

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In the Matter of

City of Ketchikan d/b/a Ketchikan Public Utilities)	
)	
)	
Application for a License to Construct, Land and Operate a Private Fiber Optic Submarine Cable System Connecting Ketchikan, Alaska with Prince Rupert, British Columbia, Canada, and Request for Streamlined Treatment)	File No.SCL-LIC-2019-_____
)	
KetchCan1 Submarine Fiber Cable System)	

**APPLICATION FOR CABLE LANDING LICENSE-
REQUEST FOR STREAMLINED TREATMENT**

City of Ketchikan d/b/a Ketchikan Public Utilities (“KPU” or the “Applicant”), by its consultant and pursuant to the Act Relating to the Landing and Operation of Submarine Cables in the United States, 47 U.S.C. §§ 34-39 (the “Act”), Executive Order No. 10530, reprinted as amended in 3 U.S.C. § 301, and Section 1.767 of the Federal Communications Commission’s (“Commission”) rules, 47 C.F.R. § 1.767, hereby requests authority to construct, land and operate a private subsea optical fiber submarine cable connecting Ketchikan, Alaska with Prince Rupert, British Columbia, Canada. The system will be known as the KetchCan1 Submarine Fiber Cable System (“Cable System”). KPU will operate the Cable System on a non-common carrier basis.

The Applicant intends to commence commercial operation of the Cable System in September 2020. Therefore, the Applicant seeks timely grant of a cable landing license by the Commission no later than October 2019 to permit construction activities to proceed on schedule. An expeditious grant of this application will significantly advance the public interest.

I. Background

The Cable System will be a private, non-common carrier fiber optic submarine cable system linking Ketchikan, Alaska with an existing landing station in Prince Rupert, British Columbia. The Cable System will provide bulk capacity to wholesale and enterprise customers on the basis of terms and conditions pursuant to individualized negotiations. Moreover, KPU’s undersea fiber will connect with existing fiber optic transport networks in Prince Rupert in order to connect to KPU’s point of presence (POP) in Seattle, Washington. KPU connects to backbone Internet and wireless service providers from its POP in Seattle, Washington to ultimately provide

the community of Ketchikan with high speed broadband communications connectivity to the outside world.

For decades, KPU has provided the residents of Ketchikan the best possible telecommunications services, via building the telecommunications facilities necessary to serve this very rural community. The subsea fiber optic cable is the next critical infrastructure project – necessary to ensure the community of Ketchikan has access to adequate high quality “off-island” broadband-connectivity to the world.

KPU seeks to have the KetchCan1 Submarine Fiber Cable System fully constructed by the end of the construction window in September 2020. Consequently, KPU requests Commission grant of the Application by October 2019 at the latest, to allow KPU to have all of the permitting and licensing in place prior to awarding the bid and placing the cable order which will need to be done in November or December of 2019. This would allow the Applicant to complete construction and have the KetchCan1 Submarine Fiber Cable System operational in a timely fashion. A later grant risks delaying construction until after the cable order is placed resulting in additional expense due to the logistics of handling and storing such a large item. A timely grant would ensure that there are no “show stoppers” which would include not having the FCC license to construct and operate the facility.

Grant of this Application will advance the public interest by providing virtually unlimited ‘middle mile’ broadband capacity to Ketchikan in order to meet the community’s immediate and future demands for broadband services. Ketchikan presently depends on a digital microwave to Prince Rupert and a limited-capacity sub-sea IRU to provide the community’s connectivity to the world. These existing facilities are at-capacity, aged systems with no long term and/or economically viable opportunity to expand. Accordingly, the proposed subsea fiber optic Cable System from Ketchikan to Prince Rupert will provide the required capacity for future growth. At Prince Rupert, Ketchikan will connect with existing networks to transport the off-island traffic to Ketchikan’s point of presence in Seattle, Washington where it will connect to the global Internet ‘cloud.’ The communications industry has seen exponential growth in Internet and data traffic largely due to video streaming services, high speed wireless networks, telecommuting, telehealth services, video conferencing etc. Additionally, the ‘5G’ Internet of Things industry is just in its infancy and will require exponential increases in network capacity to support. In short, businesses and consumers ultimately will benefit from the enhanced capacity and reliability offered by the proposed KetchCan1 Submarine Fiber Cable System.

In support of this Application, KPU submits the following information required by 47 C.F.R. § 1.767.

II. Information Required by 47 C.F.R. § 1.767

(1) Applicant Name, Address, and Telephone Number(s)¹

City of Ketchikan d/b/a Ketchikan Public Utilities

¹ See 47 C.F.R. § 1.767(a)(1).

2970 Tongass Avenue
Ketchikan, AK 99901
Phone: (907) 225-1000

(2) The Government, State or Territory under the laws of which each corporate or partnership applicant is organized²

KPU is organized under the laws of the State of Alaska and is a political subdivision of the State.

(3) The name, title, post office address, and telephone number of the officer and any other contact point, such as legal counsel, to whom correspondence concerning the application is to be addressed³

Edward Cushing
KPU Telecommunications Division Manager
2970 Tongass Avenue
Ketchikan, AK 99901
Phone: 907-228-6001

With copies to:

John Kuykendall, Vice President
JSI
7852 Walker Drive, Suite 200
Greenbelt, MD 20770
Phone: 301-459-7590

(4) A description of the submarine cable, including the type and number of channels and the capacity thereof⁴

The Cable System will consist of a single continuous segment approximately 167 kilometers in length. The cable will be a non-repeater type and will consist of a minimum of 24-SM (G.652D) optical fibers (24 Fiber Double Armored Submarine Optical Fiber Cable). The Cable System will have up to 48 fibers with a design capacity of 2.4 Tbps per fiber pair. The system will have an initial lit capacity of 200 Gbps.

Typical subsea fiber cables have fibers enclosed in a stainless steel tube. The tube is coated with an HDPE sheath, and the sheath will be surrounded by one or two layers of galvanized steel armour wire. The entire cable will be served with polypropylene yarn

² See 47 C.F.R. § 1.767(a)(2).

³ See 47 C.F.R. § 1.767(a)(3).

⁴ See 47 C.F.R. § 1.767(a)(4).

coated in Bitumen, alternately, an extruded HDPE jacket. The cable will be marked at intervals not to exceed 500 meters with the cable length and characteristics.

(5) A description of the submarine cable landing stations on the shore of the United States and in foreign countries where the cable will land⁵

The Applicant provides specific landing point information (including geographic coordinates) for beach manholes and cable landing stations in the following appendices:

- Appendix 1: Mountain Point, Ketchikan, Alaska – There will be a concrete cable vault located at Mountain Point, Ketchikan, AK – Parcel 70234001700 – Lot 3-D2. This will be a newly constructed facility.
- Appendix 2: Ridley Island, Prince Rupert, British Columbia, Canada – This is an existing concrete cable vault located on Ridley Island, Prince Rupert, BC.

Applicant will construct a conduit system at the Mountain Point facility for potential future expansion to connect additional U.S. locations to the fiber network. Appropriate authority will be sought from the Commission for future expansion of the Cable System.

(6) A statement as to whether the cable will be operated on a common carrier or non-common carrier basis⁶

The Cable System will be operated on a non-common carrier basis. In this case, non-common carrier classification is consistent with the Commission's policy and precedent of granting non-common carrier designation of submarine cable systems. Accordingly, a license is requested under the Commission's private submarine cable policy, which is intended to promote competition in the provision of international transmission facilities.

The purpose of the Commission's private submarine cable policy is to promote competition in the provision of international transmission facilities.⁷ When considering whether an applicant may operate a cable system on a non-common carrier basis, the Commission refers to the two-part test set forth in *National Association of Regulatory Utility Commissioners v. FCC*, 525 F.2d 630 (D.C. Cir. 1976) ("NARUC I"). In *NARUC I*, the court established that a submarine cable system could be operated on a non-common carrier basis if: (1) there is no legal compulsion for the carrier to serve the public indiscriminately; and (2) the nature of the submarine cable operation does not

⁵ See 47 C.F.R. § 1.767(a)(5).

⁶ See 47 C.F.R. § 1.767(a)(6).

⁷ See Tel-Optik, Ltd., *Memorandum Opinion and Order*, 100 F.C.C.2d 1033, 1040–42, 1046–48 (1985); see also Cable & Wireless, plc, *Cable Landing License*, 12 FCC Rcd 8516 (1997).

require the carrier to hold the service out to the public indiscriminately.⁸ KPU meets both criteria for non-common carrier classification.

The Commission should allow KPU to operate as a non-common carrier because there is no legal compulsion to serve the public indiscriminately. When applying part one of the NARUC I test, the Commission has stated that there is no legal compulsion to serve the public indifferently if the public interest does not require the Applicant to offer its services on a common carrier basis.⁹ In making this determination, while not limited to this reasoning, the Commission has mainly focused on whether alternative facilities exist.¹⁰ These alternatives do not have to be identical to the facilities being offered by the Applicant.¹¹ The Commission has stated that it will consider both existing and planned alternative facilities.¹²

The Ketchikan Submarine Fiber Cable System will provide needed additional transmission facilities in Alaska. Additionally, the Cable System will complement the capabilities presented by existing and future facility builds and allow transport of customer traffic to Ketchikan's Point of Presence in the Westin Building in Seattle, Washington. Currently, there are alternative communication options available at each of the landing points on the Ketchikan Submarine Fiber Cable System. In particular, each of the proposed cable landing sites is currently served by at least two, and sometimes more, of the following service platforms: mobile wireless, fixed wireless, digital subscriber line (DSL), cable, and fiber to the home (FTTH). Backhaul service is also available in Alaska via satellite and microwave facilities from several carriers in the region.¹³ The Ketchikan Submarine Fiber Cable System will augment and provide a competitive alternative to these existing communications options, thereby providing both

⁸ *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).

⁹ See Joint Application for a License to Land and Operate a Submarine Cable Network Between the United States and Japan, *Cable Landing License*, 14 FCC Rcd. 13066, 13080, ¶ 38 (1999) ("*Japan-U.S. Cable Landing License*"); 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, *Cable Landing License*, 12 FCC Rcd. 8516, 8520-23, ¶¶ 14-17 (1997) ("*Cable & Wireless Cable Landing License*").

¹⁰ See *Cable & Wireless Cable Landing License*, 12 FCC Rcd. At 8522, ¶¶ 14-16. The Commission found, for example, that competing non-common carrier facilities, as well as alternative means to the destination point can constrain the ability of a licensee to engage in anti-competitive practices, and thus satisfy the first prong of *NARUC I*. See also *Japan-U.S. Cable Landing License*, at 13080, ¶ 39 (finding that the U.S.-Japan route is also served by a number of existing and planned fiber optic cable systems, as well as by satellite capacity); *China-U.S. Cable Landing License*, 13 FCC Rcd. 16232, 16236, ¶ 13 (1998). In the *Japan-U.S. Cable Landing License*, the Commission also noted that U.S. – Japan traffic can also be carried indirectly over alternative cable systems which connect Japan to the United Kingdom. *Japan-U.S. Cable Landing License*, 14 FCC Rcd. At 13080, n.56.

¹¹ See, e.g., *AT&T Submarine Systems, Inc. Application for a License to Land and Operate a Digital Submarine Cable System Between St. Thomas and St. Croix in the U.S. Virgin Islands*, 11 FCC Rcd 6035, ¶ 44 (1996).

¹² See, e.g., *General Communication, Inc.*, 16 FCC Rcd 4314, 4315 ¶4 (2001).

¹³ GCI operates a Subsea Fiber network in Southeast Alaska, including Ketchikan, and KPU has limited capacity on that system. AT&T Alascom also operates a Digital Microwave system in Alaska, including Ketchikan and extending to Prince Rupert. Alaska Power and Telephone operates a Digital Microwave System in Southeast Alaska, including Ketchikan. Finally, KPU operates a Digital Microwave system between Ketchikan and Prince Rupert.

redundancy in communications paths and, potentially, reduce service rates. Therefore, the Cable System will increase the service options already available to the community. Lastly, KetchCan1 will rely upon Canadian terrestrial fiber optic routes – thereby avoiding off-shore earthquake faults which threaten existing Alaska subsea fiber cables.

The KetchCan1 Submarine Fiber Cable System will augment and compete with existing providers' facilities on the U.S.-Canada route, including GCI and AT&T. KPU will provide a competitive alternative to these service options, thereby providing both redundancy in communications paths and, potentially, reducing service rates. The KetchCan1 Fiber Cable System will increase the service options already available to the community. Accordingly, with regard to the first part of the *NARUC I* test, Ketchikan argues that there are sufficient existing or planned facilities on the direct route, or indirectly on alternative routes, to prevent the Applicant from exercising market power in offering services to the public. Therefore, the Cable System will serve the Commission's long-standing policy to encourage competition through private submarine cable transmissions pursuant to which the Commission has already granted non-common carrier licenses.

The second prong of the *NARUC I* test examines the nature of the submarine cable operation and whether it would require the carrier to hold the service out to the public indiscriminately.¹⁴ The Applicant will not sell capacity indiscriminately to the user public. Instead, it will be using the KetchCan1 Fiber Cable System for KPU-generated traffic and will consider selling capacity in specified bandwidths to particular carriers and customers under contract or tariff pricing, or as IRU capacity through lease agreements. The terms of these service agreements will vary depending on the characteristics and needs of the party purchasing capacity. The Applicant will make individualized decisions regarding the provision of service for each purchaser, so all will not be served indiscriminately.

The above analysis supports the conclusion that the Cable System will not function on a common carrier basis and that the public interest does not require that they do so. Accordingly, it is appropriate to award KPU a license to operate the Cable System as a non-common carrier.

(7) A list of cable ownership information¹⁵

KPU will own, control, and operate all portions of, and will have a 100% voting interest in, the Cable System including the Mountain Point, Ketchikan cable landing station, equipment, wet plant, dry plant, and the single continuous segment of the cable system, whether located in territory subject to the U.S. jurisdiction, U.S. territorial waters, or

¹⁴ See *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).

¹⁵ See 47 C.F.R. § 1.767(a)(7).

outside U.S. jurisdiction. KPU will have a contractual relationship with City West Cable & Telephone Corp., a municipally-owned corporation in Prince Rupert, British Columbia, for the use of the Ridley Island, Prince Rupert landing station. KPU will have no ownership interest in the Ridley Island facility.

The City of Ketchikan is a home rule municipality organized under Title 29 of Alaska Statutes. The City of Ketchikan owns 100% of Ketchikan Public Utilities. There are no other direct or indirect controlling interests. There are no interlocking directorates with a foreign carrier.

(8) Corporate Control and Affiliate Information¹⁶

KPU submits the following information specified in Sections 63.18(h) and 63.18(o) of the Commission's rules:

a. Certification Regarding Ownership, Citizenship, Principal Businesses, and Interlocking Directorates¹⁷

The Applicant certifies that it is a home rule municipality organized under Title 29 of Alaska Statutes. The Applicant owns 100% of Ketchikan Public Utilities and there are no other controlling interests. There are no interlocking directorates with a foreign carrier.

b. Certification Regarding Foreign Carrier Status and Foreign Affiliation¹⁸

The Applicant certifies that it is not affiliated with a foreign carrier, or with any entity that owns or controls a cable landing station in any foreign country.

c. Certification Regarding Provision of International Telecommunications Services to Destination Countries¹⁹

The Applicant certifies that (1) it is not a foreign carrier in any foreign country; (2) it does not control a foreign carrier in any foreign country where the Cable System will land; (3) no entity that owns more than 25% of KPU, or that controls KPU, controls a foreign carrier in any foreign country where Cable System will land; and (4) no grouping of two or more foreign carriers (or parties that control foreign carriers in any of the foreign countries where the Cable System will land) owns, in aggregate, more than 25% of KPU and are parties to, or beneficiaries of,

¹⁶ See 47 C.F.R. § 1.767(a)(8).

¹⁷ See 47 C.F.R. § 1.767(a)(8)(i), 63.18(h).

¹⁸ See 47 C.F.R. § 1.767(a)(8)(ii).

¹⁹ See 47 C.F.R. § 1.767(a)(8)(iii).

a contractual relation affecting the provision or marketing of international basic telecommunications services in the United States.

d. Certification Regarding WTO Status, Market Power, and the Effective Competitive Opportunities Test²⁰

No response is required, as Applicants did not identify any non-WTO markets in response to 47 C.F.R. § 1.767(a)(8)(iii).

e. Certification Regarding the Anti-Drug Abuse Act of 1988²¹

The Applicant certifies that no party to the application is subject to a denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

f. Certification Regarding Routine Conditions Set Forth in Section 1.767(g) of the Commission's Rules²²

The Applicant certifies that it accepts and will abide by the routine conditions specified in 47 C.F.R. §1.767(g).

g. Certification Regarding Service to U.S. Coordinator, Department of State; NTIA, and Defense Information Systems Agency²³

Pursuant to 47 C.F.R. §1.767(j) of the Commission's rules, a complete copy of this Application has been sent to the U.S. Department of State, the U.S. Department of Commerce, and the Defense Information Systems Agency. Service is certified on the Certificate of Service attached to this Application.

III. Request for Streamlined Treatment

KPU requests streamlined processing of the Application pursuant to 47 C.F.R. §§ 1.767(j)-(k) of the Commission's rules. Pursuant to 47 C.F.R. § 1.767(k)(1), KPU certifies that it is not a foreign carrier and is not affiliated with foreign carriers in any of the Cable System's destination markets. Pursuant to 47 C.F.R. § 1.767(k)(4), KPU certifies that it is not required to submit a consistency certification to any state or territory pursuant to Section 1456(c)(3) of the Coastal Zone Management Act ("CZMA"), 16 U.S.C. 1456. The Alaska Coastal Management

²⁰ See 47 C.F.R. § 1.767(a)(8)(iv).

²¹ See 47 C.F.R. § 1.767(a)(8)(i), 63.18(o).

²² See 47 C.F.R. § 1.767(a)(9).

²³ See 47 C.F.R. §§ 1.767(j).

program expired on July 1, 2011 and, consequently, the CZMA Federal consistency provision no longer applies in Alaska.²⁴

IV. Conclusion

The foregoing demonstrates that the public interest, convenience and necessity would be furthered by grant of this Application.

Respectfully submitted,



John Kuykendall
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on behalf of

City of Ketchikan d/b/a Ketchikan Public Utilities
2970 Tongass Avenue
Ketchikan, AK 99901

July 18, 2019

²⁴ See Alaska Coastal Management Program Withdrawal From the National Coastal Management Program Under the Coastal Zone Management Act (CZMA), 76 FR 39857 (July 7, 2011).

CERTIFICATE OF SERVICE

I, Marty Kluh, hereby certify that consistent with 47 C.F.R. § 1.767(j), I have served copies of the foregoing application for a cable landing license for the KetchCan1 Submarine Fiber Cable System, by U.S. Postal Mail this 18th day of July, 2019, to the following:

U.S. Coordinator
U.S. Department of State
EB/CIP: Room 4634
2201 C Street, N.W.
Washington, D.C. 20520-5818

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

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

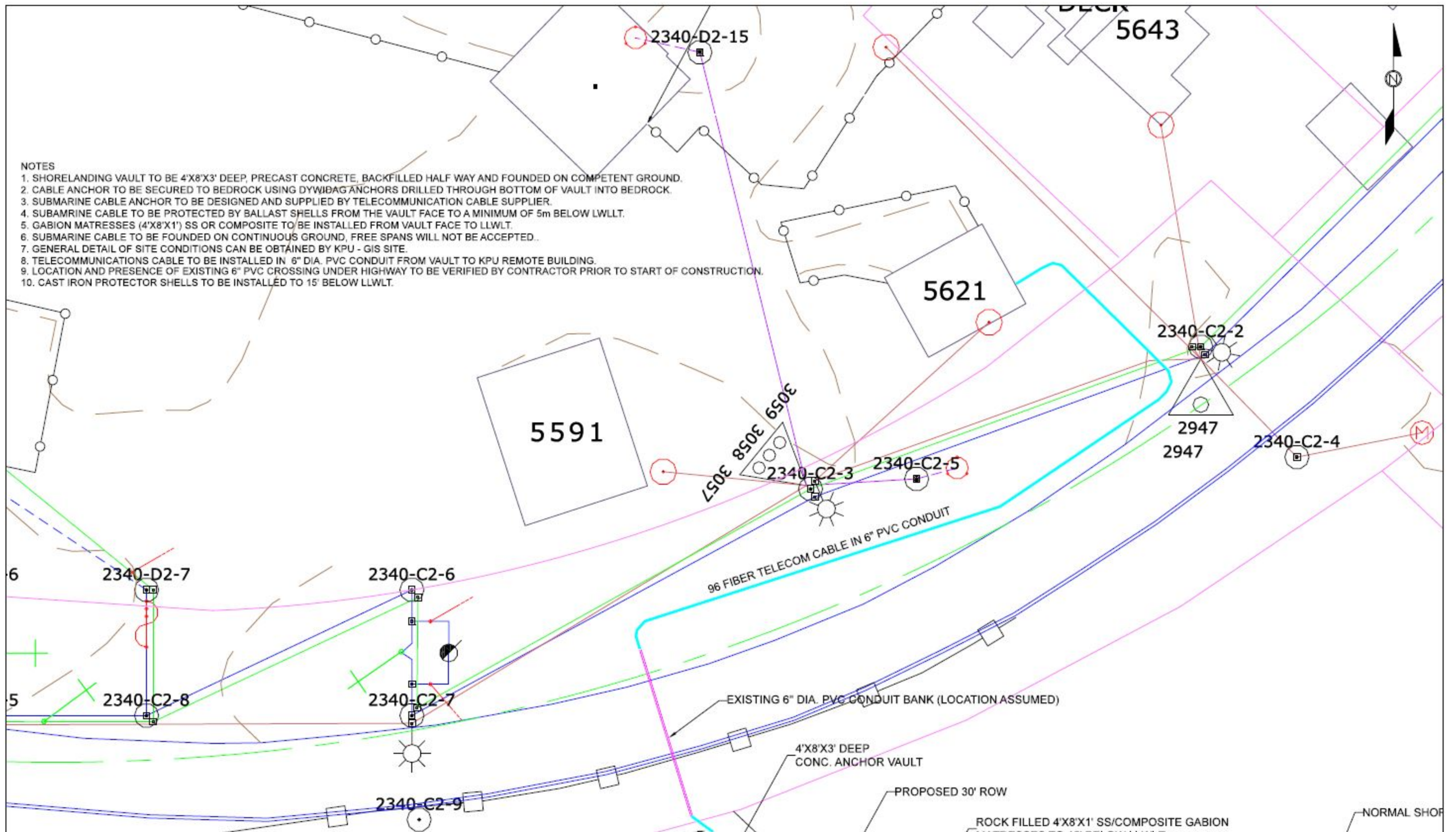


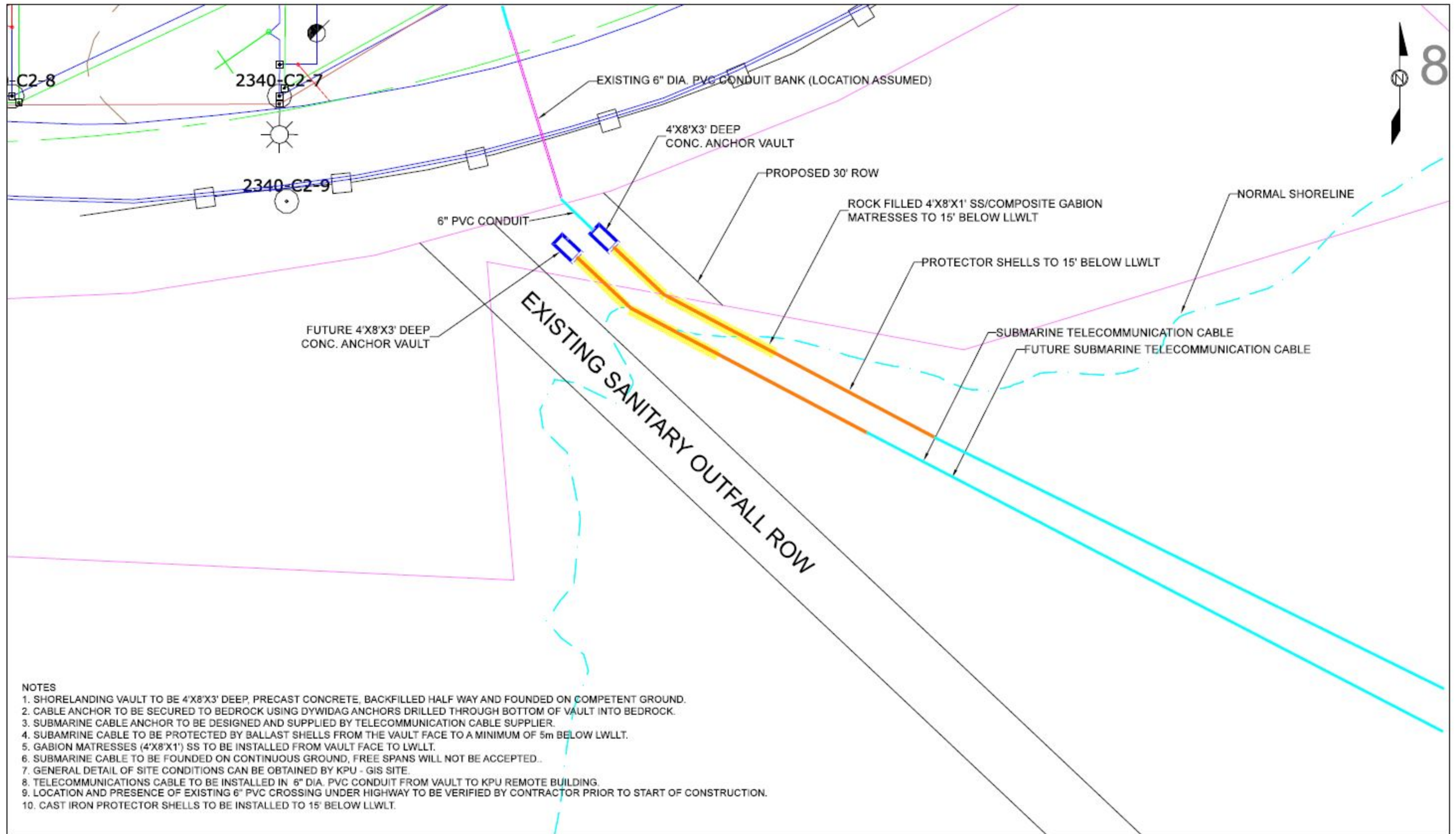
Appendix 1

Mountain Point, Ketchikan, Alaska Landing Point

NOTES

1. SHORELANDING VAULT TO BE 4'X8'X3' DEEP, PRECAST CONCRETE, BACKFILLED HALF WAY AND FOUNDED ON COMPETENT GROUND.
2. CABLE ANCHOR TO BE SECURED TO BEDROCK USING DYWIDAG ANCHORS DRILLED THROUGH BOTTOM OF VAULT INTO BEDROCK.
3. SUBMARINE CABLE ANCHOR TO BE DESIGNED AND SUPPLIED BY TELECOMMUNICATION CABLE SUPPLIER.
4. SUBAMRINE CABLE TO BE PROTECTED BY BALLAST SHELLS FROM THE VAULT FACE TO A MINIMUM OF 5m BELOW LLWL.
5. GABION MATRESSES (4'X8'X1') SS OR COMPOSITE TO BE INSTALLED FROM VAULT FACE TO LLWL.
6. SUBMARINE CABLE TO BE FOUNDED ON CONTINUOUS GROUND, FREE SPANS WILL NOT BE ACCEPTED.
7. GENERAL DETAIL OF SITE CONDITIONS CAN BE OBTAINED BY KPU - GIS SITE.
8. TELECOMMUNICATIONS CABLE TO BE INSTALLED IN 6" DIA. PVC CONDUIT FROM VAULT TO KPU REMOTE BUILDING.
9. LOCATION AND PRESENCE OF EXISTING 6" PVC CROSSING UNDER HIGHWAY TO BE VERIFIED BY CONTRACTOR PRIOR TO START OF CONSTRUCTION.
10. CAST IRON PROTECTOR SHELLS TO BE INSTALLED TO 15' BELOW LLWL.





Appendix 2

Ridley Island, Prince Rupert, British Columbia, CN
Landing Point





- NOTES:
- 1. Shorelanding vault to be 1.2x2.4x 0.9 precast conc., backfilled halfway and founded on competent ground.
 - 2. Cable anchor to be secured to bedrock using Dywidag anchors drilled through vault into bedrock.
 - 3. Submarine cable anchor to be designed and supplied by telecommunication cable supplier.
 - 4. Submarine cable to be protected by ballast shells from vault face to minimum of 5m below LWLLT.
 - 5. Gabion mattresses (4'x8'x1') SS to be installed over top of ballast shells from vault face to LWLLT.
 - 6. Terrestrial portion of cable to founded on continuous ground, no free spans will be accepted.
 - 7. See profile of shore approach in Appendix A, TRSI Survey Report.
 - 8. Telecommunication cable to be installed in 100mm PVC conduit from landing vault to building vault.

REVISIONS	DATE	BY
FOR REVIEW	09.06.18	