# Federal Communications Commission WASHINGTON, D.C.

In the matter of	)	
Caribbean Crossings Ltd.	)	File No.
Application to Modify License to	<i>)</i>	
land and operate in the United States a private submarine fiber optic	)	
cable extending between the	<i>)</i>	
United States, and the Bahamas	)	

#### <u>APPLICATION TO MODIFY CABLE LANDING LICENSE</u>

Caribbean Crossings Ltd. ("Caribbean Crossings"), in accordance with the Submarine Cable Act of May 27, 1921, 47 U.S.C. §§ 34-39, and Section 1.767 of the Commission's rules, 47 C.F.R. § 1.767, hereby seeks leave to amend its license to land and operate in the United States a private fiber optic submarine cable system extending between the United States, and the Bahamas.

Caribbean Crossings Ltd. was granted a cable landing license by the Commission on June 20 2000. *Caribbean Crossings Ltd.*, 15 FCC Rcd. 10818 (2000). <sup>1</sup> This system was brought into operation in August 2001 and has been providing service between the Bahamas and the United States since. The initial objective of enhancing competition in the Bahamas has been achieved by the Bahamas Internet Cable System.

By Public Notice released May 3, 2002, DA 02-1024, 17 FCC Rcd 8245, the Commission's International Bureau granted the transfer of control application of Caribbean Crossings.

Bandwidth prices between the United States and the Bahamas have fallen by 75% in one year.<sup>2</sup>

The purpose of this additional cable system is to provide a self-healing ring between the Bahamas and the United Sates on the Bahamas Internet Cable System. The capacity of the Bahamas Internet Cable System has and will be sold or leased to users on a non-tariffed, non-common carrier basis.

Construction of the self-healing ring of the Bahamas Internet Cable System will serve the public interest. The Bahamas Internet Cable System now provides International Private Line and Internet backbone connectivity to over 8,000 customers in the Bahamas. Every ISP in the Bahamas, with the exception of the incumbent provider, Bahamas Telecommunications Corporation, over 800 Bahamian businesses, as well as important Bahamian Government intuitions including The Central Bank of The Bahamas, The Supreme Court of The Bahamas, the Ministry of Tourism and The Ministry of Finance rely on the Bahamas Internet Cable System for their Internet backbone connectivity. A failure on the Bahamas Internet Cable System will have a very negative impact on the communications infrastructure of the Bahamas.

To mitigate against such a failure, Caribbean Crossings Ltd. is proposing to build second submarine fiber system using a diverse marine route between the Bahamas and the United States. A diagram of the proposed second route of the Bahamas Internet Cable System and proposed landing coordinates is attached hereto as Exhibit A. While the existing Bahamas Internet Cable System has optic restoration, the system is exposed to a fiber cut on its only link between the United Sates and the Bahamas.

The incumbent operator sold 1.5 mbps private circuits for \$48,000 per month in 2001. A 1.5 mbps circuit is now available for \$12,000 per month.

Today if there was an equipment failure on the Bahamas Internet Cable System the

network would automatically switch to standby protected optical electronics. However, if

the fiber sheath suffered catastrophic damage, the full network would fail. By having the

protected optical electronics using fiber strands in a diverse cable sheath the Bahamas

Internet Cable System would continue to provide service to its customers even of there

was catastrophic damage to one of the two fiber cables. The Bahamas Internet Cable

System's enhanced infrastructure will further stimulate competition and lead to

consumer benefits such as more reliable service.

Pursuant to Section 1.767 of the Commission's rules, 47 C.F.R. § 1.767,

Caribbean Crossings submits the following information.

1. Name, Address and Telephone Number of Applicant

Caribbean Crossings Ltd.
Robinson Road at Marathon

PO Box CB-13050

Nassau, Bahamas

Phone: (242) 356-8988 FAX: (242) 530-3685

2. Organization of the Applicant

Caribbean Crossings is a company duly organized and existing under the laws of

the Commonwealth of the Bahamas. Caribbean Crossings is a wholly-owned

subsidiary of Cable Bahamas Ltd. ("Cable Bahamas"), which is also incorporated in the

Commonwealth of the Bahamas.

The largest shareholder of Cable Bahamas is Columbus Communications, a

Bahamas corporation, owning 25.0% of the Company's common stock. The

Government of the Commonwealth of the Bahamas owns 20.0% of Cable Bahamas as

a beneficial owner, with nominee Bahamas Electricity Corp. responsible for 10% of

Cable Bahamas shares and nominee Bahamas Telecommunications Corp. responsible for the other 10%. The remaining 55.0% of Cable Bahamas is publicly traded on the Bahamas International Securities Exchange with no entity having a 5% or greater interest in Cable Bahamas. A diagram of this ownership structure is attached as Exhibit B.

Pursuant to the Memorandum and Articles of Association of Cable Bahamas (the "Articles"), the Company has five (5) directors. The Articles entitle Columbus Communications to nominate and elect three (3) of these directors, provided that Columbus Communications holds not less than 20% of the shares of the Company. As a result of this provision, Columbus Communications controls Cable Bahamas, notwithstanding the minority ownership interest in Cable Bahamas which Columbus Communications holds.

All shares of Columbus Communications common stock are held by Persona Communications (Barbados), Inc., a wholly owned Barbadian subsidiary of Persona International Inc., a Canadian corporation. Persona International is itself a wholly owned subsidiary of Persona Inc., a publicly traded Canadian corporation. Through another wholly owned subsidiary, Personal Communications Inc. (formerly Regional Cablesystems Inc.), Persona Inc. is in the business of providing cable television, digital cable, high speed Internet and telecommunications services to residential and commercial users in Canada.

The largest shareholder of Persona Inc. is Philip Keeping, a citizen of Canada, owning 14.3% of Persona Inc.'s common stock. The remaining 85.7% of Persona Inc.

is publicly traded on Toronto Stock Exchange with no entity having a 10% or greater interest in Persona Inc.

#### 3. Contact Points

Please forward all correspondence concerning this Application to:

Richard W. Pardy
President and Chief Operating Officer
Caribbean Crossings Ltd.
Robinson Road at Marathon
PO Box CB-13050
Nassau, Bahamas
Phone: (242) 356-8988

FAX: (242) 356-8985

Email: rick@cablebahamas.com

#### with a copy to:

Eric Fishman, Esq. Holland & Knight LLP 2099 Pennsylvania Avenue, NW Washington, DC 20006 Phone: (202) 828-1849

FAX: (202) 419-2736

Email: efishman@hklaw.com

#### 4. <u>Description of the Submarine Cable</u>

The existing Bahamas Internet Cable System is a high capacity fiber optic link between Boca Raton, Florida and the Bahamas, comprised of twelve (12) fiber pairs with a capacity of 2.5 Gbps using one fiber pair. The ultimate network capacity will be thirty (30) Gbps using the twelve (12) fiber pair at 2.5 Gbps per pair. An upgrade to the system using Wavelength Division Multiplexing (WDM) technology is contemplated to extend the capacity beyond thirty (30) Gbps when the underlying market demand necessitates such a requirement. With today's technology, using 40 wavelengths per

fiber pair, the ultimate network capacity for this upgraded design is 1,200 Gbps. Design life of the system is twenty-five (25) years. The Ready for Service ("RFS") date for the Bahamas Internet Cable System was August 1, 2001.

The proposed second cable for the Bahamas Internet Cable System will have identical specifications as the initial cable. Specifically, it wall be a high capacity fiber optic link between Boca Raton, Florida and the Bahamas, comprised of twelve (12) fiber pairs with a capacity of 2.5 Gbps using one fiber pair. The ultimate network capacity will be thirty (30) Gbps using the twelve (12) fiber pair at 2.5 Gbps per pair. With today's technology, using 40 wavelengths per fiber pair, the ultimate network capacity for this upgraded design is 1,200 Gbps. Design life of the system is twenty-five (25) years. The Ready for Service ("RFS") date for the self-healing ring of Bahamas Internet Cable System is first quarter 2003.

#### 5. <u>Description of the Cable Landing Stations</u>

As shown in the proposed route diagram, attached hereto as Exhibit A, landing locations are planned in Boca Raton, Florida; and Hawksbill, Grand Bahama, Bahamas. Exhibit C demonstrates the exact location and coordinates for the Boca Raton, Florida landing location and the Hawksbill, Grand Bahama, Bahamas landing location.

# 6. <u>The Bahamas Internet Cable System Will Be Continue to Be Operated on a Non-Common Carrier Basis</u>

Pursuant to the terms of its current Cable Landing License, Caribbean Crossings operates the Bahamas Internet Cable System network on a private carrier basis. Applicant will continue to operate its network, as modified by this filing, on a private carrier basis, offering bulk capacity to a specific class of eligible users, including common carriers, on an original ownership, indefeasible right of use ("IRU"), or lease of

capacity basis. Caribbean Crossings will not hold itself out to serve the public indifferently. Rather, it will make individualized decisions in particular cases, whether and on what terms to deal.<sup>3</sup> Caribbean Crossings will not be operating the Bahamas Internet Cable System on a common carrier basis and is not required to apply for Title II authority.<sup>4</sup>

Applicant's proposed cable will yield significant public benefits. The proposed cable will provide fully restorable international voice, data and video telecommunications capacity between Southeastern Florida and Grand Bahamas Island and, New Providence Island with greater cost efficiency than is presently available. The proposed cable will provide the restoration capability demanded by telecommunications carriers and end-users. The proposed cable, by adding restoration capacity along the telecommunications services route between the United States and the Bahamas, will enhance the role of Bahamas as a center for communications traffic. Currently the vast majority of Internet capacity between the United States and the Bahamas is carried on a single cable sheath. This risk impairs the reliability of communications services for business, government, institutional and residential customers who today rely on the Bahamas Internet Cable System.

#### 7. Proposed Owners of The Bahamas Internet Cable System

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This standard is the hallmark of private carriage. See National Ass'n of Regulatory Utility Commissioners v. FCC, 525 F.2d 630, 641 (D.C. Cir.), cert. denied, 425 U.S. 999 (1976).

See Project Oxygen (USA) LLC, 14 FCC Rcd. 3924, at ¶ 9 (1999) (concluding that non-common carrier status is appropriate where the applicant "will make individualized decisions in particular cases whether and on what terms to deal with prospective customers"); SSI Atlantic Crossing LLC, 13 FCC Rcd. 5961, at ¶ 8 (1997) (conferring non-common carrier status where "capacity will be assigned pursuant to 'individualized decisions,' and bulk capacity will be offered to a 'significantly restricted' class of users").

Caribbean Crossings will own and control the U.S. landing location and the portion of the Bahamas Internet Cable System cable located in U.S. territorial waters.<sup>5</sup> For further information regarding the ownership of Caribbean Crossings, see response to Item 2 above.

#### 8. <u>Section 63.18 Certification</u>

Pursuant to Section 1.767(a)(8) of the Commission's Rules, Applicant hereby certifies as follows:

- A. Applicant is a Bahamas corporation headquartered at Robinson Road at Marathon, Nassau, Bahamas. It is a wholly owned subsidiary of Cable Bahamas. Applicant is engaged in the provisioning of telecommunications services.
- B. Cable Bahamas is a Bahamas corporation headquartered at Robinson Road at Marathon, Nassau, Bahamas. Cable Bahamas is licensed by the Government of the Bahamas to provide cable television and Internet service through out the Bahamas.
- C. The largest shareholder of Cable Bahamas is Columbus Communications, a Bahamas corporation, owning 25.0% of the Company's common stock. The Government of the Commonwealth of the Bahamas owns 20.0% of Cable Bahamas as a beneficial owner, with nominee Bahamas Electricity Corp. responsible for 10% of Cable Bahamas shares and nominee Bahamas Telecommunications Corp.

<u>Inc.</u>, 13 FCC Rcd. 15663 (1998) (authorizing a cable landing station ultimately owned by two Canadian companies).

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In Re Rules and Policies on Foreign Participation in the U.S. Telecommunications Market: Market Entry and Regulation of Foreign-Affiliated Entities, Report and Order and Order on Reconsideration, 12 FCC Rcd, 23891, at ¶ 97 (1997) (stating that the Commission will no longer routinely impose restrictions on foreign ownership of cable landing stations). See also fONOROLA Fiber Development Inc. and Ledcor Industries

responsible for the other 10%. The remaining 55.0% of Cable Bahamas is publicly traded on the Bahamas International Securities Exchange with no entity having a 5% or greater interest in Cable Bahamas. Columbus Communications is a Bahamas corporation headquartered at Robinson Road at Marathon, Nassau, Bahamas. Its primary business is the management and operation of Cable Bahamas.

- D. Pursuant to the Memorandum and Articles of Association of Cable Bahamas (the "Articles"), the Company has five (5) directors. The Articles entitle Columbus Communications to nominate and elect three (3) of these directors, provided that Columbus Communications holds not less than 20% of the shares of the Company. As a result of this provision, Columbus Communications controls Cable Bahamas, notwithstanding the minority ownership interest in Cable Bahamas, which Columbus Communications holds.
- E. All shares of Columbus Communications common stock are held by Persona Communications (Barbados), Inc., a Barbados corporation. The business address of Personal Barbados is Suites 205-207 Dowell House, Roebuck & Palmetto Streets, Bridgetown, Barbados.
- F. Persona Barbados is a wholly owned subsidiary of Persona International Inc., a Canadian corporation. The business address of Persona International is 17 Duffy Place, P.O. Box 12155, Station "A", St. John's Newfoundland and Labrador, Canada A1B 4L1.
- G. Persona International is the wholly owned subsidiary of Persona Inc., a publicly traded Canadian corporation. Through another wholly owned subsidiary, Personal Communications Inc. (formerly Regional Cablesystems Inc.), Persona Inc. is

in the business of providing cable television, digital cable, high speed Internet and telecommunications services to residential and commercial users in Canada. In its provisioning of telecommunications services in Canada, Persona Communications is a non-dominant carrier.

- H. The largest shareholder of Persona Inc. is Philip Keeping, a citizen of Canada, owning 14.3% of Persona Inc.'s common stock. The remaining 85.7% of Persona Inc. is publicly traded on Toronto Stock Exchange with no entity having a 10% or greater interest in Persona Inc.
- I. A diagram of the ownership structure of Caribbean Crossings is attached as Exhibit B.
- J. Philip Keeping, Brendan Paddick, I.G. Stubbs, Keva Bethel and Gary Kain serve on the Board of Directors of both Caribbean Crossings and Cable Bahamas. Mr. Kain and Brendan Paddick serve on the Board of Directors of Persona Inc., Persona International Inc. and Persona Communications Inc.
- K. Caribbean Crossings owns and controls a cable landing station in the Bahamas which is part of the Bahamas Internet Cable System network described in this filing. Aside from this interest, neither Caribbean Crossings nor any of the other entities described above owns or controls a foreign cable landing station.
- L. Caribbean Crossings is affiliated with Bahamas Telecommunications Corp., a Bahamas telecommunications carrier, which holds a 10% interest in Cable Bahamas, the parent corporation of Caribbean Crossings. Caribbean Crossings is also affiliated with Persona Communications, Inc., which provides domestic telecommunications services in Canada.

M. Caribbean Crossings does not seek to provide international telecommunications services to any destination country for which any of the provisions of Section 63.18(j) is true.

N. No party to this application has been subject to a denial of federal benefits that includes FCC benefits pursuant to Section 53011 of the Anti-Drug Abuse Act, 21 U.S.C. § 862.

#### 9. Routine Conditions

Caribbean Crossings hereby certifies that it accepts and will abide by the routine conditions specified in Section 1.767(g) of the Commission's rules.

#### 10. <u>Environmental Impact</u>

The grant of the cable landing license requested herein will not have a significant impact upon the quality of the human environment as defined in Rule 1.1305 of the Commission's rules.<sup>6</sup> Thus, no environmental information is required to be submitted with this application.

#### 11. Eligibility for Streamlining

Caribbean Crossings certifies that it is eligible for streamlined processing of this filing since it and its affiliates outlined above all lack market power and because the Bahamas and Canada, where two of its affiliated service providers (Cable Bahamas and Persona Communications) offer service are World Trade Organization Members, and Caribbean Crossings agrees to accept and abide by the reporting requirements set forth in Section 63.18(I) of the Commission's rules.

The construction of new submarine cable systems is categorically excluded from environmental processing. See 47 C.F.R. § 1.1306 note 1.

#### CONCLUSION

In light of the above, Caribbean Crossings respectfully submits that the public interest, convenience, and necessity would be served by granting its request to amend its cable landing license to operate a private submarine fiber optic cable between the United States, and the Bahamas.

Respectfully submitted,

By:\_

Richard W. Pardy
President and Chief Operating Officer
Caribbean Crossings, Ltd.
Robinson Road at Marathon
PO Box CB-13050
Nassau, Bahamas
242-356-8988

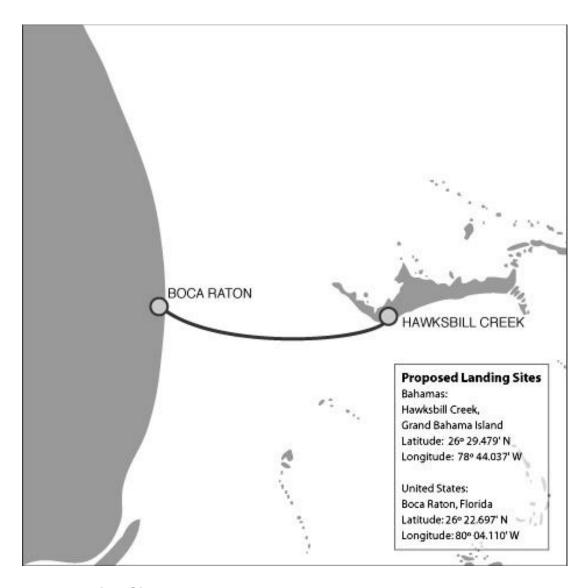
By:\_\_\_\_

Eric Fishman Holland & Knight LLP 2099 Pennsylvania Avenue, NW Washington, D.C. 20006 Tel. (202) 828-1849 Its Attorneys

September \_\_\_, 2002

# **EXHIBIT A**

### **EXHIBIT A**



#### **Proposed Landing Sites:**

Bahamas: Hawksbill Creek, Grand Bahama Island

Latitude: 26° 29.479' N Longitude: 78° 44.037' W

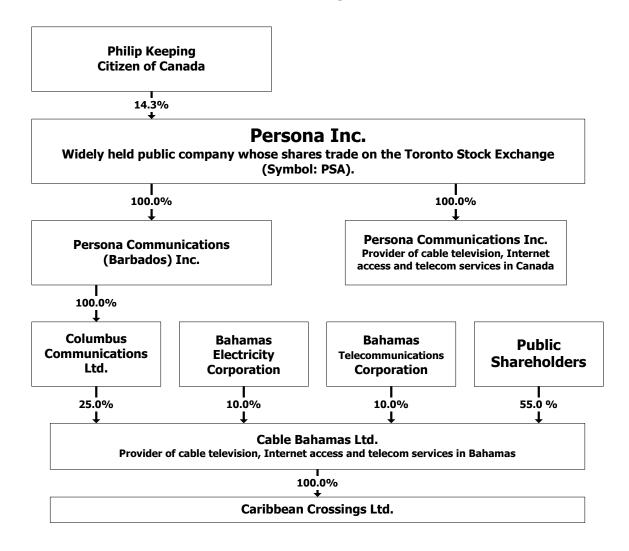
United States: Boca Raton, Florida

Latitude: 26° 22.697' N Longitude: 80° 04.110' W

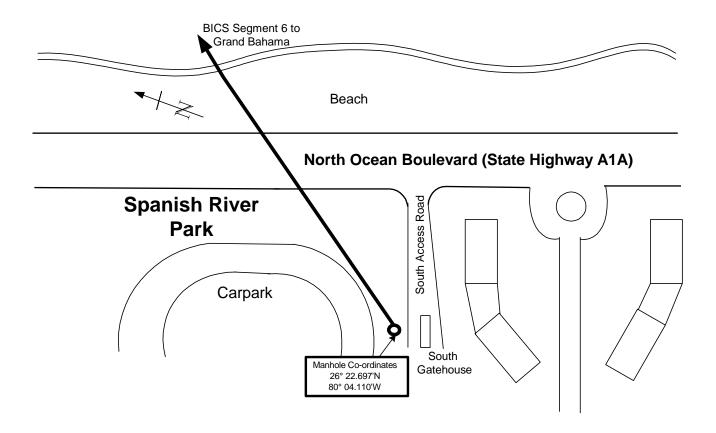
#### **Exhibit B**

Caribbean Crossings, Ltd. is a wholly-owned subsidiary of Cable Bahamas, Ltd.

#### **Ownership Structure**



## **EXHIBIT C**



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# Caribbean Crossings Ltd.

Hawksbill Cable Landing Site, Grand Bahama, Bahamas

