

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of )  
)  
Neutral Networks USA LLC ) File No. SCL-LIC-2021- \_\_\_\_\_  
)  
Application for a License to Construct, Land )  
and Operate a Private Fiber-Optic Submarine )  
Cable System Connecting Laredo, Texas, and )  
Nuevo Laredo, Tamaulipas, Mexico )

**APPLICATION FOR SUBMARINE CABLE LANDING LICENSE –  
STREAMLINED PROCESSING REQUESTED**

Neutral Networks USA LLC (“Neutral Networks” or “Applicant”) pursuant to the Act Relating to the Landing and Operation of Submarine Cables in the United States, 47 U.S.C. §§ 34-39 (the “Cable Landing License Act”), Executive Order 10,530, and Section 1.767 of the Federal Communications Commission’s (“Commission” or “FCC”) rules, 47 C.F.R. § 1.767, hereby applies for a license to construct, land, and operate within the United States a private fiber-optic submarine cable network connecting Laredo, Texas and Nuevo Laredo, Tamaulipas. The system will be known as the Neutral Networks Laredo Cable (“NNLC”).

Neutral Networks will operate NNLC on a non-common-carrier basis, providing fiber optic-related solutions to carrier and enterprise customers on particularized terms and conditions pursuant to individualized negotiation. Neutral Networks intends to commence commercial operation of the NNLC system no later than in January 2022. Neutral Networks seeks timely action by the Commission to permit construction activities to proceed on schedule.

On August 6, 2019, the Commission granted Neutral Networks international Section 214 authority to provide global facilities-based and resale services in accordance with sections

63.18(e)(1) and 63.18(e)(2) of the Commission's rules, respectively.<sup>1</sup> As a condition to grant of Section 214 authority, Neutral Networks entered into a Letter of Agreement with the U.S. Department of Justice.<sup>2</sup> In order to meet construction and potential customer expectations and utilize investment to date and other regulatory approvals already obtained, Neutral Networks also requests special temporary authority from the Commission to construct, connect, and test the portion of the NNLC in U.S. territory prior to the Commission's grant of the Applicant's submarine cable landing license application filed concurrently.

## **I. CABLE DESIGN AND CAPACITY**

The NNLC will consist of three high-capacity, digital fiber-optic cables in a three-duct conduit encased in a pipe located beneath the riverbed of the Rio Grande between Laredo, Texas (USA) and Nuevo Laredo, Tamaulipas (Mexico). In Appendix 1, Neutral Networks provides a map for the system and its landing points. This cable is proposed to be deployed through horizontal drilling 15 feet below the riverbed for a distance of 251 feet. Neither the conduit for the cable nor any equipment used for the cable will touch the river or the riverbed. The crossing will be a fiber-optic cable (or cables) wholly encased in a pipe that has sufficient space to contain Neutral Networks' cable(s) and no other items.

Appendix 2 is a drawing of the conduit (a three-way duct) and fiber-optic cable sections. The buried pipe will end in an underground pull box on each side of the Rio Grande river. The pull box is constructed of high-strength polymers and is closed with a security lid (manhole).

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<sup>1</sup> See International Authorizations Granted, ITC-214-20180314-00054, Public Notice, Report No. TEL-01973, DA 19-749, 34 FCC Rcd 7026 (IB 2019).

<sup>2</sup> See U.S. Department of Justice, Petition to Adopt Conditions to Authorizations and Licenses, FCC File No. ITC-214-20180314-00054 (Aug. 2, 2019) (enclosing July 30, 2019 Letter of Agreement).

Appendix 3 is a diagram that shows the underground installation of the flexible pipe under the Rio Grande river.

## **II. PUBLIC INTEREST STATEMENT**

Grant of this application will advance the public interest, convenience, and necessity because it will expand services and competitive options on the very important U.S.-Mexico route by deploying terrestrial fiber-optic facilities between the two countries. The NNLC cable system will also increase availability of cross-border broadband on the route, enhance service quality, and increase the resilience and redundancy of communications between the two countries.

## **III. INFORMATION REQUIRED BY 47 C.F.R. § 1.767**

### **(1) Applicant Name, Address, and Telephone Number<sup>3</sup>**

Neutral Networks USA LLC  
3411 Silverside Road  
Tatnall Building #104  
Wilmington, DE 18810 USA

### **(2) Applicant Place of Incorporation<sup>4</sup>**

Neutral Networks USA LLC is an LLC organized under the laws of the State of Delaware.

### **(3) Applicant Contact Information<sup>5</sup>**

Gabriel Navarro  
Neutral Networks USA LLC  
3411 Silverside Road  
Tatnall Building #104  
Wilmington, DE 18810 USA  
Tel: +52 (81) 1969 6670  
gabriel.navarro@evengroup.mx

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<sup>3</sup> See 47 C.F.R. § 1.767(a)(1).

<sup>4</sup> *Id.* § 1.767(a)(2).

<sup>5</sup> *Id.* § 1.767(a)(3).

*with a copy to:*

Edgar Class, Esq.  
Jacquelynn Ruff, Esq.  
Wiley Rein LLP  
1776 K Street, NW  
Washington DC 20006  
Tel: (202) 719-7504

*Counsel for Neutral Networks USA LLC*

**(4) Description of the Cable<sup>6</sup>**

See Section I above.

**(5) Landing Points<sup>7</sup>**

The fiber-optic cable crossing will extend from Laredo, Webb County, Texas to Nuevo Laredo, state of Tamaulipas, Mexico. The coordinates of the landing points as shown in Appendix 1 are: Point A Laredo: (27°30'5.31"N, 99°30'2.90"W), Point B Nuevo Laredo: (27°29'55.16"N, 99°30'2.99"W). At Points A and B, the cable will be deployed through a pull box (manhole) and will connect with cable facilities to points of presence (POPs) where interconnection to carrier customers will occur.

**(6) Regulatory Classification<sup>8</sup>**

The NNLC cable system will be operated on a non-common carrier basis. Non-common carrier status of the proposed system is consistent with established Commission policy and will advance the public interest. The Commission has authorized non-common carrier

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<sup>6</sup> *Id.* § 1.767(a)(4).

<sup>7</sup> *Id.* § 1.767(a)(5).

<sup>8</sup> *Id.* § 1.767(a)(6).

cables where: (1) there is no legal compulsion to serve the public indifferently; and (2) there are no reasons implicit in the nature of the operations to expect that the applicants would make capacity available to the public indifferently and indiscriminately.<sup>9</sup>

In applying the first prong of this test to submarine cable authorizations, the Commission has stated that there will be no legal compulsion to serve the public indifferently where there is no public interest reason to require facilities to be offered on a common carrier basis.<sup>10</sup> The Commission has focused this public interest analysis on whether an applicant will be able to exercise market power because of the lack of alternative facilities.<sup>11</sup> In this case, there are numerous alternative facilities on existing terrestrial fiber-optic cable facilities between the United States and Mexico. These facilities provide a variety of choices for routing telecommunications traffic between the United States and Mexico. All of these routing options will continue to be available when the Applicant's proposed NNLC cable system is placed in operation. The availability of multiple competitive alternatives to the proposed NNLC cable system means that the Applicant would be unable to restrict output or raise prices without losing customers. Therefore, the Commission need not require the Applicant to serve the public indiscriminately.

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<sup>9</sup> See *Cable & Wireless PLC, Application for a License to Land and Operate in the United States a Private Submarine Fiber Optic Cable Extending Between the United States and the United Kingdom*, File No. SCL-96-005, 12 FCC Rcd 8516, 8520-23 (¶¶ 11-17) (1997) (“Cable & Wireless Order”); see also *Optel Communications, Inc., Application for a License to Land and Operate in the United States a Submarine Cable Extending Between Canada and the United States*, File No. SCL-92-004, Conditional Cable Landing License, 8 FCC Rcd 2267 (1993); *National Association of Regulatory Utility Commissioners v. FCC*, 525 F.2d 630, 642 (D.C. Cir.) (*NARUC I*), cert. denied, 425 U.S. 992 (1976).

<sup>10</sup> See *Cable & Wireless Order*, 12 FCC Rcd at 8522 (¶¶ 14-15).

<sup>11</sup> *Id.*

In the second prong of the test, the Commission considers whether there is any reason implicit in the nature of the operations that the Applicant would make capacity on this fiber-optic facility available to the public indifferently.<sup>12</sup> Here, the Applicant will make fiber-optic capacity available to carriers on terms and conditions tailored to their particular needs, pursuant to individually negotiated indefeasible right of use (IRU) agreements and capacity leases. As such, the fiber-optic facilities will not be operated on a common carrier basis, and other users and carriers will not have any expectation that the NNLC system is a common carrier cable system.

**(7) Cable Ownership Information<sup>13</sup>**

Neutral Networks is a wholly owned subsidiary of Neutral Networks, S. de R.L. de C.V., which is a corporation (*sociedad de responsabilidad limitada de capital variable*) organized under the laws of Mexico. Neutral Networks, S. de R.L. de C.V. has its principal place of business in Monterrey, Mexico, and provides telecommunications infrastructure services to enterprise customers and carriers.

**(8) Certification Regarding Ownership, Citizenship, Principal Business and Interlocking Directorates<sup>14</sup>**

Neutral Network certifies that it has the following 10-percent-or-greater direct or indirect interest holders:

**Neutral Networks, S. de R.L. de C.V.**

*Address:* S. de R.L. de C.V., Jiménez 490, Colonia Centro, 64000, Monterrey, Nuevo Leon, Mexico

*Place of Organization:* Mexico

*Principal Business:* Telecommunications Infrastructure

*Relationship:* Neutral Networks, S. de R.L. de C.V. holds a 100% voting and economic interest in Neutral Networks USA LLC.

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<sup>12</sup> *Cable & Wireless Order*, 12 FCC Rcd 8522, ¶ 14.

<sup>13</sup> *See* 47 C.F.R. § 1.767(a)(7).

<sup>14</sup> *See id.* §§ 1.767(a)(8)(i), 63.18(h).

**Grupo Even Telecom S.A. de C.V.**

*Address:* Jiménez 490, Colonia Centro, 64000, Monterrey, Nuevo Leon, Mexico

*Place of Organization:* Mexico

*Principal Business:* Telecommunications Infrastructure<sup>15</sup>

*Relationship:* Grupo Even Telecom, S.A. de C.V. holds a 99.9% interest in Neutral Networks, S. de R.L. de C.V.

**LatAm Investments FV B.V.**

*Address:* Zuidplein, WTC Tower H, Floor 1, Amsterdam, The Netherlands

*Place of Organization:* The Netherlands

*Principal Business:* Investments

*Relationship:* Latam Investments FV B.V holds a 64.94% interest in Grupo Even Telecom S.A. de C.V.

**CIBANCO SA IBM FIDEICOMISO**

*Address:* CIB/2643, Av de los Andes 265, Colonia Bosques de las Lomas, Delegación Miguel Hidalgo, 11700 Mexico City, Mexico

*Place of Organization:* Mexico

*Principal Business:* Mexican Trust

*Relationship:* CIBANCO SA IBM FIDEICOMISO holds a 29.64% interest in Grupo Even Telecom S.A. de C.V.

**LatAm Investments S.a.r.l.**

*Address:* 8-10 Avenue de la Gare, Luxembourg

*Place of Organization:* Luxembourg

*Principal Business:* Investments

*Relationship:* LatAm Investments S.a.r.l. holds a 100% interest in LatAm Investments FV B.V.

**Southern Cross Latin America Private Equity Fund V, L.P.**

*Address:* c/o Blakes Extra-Provincial Services Inc., 199 Bay Street, Suite 4000, Toronto, Ontario, M5L1A9, Canada

*Place of Organization:* Canada

*Principal Business:* Investments

*Relationship:* Southern Cross Latin America Private Equity Fund V, L.P. holds a 100% interest in LatAm Investments S.a.r.l.

**Ruhr Valley Investment Pte. Ltd.**

*Address:* 168 Robinson Road, #37-01 Capital Tower, Singapore

*Place of Organization:* Singapore

*Principal Business:* Investments

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<sup>15</sup> Although the Applicant's indirect parent is named Grupo Even Telecom, that company does not provide telecommunications services. Rather, it is a holding company with subsidiaries that build and operate telecommunications towers, deploy fiber-optic cables, lease dark fiber, and provide maintenance and other services to carriers and tower operators.

*Relationship:* Ruhr Valley Investment Pte. Ltd. holds a 12.71% interest in Southern Cross Latin America Private Equity Fund V, L.P.

**Employee Retirement System of Texas**

*Address:* P.O. Box 13207, Austin, TX, 78711-3207

*Place of Organization:* United States

*Principal Business:* Investments

*Relationship:* Employee Retirement System of Texas holds a 11.1% interest in Southern Cross Latin America Private Equity Fund V, L.P.

**Afore Banamex, S.A. de C.V**

*Address:* Paseo de la Reforma 390, 12<sup>th</sup> floor Colonia Juárez Delegación Cuauhtémoc, 06600 Mexico City, Mexico

*Place of Organization:* Mexico

*Principal Business:* Mexican Pension Fund

*Relationship:* Afore Banamex, S.A. de C.V holds a 64.82% interest in CIBANCO SA IBM FIDEICOMISO.

**Profuturo GNP, S.A. de C.V.**

*Address:* Blvd. Adolfo López Mateos, 2009 Colonia Los Alpes, Delegación Álvaro Obregón, 01010 Mexico City, Mexico

*Place of Organization:* Mexico

*Principal Business:* Mexican Pension Fund

*Relationship:* Profuturo GNP, S.A. de C.V. holds a 25% interest in CIBANCO SA IBM FIDEICOMISO.

**Metlife Afore, S.A. de C.V.**

*Address:* Blvd. Manuel Ávila Camacho 32, 17th floor, Colonia Lomas de Chapultepec, Delegación Miguel Hidalgo 11000 Mexico City, Mexico

*Place of Organization:* Mexico

*Principal Business:* Mexican Pension Fund

*Relationship:* Metlife Afore, S.A. de C.V. a holds 10.18% interest in CIBANCO SA IBM FIDEICOMISO.

No other entity or individual holds a 10-percent-or-greater direct or indirect voting or economic interest in Neutral Networks. For a graphic representation of Neutral Networks' corporate structure with respect to its ownership, please see Appendix 4. Neutral Networks further certifies that no corporate officer or director of Neutral Networks is also an officer or director of any foreign carrier.



**(9) Certification Regarding the Anti-Drug Abuse Act of 1988<sup>16</sup>**

Neutral Networks certifies that no party to this application is subject to a denial of federal benefits under Section 5301 of the Anti-Drug Abuse Act of 1988, as amended.<sup>17</sup>

**(10) Certification Regarding Foreign Carrier Status and Foreign Affiliations<sup>18</sup>**

Neutral Networks certifies that it is not a foreign carrier, does not own or control a cable landing station in any foreign country, and is not affiliated with a foreign carrier. Neutral Networks, S. de R.L. de C.V., the entity that will own or control the foreign landing point in Mexico, is a telecommunications infrastructure provider.

**(11) Certification Regarding Destination Countries<sup>19</sup>**

Neutral Networks certifies the following: (1) it is not a foreign carrier in Mexico; (2) it does not control a foreign carrier in Mexico; (3) it is 100% owned and controlled by Neutral Networks, S. de R.L. de C.V., a corporation established under the laws of Mexico, and (4) no grouping of two or more foreign carriers (or parties that control foreign carriers) owns, in the aggregate, more than 25% of Neutral Networks USA LLC and are parties to, or the beneficiaries of, a contractual relation (*e.g.*, a joint venture or market alliance) affecting the provision or marketing of arrangements for the terms of acquisition, sale, lease, transfer and use of capacity on the cable in the United States.

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<sup>16</sup> See 47 C.F.R. §§ 1.767(a)(8)(i), 63.18(o).

<sup>17</sup> 21 U.S.C. § 862(a). Pub. L.100-690, title V, § 5301, 102 Stat. 4310 (1988), which related to denial of Federal benefits to drug traffickers and possessors—previously codified at 21 U.S.C. § 853(a)—was renumbered section 421 of the Controlled Substances Act by Public Law 101-647, title X, § 1002(d)(1), 104 Stat. 4827 (1990), and has been recodified as 21 U.S.C. § 862(a). 47 C.F.R. § 63.18(o) does not reflect this recodification.

<sup>18</sup> See 47 C.F.R. § 1.767(a)(8)(ii).

<sup>19</sup> See 47 C.F.R. § 1.767(a)(8)(iii).

**(12) Certification Regarding WTO Status and Affiliations with Foreign Carriers Having Market Power in Foreign Destination Markets<sup>20</sup>**

No response is required, as no non-WTO-member country was identified in response to 47 C.F.R. § 1.767(a)(8)(iii) (item 13, above).

**(13) Certifications Regarding Routine Conditions<sup>21</sup>**

Neutral Networks certifies that it accepts and will abide by the routine conditions specified in section 1.767(g) of the Commission’s rules, 47 C.F.R. § 1.767(g).

**(14) Eligibility for Streamlined Processing<sup>22</sup>**

Neutral Networks requests streamlined processing pursuant to 47 C.F.R. § 1.767(k)(2). This application qualifies for streamlined processing because Neutral Networks is not a foreign carrier and is not affiliated with a foreign carrier in Mexico. Neutral Networks is affiliated with Neutral Networks, S. de R.L. de C.V., located in Mexico, which is not a carrier.

**(15) Streamlining—Coastal Zone Management Act<sup>23</sup>**

By its signature below, Neutral Networks certifies that it is not required to submit a consistency certification to any state or territory pursuant to Section 1456(c)(3)(A) of the Coastal Zone Management Act, codified at 16 U.S.C. § 1456(c)(3)(A). Texas does not list, and has never proposed to list, a cable landing license as a federal activity requiring a consistency certification.<sup>24</sup>

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<sup>20</sup> See 47 C.F.R. § 1.767(a)(8)(iv).

<sup>21</sup> See 47 C.F.R. § 1.767(a)(9).

<sup>22</sup> See 47 C.F.R. § 1.767(j), (k).

<sup>23</sup> See *id.*

<sup>24</sup> See National Oceanic and Atmospheric Administration, Coastal Zone Management Program, *Texas’s Listed Federal Actions*, available at: <https://coast.noaa.gov/data/czm/consistency/media/tx.pdf>.

**(16) Certification Regarding Service to Executive Branch Agencies<sup>25</sup>**

Neutral Networks has sent a complete copy of this application to the U.S. Departments of State, Commerce, and Defense. Neutral Networks's counsel has certified such service in the certificate of service attached to this Application.

**IV. CONCLUSION**

As demonstrated above, the public interest, convenience and necessity will be served by a grant of this application to construct, land, and operate a fiber-optic submarine cable system. The Applicant respectfully requests that the Commission expeditiously grant this application pursuant to streamlined processing.

Respectfully submitted,

**Neutral Networks USA LLC**



\_\_\_\_\_  
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*Counsel for Neutral Networks USA LLC*

September 30, 2021

Attachments

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<sup>25</sup> See 47 C.F.R. § 1.767(j).

## **LIST OF APPENDICES**

Appendix 1 – Map and Landing Points

Appendix 2 – Conduit and Cable Sections

Appendix 3 – Underground Installation of the Cable Conduit Pipe Under the Rio Grande River

Appendix 4 – Neutral Networks Ownership Chart

## APPENDIX 1 – MAP AND LANDING POINTS

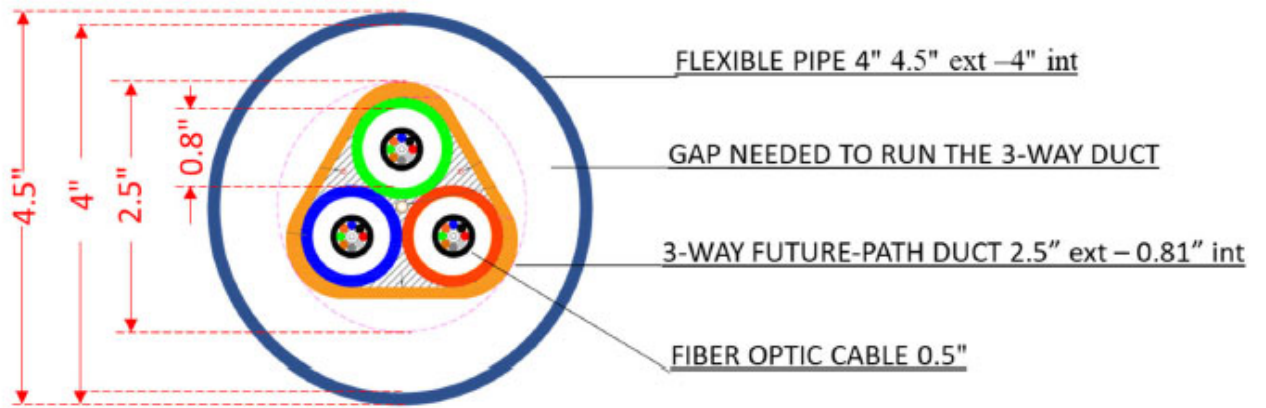
Location of proposed fiber-optic cable crossing



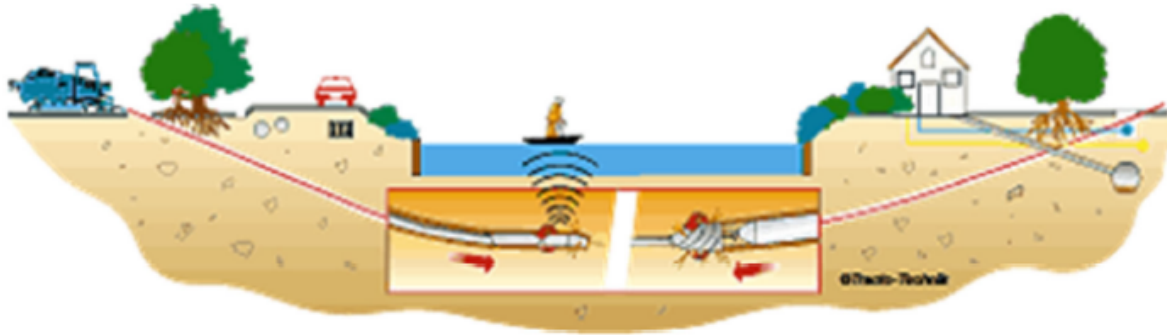
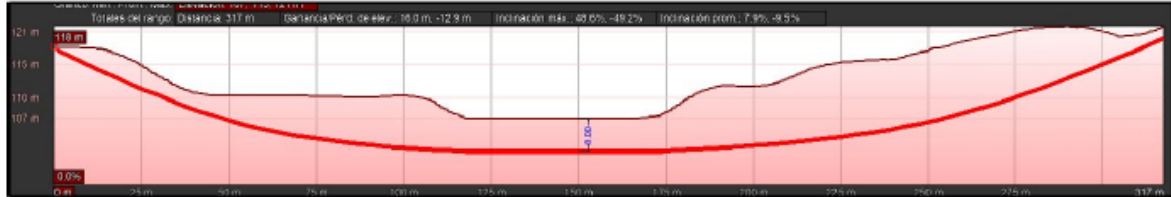
Point A, Mini Manhole A (Laredo, TX) geographic coordinates: 27°30'5.31"N, 99°30'2.90"W

Point B, Mini Manhole B (Nuevo Laredo, Tamaulipas) geographic coordinates: 27°29'55.16"N, 99°30'2.99"W

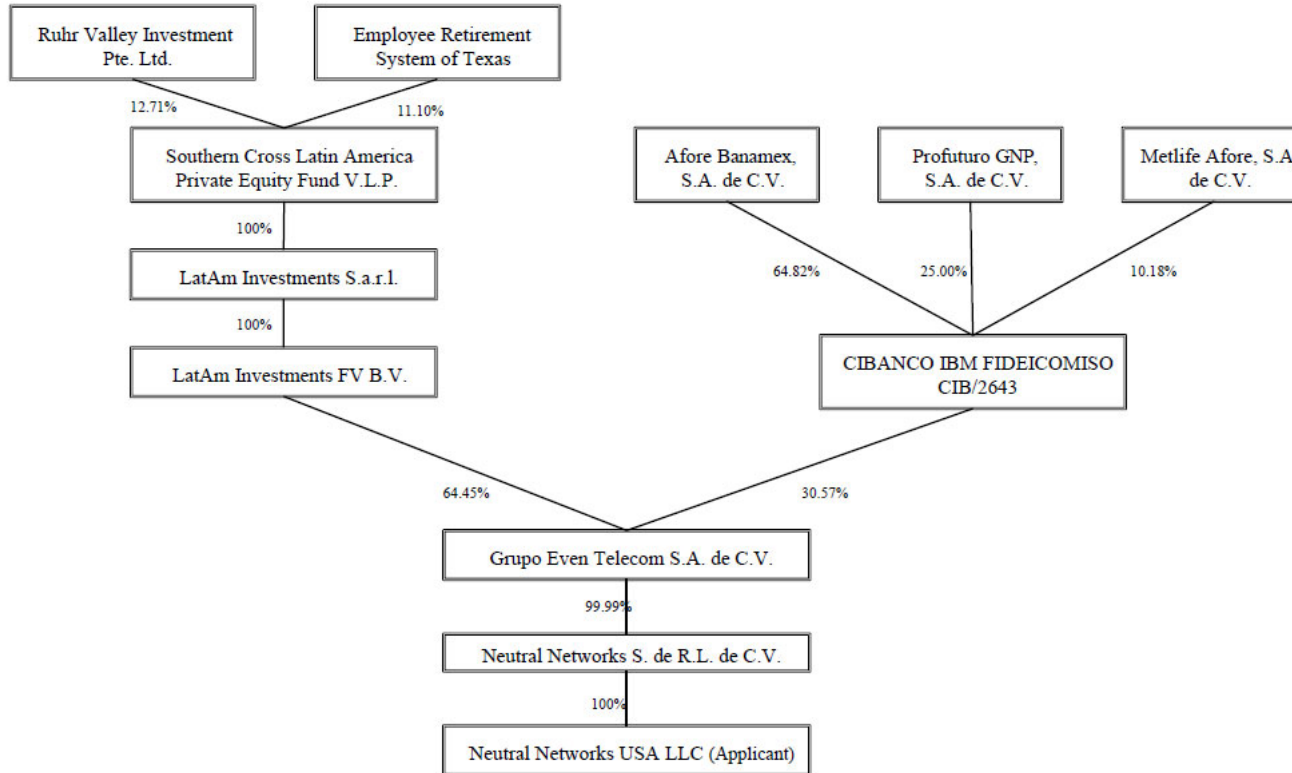
## APPENDIX 2 – CONDUIT AND CABLE SECTIONS



### APPENDIX 3 – UNDERGROUND INSTALLATION OF THE FLEXIBLE PIPE UNDER THE RIO GRANDE RIVER



## APPENDIX 4 – NEUTRAL NETWORKS OWNERSHIP CHART





## CERTIFICATE OF SERVICE

I, Edgar Class, hereby certify that consistent with 47 C.F.R. § 1.767(j), I have served copies of the foregoing Application for a License to Construct, Land and Operate a Private Fiber-Optic Submarine Cable System for Neutral Networks USA LLC, via first class U.S. mail, postage prepaid, this 30th day of September 2021, to the following:

U.S. Coordinator  
EB/CIP  
U.S. Department of State  
Mail Code: EB/CIP  
2201 C St., NW, Room 4634  
Washington, D.C. 20520-4634

Kathy Smith  
Office of Chief Counsel  
U.S. Department of Commerce/NTIA  
14th Street and Constitution Ave., NW  
Room 4713  
Washington, D.C. 20230

Defense Information Systems Agency  
ATT: GC/DO1  
6910 Cooper Avenue  
Fort Meade, MD 20755-7088

/s/ Edgar Class  
Edgar Class