

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In the Matter of)	
)	
GU Holdings Inc.)	File No. SCL-LIC-20210225-00014
)	
Application for a License to Land and)	
Operate Within the United States a)	
Submarine Cable Network Connecting)	
Spain and the United Kingdom.)	
)	
The Grace Hopper Cable System)	

PETITION TO ADOPT CONDITIONS TO AUTHORIZATION AND LICENSE

Pursuant to Executive Order 13913, the National Telecommunications and Information Administration (NTIA) submits this Petition to Adopt Conditions to Authorization and License (Petition) on behalf of the Committee for the Assessment of Foreign Participation in the United States Telecommunications Services Sector (Committee).¹ Through this Petition, and pursuant to section 1.41 of the Commission’s Rules, the Committee advises the Commission that it has no objection to the Commission approving the above-captioned application, provided that the Commission conditions its approval on the assurances of GU Holdings Inc. (“GU Holdings”), (collectively, the parties), to abide by the commitments and undertakings set forth in the October 27, 2021, Letter of Agreement (LOA), a copy of which is attached hereto.²

Section 2 of the Cable Landing License Act authorizes the President to withhold, revoke, or condition a submarine cable landing license if the President determines that such action would, among other things, “promote the security of the United States.”³ In 1954, the President

¹ Exec. Order No. 13913, § 9(h), 85 Fed. Reg. 19643, 19647-48 (2020). The Executive Order directs the Committee to “assist the [Commission] in its public interest review of national security and law enforcement concerns that may be raised by foreign participation in the United States telecommunications services sector.” *Id.* § 3(a), 85 Fed. Reg. at 19643.

² 47 C.F.R. § 1.41.

³ 47 U.S.C. § 35.

delegated that authority to the Commission, subject to a requirement that it not act on an application without first obtaining “such advice from any executive department or establishment of the Government as the Commission deems necessary.”⁴ The Commission has long sought the expertise of the relevant Executive Branch agencies and has routinely granted agencies’ requests to impose conditions on cable landing licenses to address national security, law enforcement and other concerns raised by particular applications.⁵

After discussions with representatives of the parties in connection with the above-captioned application, the Committee has concluded that the additional commitments and undertakings set forth in the LOA will help ensure that those agencies with responsibility for protecting national security, enforcing the law, and preserving public safety can proceed appropriately to satisfy those responsibilities.

Accordingly, NTIA on behalf of the Committee advises the Commission that the Committee has no objection to the Commission granting the above-captioned application, provided that the Commission conditions its consent on compliance with the October 27, 2021, LOA attached to this filing.

Respectfully submitted,



Kathy Smith
Chief Counsel

National Telecommunications and
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November 10, 2021

⁴ Exec. Order No. 10530, § 5(a), 19 Fed. Reg. 2709, 2711 (1954). *See also* 47 C.F.R. § 1.767(b).

⁵ *See, e.g., Actions Taken Under Cable Landing License Act*, 34 FCC Rcd 8628 (2019), 32 FCC Rcd 3791, 3792-93 (2017), 28 FCC Rcd 1323, 1324 (2013), 24 FCC Rcd 2219, 2200 (2009), 23 FCC Rcd 13149, 13420 (2008).



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October 27, 2021

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Dear Sirs:

This Letter of Agreement (“LOA”) outlines the commitments made by GU Holdings Inc. (“GU Holdings”) to the U.S. Department of Homeland Security (“DHS”) and the U.S. Department of Defense (“DoD”) (collectively, the “Compliance Monitoring Agencies” or “CMAs”) to address national security and law enforcement risks raised with regard to an application (“the Application”) filed by GU Holdings with the Federal Communications Commission (“FCC”) for a license to construct, land, and operate a private fiber-optic submarine cable system connecting the United States with the United Kingdom and Spain, the Grace Hopper Cable System (“Grace Hopper”).¹

GU Holdings certifies as true and correct, under penalties outlined in 18 U.S.C. § 1001, all statements GU Holdings or its representatives have made to DHS; the U.S. Department of Justice, including the Federal Bureau of Investigation; DOD; and the FCC in the course of the review of the above-referenced application that the Committee for the Assessment of Foreign Participation in the United States Telecommunications Services Sector (“Committee”) conducted pursuant to Executive Order 13913. GU Holdings hereby adopts those statements as the basis for this LOA.

¹ FCC File No. SCL-LIC-20210225-00014.; Team Telecom Case 21-024

GU Holdings has agreed to provide this LOA to DHS and understands that upon execution of this LOA, the FCC will be petitioned to condition the cable landing license for Grace Hopper on compliance with this LOA.

For purposes of this LOA:

- A. “Access” means the ability to physically or logically undertake any of the following actions: (a) read, divert, or otherwise obtain non-public information or technology from or about software, hardware, a system or a network; (b) add, edit or alter information or technology stored on or by software, hardware, a system or a network; and (c) alter the physical or logical state of software, hardware, a system or a network (e.g., turning it on or off, changing configuration, removing or adding components or connections).
- B. “Cybersecurity Incident Response Plan” means a plan or processes put in place to develop and implement the appropriate activities to take action regarding a detected cybersecurity event that has been determined to have an impact on Grace Hopper prompting the need for response and recovery.
- C. “Domestic Communications” or “DC” means: (a) Wire Communications or Electronic Communications (whether stored or not) from one U.S. location to another U.S. location and (b) the U.S. portion of a Wire Communication or Electronic Communication (whether stored or not) that originates or terminates in the United States or its territories.
- D. “Domestic Communications Infrastructure” or “DCI” means: (a) any portion of Grace Hopper that physically is located in the United States, up to and including the submarine line terminating equipment (“SLTE”), including (if any) transmission, switching, bridging, and routing equipment, and any associated software (with the exception of commercial-off-the-shelf (“COTS”) software used for common business functions, *e.g.*, Microsoft Office) used by, or on behalf of GU Holdings for Grace Hopper to provide, process, direct, control, supervise, or manage DC; and (b) Network Operations Center (“NOC”) facilities, as defined in Section F below.
- E. “Electronic Communication” has the meaning set forth in 18 U.S.C. § 2510(12).
- F. “Internet Protocol Detail Record” (“IPDR”) means information about internet protocol based usage and other activities that can be used by operation support systems and business systems by recording data statistics that provide network insight on capacity, subscriber usage, and proactive network maintenance.
- G. “Network Operations Center” or “NOC” means the locations and facilities designated as such by GU Holdings for purposes of performing network management, monitoring, maintenance, or other operational functions for Grace Hopper.
- H. “Personally Identifiable Information” or “PII” means any information that uniquely identifies and correlates to a natural person or can be used to distinguish or trace a natural person’s identity, alone, including his or her name, social security number, or biometric

records, or when combined with other personal or identifying information that is linked or linkable to a specific individual, including date and place of birth, or parent's surname.

- I. "Principal Equipment" means the primary electronic components of Grace Hopper, which includes the DCI and Wet Infrastructure. Principal Equipment consists of: network element servers; routers; switches; repeaters; SLTE; system supervisory equipment ("SSE"); signal modulators and amplifiers; power feed equipment ("PFE"); tilt and shape equalizer units ("TEQ/SEQ"); optical distribution frames ("ODF"); branching units ("BU"); synchronous optical network ("SONET"); synchronous digital hierarchy ("SDH"); wavelength selective switch ("WSS") technology; wave division multiplexing ("WDM"), dense wave division multiplexing ("DWDM"); coarse wave division multiplexing ("CWDM"); or optical carrier network ("OCx") equipment, as applicable; and all embedded software for the equipment and non-embedded software used for monitoring, administration, or provisioning Grace Hopper (with the exception of COTS software used for common business functions, *e.g.*, Microsoft Office).
- J. "Screened Personnel" has the meaning set forth in Section 11 below.
- K. "Security" means a condition that results from the establishment and maintenance of protective measures that enable an organization to perform its mission or critical functions despite risks posed by threats to its use of systems. Protective measures may involve a combination of deterrence, avoidance, prevention, detection, recovery, and correction that should form part of the organization's risk management approach.
- L. "Sensitive Personal Data" means sensitive personal data as set forth in 31 C.F.R. § 800.241.
- M. "Subscriber Information" means any information of the type referred to and accessible subject to the procedures set forth in 18 U.S.C. § 2703(c)(2) or 18 U.S.C. § 2709, as amended or superseded.
- N. "U.S. Records" means GU Holding's customer billing records, Subscriber Information, PII, Sensitive Personal Data, IPDRs, and any other information used, processed, or maintained in the ordinary course of business related to the services offered by GU Holdings in connection with Grace Hopper within the United States, including information subject to disclosure to a U.S. federal or state governmental entity under the procedures set forth in 18 U.S.C. §§ 2703(c)-(d) and 18 U.S.C. § 2709.
- O. "Wet Infrastructure" means hardware components installed and residing on the undersea portion of Grace Hopper, including fiber optic cables, repeaters, BUs, and routers (if any). Wet Infrastructure includes all the components used to define the topology of the undersea portion of Grace Hopper.
- P. "Wire Communication" has the meaning set forth in 18 U.S.C. § 2510(1).

GU Holdings undertakes to comply with the following commitments with respect to Grace Hopper:

1. Security Point of Contact

GU Holdings agrees to maintain a Security Point of Contact (“POC”) for purposes of this LOA. The POC will be a U.S. citizen and, to the knowledge of GU Holdings, will be eligible to hold an active U.S. Government security clearance at the “Secret” level or higher. The POC will possess the appropriate authority, reporting lines, independence, skills, and resources to ensure compliance with the terms of this LOA. GU Holdings agrees to nominate a proposed POC within **30 days** of the execution of this LOA. GU Holdings understands that the POC nomination will be subject to CMA review and approval and may be subject to a background check at the sole discretion of the CMAs. In order to facilitate this, GU Holdings will provide the name, date of birth, place of birth, social security number, and passport number of the nominee, and will subsequently provide any other information requested by the CMAs.

The POC will be available twenty-four (24) hours per day, seven (7) days per week, regarding any national security or law enforcement concerns that the CMAs may raise with respect to Grace Hopper. Upon request by the CMAs, the POC will make himself/herself available in person within the United States at a mutually agreeable date and location within **72 hours**, including in a classified setting as determined necessary. The POC will be responsible for receiving and promptly effectuating any lawful inquiries or requests for information and for otherwise ensuring compliance with obligations set forth in this LOA.

GU Holdings agrees to notify the CMAs of any proposed change to the POC at least **15 days** in advance of such proposed change (except in the case of the unexpected firing, resignation, or death of a POC in which case such written notice must be provided within **5 days** of such an event). GU Holdings understands that any proposed POC will be subject to CMA review and approval pursuant to this Section as outlined above.

2. Cable System Information

Within **60 days** of the execution of this LOA, and, thereafter, within **30 days** upon CMA request, GU Holdings agrees to make available the following Grace Hopper System Information:

- (a) Network management information, including: (1) a network map that includes physical and logical topology, including any terrestrial backhaul from the cable landing stations to the SLTE locations or other facilities housing Grace Hopper Principal Equipment; (2) network and telecommunications architecture descriptions and associated descriptions of interconnection points and controlled gateways to the DCI and Wet Infrastructure; (3) network operational plans, processes, and procedures; (4) locations and functions of any NOCs, data centers, and main distribution facilities; (5) organizational chart, to include specific

reference to the names and positions of senior GU Holdings officials responsible for operations of Grace Hopper, and/or senior officials of any third parties performing such duties on behalf of GU Holdings; and (6) descriptions of interfaces and connections to Grace Hopper for service offload, disaster recovery, or administrative functions;

- (b) A complete and current list of all contracts held by GU Holdings or its designee(s) for the maintenance, repair, and security of Grace Hopper; and
- (c) A restoration plan for the Principal Equipment and the Wet Infrastructure for Grace Hopper.

3. Operational Requirements

With respect to the operation of Grace Hopper, GU Holdings agrees as follows:

- (a) GU Holdings will have the ability to promptly and effectively interrupt, in whole or in part, traffic to and from the United States on Grace Hopper by disabling or disconnecting circuits at the U.S. cable landing station or at other locations within the United States; and
- (b) GU Holdings will configure all necessary systems to ensure the NOC can suspend or interrupt the optical carrier signal or all of Grace Hopper.

If GU Holdings is required to interrupt traffic to or from the United States as a result of lawful U.S. process, GU Holdings will be permitted to disclose publicly that it was required to interrupt service in response to lawful U.S. process consistent with any limits on disclosure that may be imposed by such lawful U.S. process and without disclosing any of the other content of such request.

Within **5 days** of selecting a NOC provider, GU Holdings will submit to the CMAs the NOC location and the controller, operator, or manager for the NOC or NOCs for CMA approval. GU Holdings understands that the CMAs will approve or disapprove of the locations and operators within **45 days** of receipt. GU Holdings agrees to notify the CMAs of any proposed change to NOC location(s) or operator(s), to include the addition of new NOC locations, at least **45 days** in advance of such proposed change. GU Holdings understands the CMAs will approve or disapprove the new operator, location, or locations within **45 days** of acknowledgement of receipt.

4. Principal Equipment

Within **60 days** of the execution of this LOA, GU Holdings agrees to provide the CMAs with a list to include:

- (a) A complete and current list of all Principal Equipment, including:
 - (1) a description of each item and the functions supported;
 - (2) each item's manufacturer; and
 - (3) the model and/or version number of any hardware or software; and
- (b) Any vendors, contractors, or subcontractors involved in providing, installing, operating, managing, repairing, or maintaining the Principal Equipment.

At the sole discretion of the CMAs, GU Holdings agrees to supplement in writing the foregoing definition of Principal Equipment to address subsequent technological developments with submarine systems.

Objections to the Principal Equipment List will be handled pursuant to Section 8.

5. Modifications to Existing Principal Equipment

GU Holdings agrees to provide DHS at least **45 days'** advance notice prior to performing any maintenance, repair, or replacement that would result in any modification to the quantum, function, configuration, operation, or location of existing Principal Equipment for Grace Hopper.

The 45 days' advance notice requirement is waived for any maintenance, repair, or replacement that is undertaken in response to an unforeseen or uncontrollable event and that is necessary to ensure the continued operability of Grace Hopper; however, in such circumstances, GU Holdings agrees to provide advance notice to the CMAs of the modification, if practicable, and, if impracticable, GU Holdings agrees to provide notice within **10 days** after the maintenance, repair, or replacement. This notice will include a detailed description of the equipment replaced and the circumstances surrounding the need to replace the Principal Equipment without 45 days' advance notice.

GU Holdings may continue to utilize any Principal Equipment maintained, repaired, or replaced pursuant to the process outlined in this Section, including in case of unforeseen or uncontrollable events, provided that the CMAs do not object pursuant to Section 8. In the event of such an objection, GU Holdings will not begin reliance upon, expand existing deployment of, or enhance the capabilities of any Principal Equipment to which the CMAs have objected, and GU Holdings agrees to meet, confer, and otherwise attempt in good faith to resolve DHS's objection. Until any objection is resolved, GU Holdings will not upgrade, install, replace, or service any objectionable Principal Equipment without written authorization from the CMAs.

6. Change in Vendors, Contractors, or Subcontractors for Principal Equipment

GU Holdings agrees to provide at least **45 days'** advance notice prior to any addition to the list of vendors, contractors, or subcontractors involved in providing, installing, operating, managing, repairing, or maintaining the Principal Equipment for Grace Hopper.

In addition, GU Holdings agrees to provide at least **45 days'** advance notice prior to changing the service offerings or support from a previously-listed vendor, contractor, or subcontractor (*i.e.*, where a previously-listed provider will be offering support in a previously unidentified way).

Objections to any new vendor, contractor, or subcontractor for the Principal Equipment or the proposed service offerings thereof will be handled pursuant to Section 8.

7. Equipment Testing

GU Holdings agrees to provide at least **45 days'** advance notice prior to initiating the testing of any new Principal Equipment for Grace Hopper by any vendor not already on the approved Principal Equipment List. Objections to any testing proposed pursuant to this Section will be handled pursuant to Section 8.

GU Holdings agrees to provide DOD at least 45 days' advance notice prior to deploying any distributed acoustic sensing technology onto the Wet Infrastructure. GU Holdings will provide such notice to DOD via email at osd.pentagon.ousd-a-s.list.team-telecom@mail.mil, with a courtesy copy to the CMAs. DOD will approve or disapprove the deployment within **45 days** of receipt.

8. Objection Resolution

Within **90 days** of receipt of any notice provided by GU Holdings pursuant to Sections 4, 5, 6, or 7, the CMAs will either provide written approval or disapproval to GU Holdings of the action described in such notice. If within the 90-day approval/disapproval period DHS seeks additional information from GU Holdings, the approval/disapproval period shall be extended by the number of days the CMAs awaited the requested information. In the event of CMA disapproval, GU Holdings will not expand the existing deployment or enhance the capabilities of any Principal Equipment of which the CMAs have disapproved, and GU Holdings agrees to meet, confer, and resolve the CMA's disapproval. Until the CMA's disapproval is resolved, GU Holdings will not upgrade, install, replace, or service any disapproved Principal Equipment without written authorization from the CMAs.

9. Measures to Prevent Improper Use and Unauthorized Access

GU Holdings agrees to take practicable measures to prevent unauthorized logical Access to Grace Hopper and to prevent any unlawful use or disclosure of information being

carried on the same, and GU Holdings will include these measures in the policies that it will develop and implement pursuant to this LOA. For purposes of this Section, such “practicable measures,” at a minimum, include effectuating compliance with all applicable U.S. laws and regulations governing cybersecurity, information security, and privacy and will be measures consistent with best practices and guidelines, such as but not limited to the Cybersecurity Framework of National Institute of Standards and Technology and 27001 Series Standards of the International Organization for Standardization. These measures should also include items such as configuration management, security audits, and system interconnection documentation, as well as contractual safeguards and screening procedures for personnel with logical Access to the DCI.

GU Holdings agrees that such practicable measures relating to Grace Hopper will also include, among other things, policies or plans relating to its information security, supply chain security, cybersecurity incident response, remote access, cybersecurity, third-party contractors, outsourcing and offshoring, maintenance and retention of system logs, protection of lawful U.S. process, protection of U.S. Records obtained by GU Holdings in the ordinary course of business, and GU Holdings’ plans regarding new contracts or amendments to existing contracts with third-party providers with access to U.S. Records related to Grace Hopper that requires those third parties to notify GU Holdings in the event of unauthorized access to or disclosure of U.S. Records within a specified time period after discovery, not to exceed 72 hours from the time of discovery, unless the CMAs grant a waiver.

GU Holdings agrees to take appropriate measures to protect and promote resiliency of Grace Hopper, including measures to ensure that security patches for systems and applications are up to date.

GU Holdings agrees to maintain or exceed security standards and best practices utilized within the U.S. telecommunications industry for maintenance of password systems and firewalls, monitoring and oversight of logical Access to Grace Hopper, maintenance of non-destructive logical Access logs, and periodic internal audits of network security and associated network devices.

GU Holdings agrees to submit a policy regarding logical security measures adopted in accordance with the requirements of this Section to the CMAs within **90 days** of the date of execution of this LOA. GU Holdings agrees that the policy will be updated when appropriate to conform with evolving information security standards and that GU Holdings will make additional modifications to the policy, if requested by the CMAs, and work with the CMAs to implement such modifications. The CMAs will approve or disapprove the policy within **90 days** of receipt.

10. Physical Security Measures

GU Holdings agrees to take practicable measures to physically secure Grace Hopper, including the DCI and Wet Infrastructure. GU Holdings will screen appropriate

personnel in accordance with Section 11 below, and GU Holdings will require that all persons who physically Access the DCI are escorted at all times by Screened Personnel, as defined herein.

GU Holdings agrees to submit a policy setting forth its physical security measures to the CMAs within **90 days** of the date of execution of this LOA. The CMAs will approve or disapprove the policy within **90 days** of receipt.

11. Screening of Personnel

GU Holdings agrees to implement, either directly (including through an affiliate) or through a vendor or service provider, a process to screen any existing or newly-hired GU Holdings personnel (or any personnel performing under an agreement or arrangement with GU Holdings to do the same) in, at minimum, the following circumstances:

- (a) Any person whose position could involve logical Access to the DCI; and
- (b) Any person charged with securing the DCI.

GU Holdings' personnel screening process will be reflected in a written policy and will include background investigations, public criminal records checks, or other analogous means to ascertain a person's trustworthiness. Upon satisfactory completion of the requirements set forth in the screening policy, such persons shall be considered "Screened Personnel."

GU Holdings agrees to submit the screening policy to the CMAs within **90 days** of the date of execution of this LOA. The CMAs will approve or disapprove the policy within **90 days** of receipt. GU Holdings agrees to cooperate with any request by the CMAs to provide additional identifying information regarding Screened Personnel.

12. Reporting Incidents and Breaches

GU Holdings agrees to report to the CMAs within **48 hours** if it learns of information that reasonably indicates:

- (a) Unauthorized third-party Access to, or disruption or corruption of, Grace Hopper or any service or information being carried on Grace Hopper;
- (b) Any other unauthorized Access to or disclosure of Domestic Communications on Grace Hopper in violation of federal, state, or local law;
- (c) Any material breach of the commitments made in this LOA, including a violation of any approved plan, policy, or procedure under this LOA.;
- (d) Any unauthorized Access to, or disclosure of, information obtained from or relating to Government entities in connection with Grace Hopper; or

- (e) Any one or more of the following which affect GU Holdings' computer network(s) or associated information systems in connection with Grace Hopper
- (1) Unauthorized disruptions to a service or denial of a service;
 - (2) Unauthorized processing or storage of data;
 - (3) Unauthorized modifications to system hardware, firmware, or software, including the identification of vulnerabilities introduced through a cyber supply chain compromise;
 - (4) Unplanned incidents that cause activation of GU Holdings' Cybersecurity Incident Response Plan;
 - (5) Attempts from unauthorized sources to Access systems or data if these attempts to Access systems or data may materially affect GU Holdings' ability to comply with the terms of this LOA; or
 - (6) An unauthorized occurrence that (A) actually or imminently jeopardizes the integrity, confidentiality, or availability of information or an information system; or (B) constitutes a violation or imminent threat of violation of law, security policies, security procedures, or acceptable use policies.

GU Holdings agrees to require any of its third-party service providers for Grace Hopper to disclose to GU Holdings any security breach in connection with Grace Hopper, whether from data breach or other cause, within 72 hours of the third party discovering the breach, unless the CMAs grant a waiver. GU Holdings further agrees to require any of its third-party service provider for Grace Hopper to disclose to GU Holdings, within 48 hours of discovery, unless the CMAs grant a waiver, any critical exposure, threat, and vulnerabilities activating its Cybersecurity Incident Response Plan, associated with the products or services provided to GU Holdings, including as a result of tainted software, introduction of malware, insertion of counterfeits, unauthorized production, tampering, theft, or insertion of malicious software and hardware, as well as poor development and manufacturing practices in the cyber supply chain.

Upon DHS request, GU Holdings agrees to submit in writing a follow-up report describing in greater detail the incident or breach and GU Holdings' steps to remediate the incident or breach to the CMAs within **15 days** of discovery of the relevant conduct. GU Holdings also agrees to submit in writing supplementary information regarding any follow-up report until such evaluation is complete. GU Holdings agrees to remediate any incidents or breaches reported pursuant to this provision to the satisfaction of the CMAs.

13. Instruction of Obligations

GU Holdings agrees to instruct appropriate officers, employees, contractors, and agents as to GU Holdings' obligations under this LOA, including the individuals' duty to report any violation, and to issue periodic reminders of such obligations.

GU Holdings agrees to issue initial instructions in writing and provide appropriate live or virtual training within **90 days** of the date of execution of this LOA, and GU Holdings agrees to submit a copy of such instructions to the CMAs at the same time. GU Holdings agrees to issue updated instructions or training annually thereafter.

14. Change in Services or Cable Operations

GU Holdings agrees to notify DHS in writing at least 30 days prior to implementing any changes to the operations of Grace Hopper as they previously have been disclosed in writing to the CMAs pursuant to this LOA. GU Holdings agrees to provide a detailed description of the proposed change including the terms, conditions, individuals, and/or entities involved in making the change to the operations of Grace Hopper.

15. Change in Control

If GU Holdings learns of any information that reasonably indicates that any single foreign entity or individual, other than those already identified, has or likely will obtain an ownership interest, whether direct or indirect, in GU Holdings or Grace Hopper above ten (10) percent, or if any foreign entity or individual, singly or in combination with other foreign entities or individuals, has or likely otherwise will gain either: (i) control, within the meaning of the definition set forth in 47 C.F.R. § 63.09(b); or (ii) *de facto* or *de jure* control of GU Holdings or Grace Hopper, GU Holdings agrees to provide notice in writing to DHS within **15 days**. Notice under this Section will, at a minimum:

- (a) Identify the entity or individual(s) acquiring control (specifying the name, addresses, and telephone numbers of the entity or individual(s));
- (b) Identify the beneficial owners of any such increased or prospective increased ownership interest in GU Holdings or Grace Hopper by the entity or individual(s) (specifying the name, addresses, and telephone numbers of each beneficial owner); and
- (c) Quantify the amount of ownership interest that the entity or individual(s) has or likely will obtain in GU Holdings or Grace Hopper and, if applicable, the basis for their prospective control of GU Holdings or Grace Hopper.

16. Annual Report

On the anniversary of the date of this LOA, GU Holdings agrees to submit to the CMAs a report assessing GU Holdings' compliance with the terms of this LOA for the preceding year. The report shall include:

- (a) The names and contact information of the then-current POCs;
- (b) Cable System Information, as described in Section 2 above, noting any changes during the reporting period;
- (c) An updated Principal Equipment List for Grace Hopper containing all information described in Section 4 above, identifying any modifications during the reporting period;
- (d) A copy of the then-current policies adopted in accordance with this LOA, including policies for logical security (Section 9), physical security (Section 10), personnel screening (Section 11), incident reporting (Section 12), and employee training (Section 13), and a summary of any changes during the reporting period and the reasons therefore;
- (e) A summary of any events that occurred during the reporting period that will or reasonably could impact the effectiveness of or compliance with this LOA; and
- (f) A summary of any known acts of noncompliance with the terms of this LOA that occurred during the reporting period, whether inadvertent or intentional, with a discussion of what steps have been or will be taken to prevent such acts from occurring in the future.

17. Third-Party Audit

At its sole discretion, but no more frequently than once every calendar year unless the original audit is found by the CMAs to have been unsatisfactory, the CMAs may request a third-party audit of GU Holdings' compliance with the terms of this LOA. In connection with the audit:

- (a) Within **60 days** of the CMAs requesting a third-party audit, GU Holdings will nominate two (2) third-party auditors, subject to the approval of the CMAs. Within **60 days** of the nominations, the CMAs will approve or disapprove the nominated third-party auditor firms.
- (b) If the CMAs disapprove of either of the nominated third-party auditors, GU Holdings agrees to nominate another third-party auditor within **30 days** of such objection. If the CMAs disapprove of the nomination of a supplemental third-party auditor, GU Holdings will provide to the CMAs three (3) additional

candidates within **30 days** to be considered for third-party auditor from which the CMAs may choose at their discretion.

- (c) As part of the auditor nomination and approval process, the CMAs may condition approval of a nominated auditor on GU Holdings providing information regarding GU Holdings' and nominated auditor's pre-existing relationship (if any).
- (d) GU Holdings will be solely responsible for any costs associated with any third-party audit carried out pursuant to this Section. The CMAs, however, will consider avoidance of unreasonable costs as a factor when exercising their rights under this Section.
- (e) GU Holdings will ensure the selected third-party auditor submits, prior to commencing the audit, a methodology and proposed scope of audit, both of which will be subject to CMA approval.
- (f) GU Holdings will ensure that the executed engagement agreement with the third-party auditor is provided to DHS within **five (5) days** of execution.
- (g) The third-party auditor will promptly deliver to the CMAs and GU Holdings all reports and related information generated or gathered during its review that relate directly to GU Holding's compliance with the terms of this LOA and agrees to meet independently with the CMAs upon request.

18. Consultation and Visitation

GU Holdings agree to meet and confer with the CMAs and to resolve to the satisfaction of the CMAs any concerns the CMAs may raise regarding compliance with this LOA.

GU Holdings agrees to negotiate in good faith to resolve to the satisfaction of the CMAs any national security or law enforcement concerns the CMAs may raise with respect to any matters set forth in this LOA.

GU Holdings agrees that, upon **48 hours** advance notice, except when due to exigent circumstances such advance notice is not practicable, the CMAs may visit any GU Holdings facility that is or has been used for discharging GU Holdings' obligations under this LOA or Grace Hopper facilities to conduct on-site reviews to verify the implementation of and compliance with the terms of this LOA. Subject to applicable law and consistent with security requirements, during such visits, GU Holdings will cooperate with the requests of the CMAs to make available, documents, information, facilities, and personnel necessary to verify compliance with the terms of this LOA on the understanding that when advance notice of a visit is not provided, GU Holdings will provide the CMAs with access to documents, information, facilities, and personnel within **24 hours** of such an access request.

19. Computing Time

In computing any time period pursuant to this LOA, the below rules apply.

- (a) For any period stated in days:
 - (1) the day of the event that triggers the period is excluded;
 - (2) every day thereafter is counted (except where business days are specified), including intermediate Saturdays, Sundays, and federal holidays, except for those days that are tolled pursuant to Section 19(c); and
 - (3) the last day of the period is included, but if the last day is a Saturday, Sunday, or federal holiday, the period continues to run until the end of the next day that is not a Saturday, Sunday, or federal holiday.
- (b) For any period stated in hours:
 - (1) begin counting immediately on the occurrence of the event that triggers the period;
 - (2) count every hour, including hours during intermediate Saturdays, Sundays, and federal holidays, except for those hours that are tolled pursuant to Section 19(c); and
 - (3) if the period would end on a Saturday, Sunday, or federal holiday, the period continues to run until the same time on the next day that is not a Saturday, Sunday, or federal holiday.
- (c) Any approval provision applicable to the CMAs pursuant to this LOA shall be tolled during a lapse in appropriations or any time when the Federal government in the greater Washington, D.C. area is closed.

20. Notification of License Non-Issuance

If, for whatever reason (denial, withdrawal, or other such circumstances), GU Holdings becomes aware that the Application is no longer pending before the FCC without having been granted, then GU Holdings shall within 24 hours notify the CMAs of such development.

21. General Provisions

All communications, including notifications and reporting, made pursuant to this LOA shall be made to ip-fcc@hq.dhs.gov, osd.pentagon.ousd-a-s.list.team-telecom@mail.mil, or any other contacts as designated by the CMAs.

This LOA shall inure to the benefit of, and shall be binding upon, GU Holdings and its successors, assigns, subsidiaries, and affiliates.

GU Holdings agrees that, in the event GU Holdings breaches the commitments set forth in this LOA, the Committee may recommend that the FCC modify, condition, revoke, cancel, terminate, enter other declaratory relief, or render null and void any relevant license, permit, or other authorization granted by the FCC to GU Holdings or any successors-in-interest, in addition to any other remedy available at law or equity.

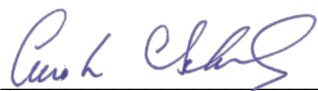
This LOA takes effect once the FCC has granted the underlying license application. If, after this LOA is executed, GU Holdings fails to receive a license from the FCC (whether due to denial, withdrawal, or other such circumstances), the CMAs and GU Holdings agree that this LOA automatically terminates.

If, after this LOA takes effect, DHS or GU Holdings believes that changed circumstances warrant modifying or terminating this LOA (including if the CMAs determine that the terms of this LOA are inadequate or no longer necessary to address national security and law enforcement risks), GU Holdings and the CMAs agree to negotiate in good faith to modify this LOA. Rejection of a proposed modification alone shall not constitute evidence of a failure to negotiate in good faith.

Nothing in this LOA is intended to excuse GU Holdings from its obligations to comply with all applicable legal requirements and obligations, including all applicable statutes, regulations, requirements, or orders.

GU Holdings agrees to permit disclosure of confidential and highly confidential information submitted to the FCC pursuant to 47 C.F.R. § 0.442 to federal government departments, agencies, and offices whose principals are listed in Section 3 of Executive Order 13913.

For and on behalf of GU Holdings Inc.



Austin Schlick
President
GU Holdings Inc.