also *New Submarine Cable Landing License Rules Schedule to Take Effect March 15*, Public Notice, DA 02-598 (2002).

This grant is conditioned on FTGL notifying the Commission of any 10% or greater direct or indirect shareholders of FLAG Global, including the information required under sections 1.767 and 63.18(h) of the rules, or certifying that there are no 10% or greater shareholders, within five business days after the ownership of FTGL is conclusively established. See 47 C.F.R. §§ 1.767, 63.18(h).

This grant is conditioned on FTGL providing an interlocking directorate certification within five business days after the appointment of the FTGL and its subsidiaries' board of directors. See 47 C.F.R. § 63.18(h).

Licensee Information: FLAG Atlantic DIP is a company organized under the laws of Bermuda, and is a wholly-owned subsidiary of FLAG Atlantic Holdings Limited as Debtor-in-Possession (FAHL DIP). FLAG Atlantic DIP operates the FLAG Atlantic-1 non-common carrier submarine cable between the continental United States and the United Kingdom and France. FLAG Atlantic Limited (FLAG Atlantic), the holder of the License prior to FLAG Atlantic DIP, is a corporation which, together with its direct parent, FLAG Atlantic Holdings Limited (FAHL), and its ultimate parent, FLAG Telecom Holdings Limited (FLAG Telecom), filed for reorganization under Chapter 11 of the bankruptcy laws in April 2002. The proposed transaction will occur pursuant to a Plan of Reorganization under the supervision of a bankruptcy court.

FAHL DIP is a company organized under the laws of Bermuda, and is a wholly-owned subsidiary of FLAG Telecom DIP.

Pursuant to a Plan of Reorganization, FLAG Telecom DIP will be acquired by FTGL, a company that is being organized in Bermuda. As a result of this transaction, FLAG Global will become the direct holder of the License and ultimately will be controlled by FTGL.

FTGL will be owned exclusively by significant creditors of FLAG Telecom and certain of its subsidiaries (including FLAG Atlantic and FAHL). The common stock of FTGL will be publicly traded. As of August 1, 2002, the record date for the Plan of Reorganization, Applicants state that only one party will

hold greater than 5% interest in FTGL: Goldman Sachs & Co., with 10.3% ownership interest. Applicants state that other than Goldman Sachs & Co., no other party will hold, individually or in the aggregate, greater than 5% of the equity of FTGL.

FLAG Global, as a result of the reorganization, will be affiliated with the following foreign carriers: FLAG Atlantic France Sarl (France); Flag Atlantic UK Limited (United Kingdom); Flag Telecom Asia Limited (Hong Kong); FLAG Telecom Belgium Network, SA (Belgium); FLAG Telecom Deutschland Network, GmbH (Germany); FLAG Telecom Espana Network SAU (Spain); FLAG Telecom France Network SAS (France); FLAG Telecom Ireland Limited (Ireland, Spain (resale only); United Kingdom; Netherlands; Italy (resale only); FLAG Telecom Japan Limited (Japan); FLAG Telecom Nederland Network, BV (Netherlands); FLAG Telecom Norway Network AS (Norway); FLAG Telecom Servizi Italia SpA (Italy); FLAG Telecom Singapore Pte. Limited (Singapore); FLAG Telecom Switzerland Network AG (Switzerland); GT Group Telecom, Inc. (Canada); Seoul Telnet, Inc. (South Korea); Telemig Celular Participaones S.A. (Brazil).

FLAG Global certifies that an entity that will control FLAG Global will also control foreign carriers that are subsidiaries of FLAG Atlantic for purposes of constructing and operating the components of the FLAG Atlantic-1 cable system in the United Kingdom and France, which are the destination countries of the FLAG Atlantic-1 cable system. FLAG Global states that the United Kingdom and France are members of the WTO. FLAG Global states that it will control FLAG Telecom Ireland Limited, which is licensed as a public telecommunications operator in the United Kingdom. FLAG Global certifies that the affiliated foreign carriers in the destination markets do not possess market power.

Interlocking Directorates: Applicants state that they are unable to make any certification with respect to interlocking directorates because the creditors who will be the holders of FTGL's common stock have not yet appointed the board of directors of FTGL or any of its subsidiaries.

Regulatory Status of Cable: FLAG Atlantic-1 cable system is operated on a non-common carrier basis. See *FLAG Atlantic Limited*, 15 FCC Rcd 21359, para. 1.

Cable Design and Capacity: See, File No. SCL-LIC-19990301.
