

SCL-STA-20200402-00015
Grant of Authority

Granted
Date: April 8, 2020
Authorized by: Chief, Telecommunications and Analysis Div. International Bureau
Henise Coca
Signature
Expires October 5, 2020

GU Holdings Inc. (GU Holdings) acknowledges that grant of this Special Temporary Authority (STA) will not prejudice action by the Commission on the underlying cable landing license application (SCL-LIC- 20170421-00012, SCL-AMD-20171227-00025) or any other pending requests for STA, and that this STA is subject to cancellation or modification upon notice without a hearing.

We grant the Petition to Adopt Conditions to Authorizations and Licenses (Petition) filed in this proceeding on April 8, 2020 by the Department of Justice (DOJ), with the concurrence of the Department of Homeland Security (DHS) and the Department of Defense (DOD). Accordingly, we condition grant of this STA on GU Holdings abiding by the commitments and undertakings contained in the April 7, 2020 Provisional National Security Agreement for Special Temporary Authority between GU Holdings and DOJ, DHS and DOD (Provisional NSA). A failure to comply and/or remain in compliance with any of these commitments and undertakings shall constitute a failure to meet a condition of this STA and thus grounds for cancelling this STA and any other STA associated with this cable landing license application without further action on the part of the Commission. Failure to meet a condition of this STA may also result in monetary sanctions or other enforcement action by the Commission. A copy of the Petition and the Provisional NSA are publicly available and may be viewed on the FCC website through the International Bureau Filing System (IBFS) by searching for SCL-STA-20200402-00015 and accessing "Other filings related to this application" from the Document Viewing area.

This STA expires on October 5, 2020.

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

In the Matter of)	
)	
GU HOLDINGS INC., EDGE CABLE)	File Nos. SCL-LIC-20170421-00012
HOLDINGS USA, LLC and PACIFIC LIGHT)	SCL-AMD-20171227-00025
DATA COMMUNICATION CO. LTD.)	SCL-STA-2020_____
)	
Application for a License to Construct, Land,)	
and Operate an Undersea Fiber Optic Cable)	
Connecting the United States, Hong Kong,)	
Taiwan, and the Philippines)	

REQUEST FOR SPECIAL TEMPORARY AUTHORITY

GU Holdings Inc. (GU Holdings) hereby requests Special Temporary Authority (STA) to begin commercial operation of limited portions of the Pacific Light Cable Network (PLCN) prior to the Commission’s grant of the pending application for a license to construct, land, and operate the entire PLCN system.¹ Specifically, GU Holdings seeks 180-day STA to begin operating the following portions of PLCN connecting the United States with Taiwan:

- The fiber pair owned by GU Holdings and its affiliates connecting the United States to Branching Unit 1 (Fiber Pair 2 on each of Segments S1.1.1 and S.1.1.2);²
- The branch owned by GU Holdings’ affiliates connecting Taiwan to Branching Unit 1, including the two fiber pairs on that branch (Segment S2);
- Common equipment necessary to operate Fiber Pair 2 between the United States and Taiwan.

¹ See GU Holdings Inc., Edge Cable Holdings USA, LLC, and Pacific Light Data Communication Co. Ltd., Application for a License to Construct, Land, and Operate an Undersea Fiber Optic Cable Connecting the United States, Hong Kong, Taiwan, and the Philippines, FCC File No. SCL-LIC-20170421-00012 (filed Apr. 21, 2017) (*PLCN Application*). See also Amendment to Application for a Cable Landing License, FCC File No. SCL-AMD-20171227-00025 (filed Dec. 27, 2017) (*PLCN Amendment*).

² For Segment references, see Appendix A hereto.

With this request, GU Holdings does not seek authority to commence commercial operation of Segments S1.2, S1.3, S1.4, S4, or S5, Fiber Pair 1 owned by Edge Cable Holdings USA (Edge USA) and its affiliates, or Fiber Pairs 3 through 6 owned by Pacific Light Data Communications Co., Ltd. (PLDC). For clarity, the present request for STA would not authorize any commercial traffic on the PLCN system to or from the Philippines or Hong Kong, nor any operation of the PLCN system by Edge USA or PLDC or their respective affiliates.

Delay or denial of the requested STA would impose significant economic costs on GU Holdings and delay the public benefits of substantial additional capacity on these routes. The Team Telecom agencies have been notified of this request. Further, PLCN's Executive Committee, consisting of representatives from all PLCN owners, has unanimously approved seeking the authorization sought in this request.

GU Holdings acknowledges that grant of such STA will not prejudice action by the Commission on the underlying license application or any other pending requests for special temporary authority, and that such STA is subject to cancellation or modification upon notice without a hearing. The Commission has authority to grant STA and has previously granted STA requests seeking similar relief.³

I. BACKGROUND

On April 21, 2017, GU Holdings, Edge USA, and PLDC (collectively, the Applicants) applied for authority to construct, land, and operate PLCN, a high-capacity fiber-optic submarine

³ *E.g.*, FCC File Nos. SCL-STA-20200203-00012 (granting STA for commercial operation of the JGA South submarine cable system pending execution of mitigation agreement); SCL-STA-20100607-00013 (granting STA for commercial operation of the Honotua submarine cable system pending execution of mitigation agreement); SCL-STA-20081209-00020 (granting STA for commercial operation of the CB-1 submarine cable system pending execution of mitigation agreement).

cable system connecting the U.S., Hong Kong, Taiwan, and the Philippines.⁴ The Commission placed the application on streamlined public notice on November 1, 2017,⁵ but later removed the application from streamlined processing at the request of the Team Telecom agencies pending completion of a national security review. On December 27, 2017, the Applicants filed an amendment to the application reflecting a change to the ownership structure for PLDC.⁶ On January 22, 2018, the Commission placed the amended application on streamlined public notice,⁷ but once again removed the application from streamlined processing at the request of the Team Telecom agencies pending completion of the national security review.

On September 7, 2018, the Applicants requested STA to construct, connect, and test the portion of PLCN in U.S. territory during the Commission's consideration of the Applicants' pending cable landing license application (the Construction STA).⁸ On October 5, 2018, the Commission granted the Applicants' Construction STA request for 180 days.⁹ On March 27, 2019, the Applicants requested an extension of the Construction STA.¹⁰ On April 3, 2019, the Commission granted the Applicants' request and extended the Construction STA for another 180 days, through September 30, 2019.¹¹ On September 6, 2019, the Applicants requested a further

⁴ See *PLCN Application*.

⁵ See Public Notice, *Streamlined Submarine Cable Landing License Applications Accepted for Filing*, Report No. SCL-00204S (rel. Nov. 1, 2017).

⁶ See *PLCN Amendment*.

⁷ See Public Notice, *Streamlined Submarine Cable Landing License Applications Accepted for Filing*, Report No. SCL-00208S (rel. Jan. 22, 2018).

⁸ See Request for Special Temporary Authority, FCC File No. SCL-STA-20180907-00033 (filed Sept. 7, 2018).

⁹ See Special Temporary Authority Grant, FCC File No. SCL-STA-20180907-00033 (granted Oct. 5, 2018).

¹⁰ See Request for Special Temporary Authority, FCC File No. SCL-STA-20190327-00011 (filed Mar. 27, 2019).

¹¹ See Special Temporary Authority Grant, FCC File No. SCL-STA-20190327-00011 (granted Apr. 3, 2019).

extension of the Construction STA.¹² On September 30, 2019, the Commission granted the Applicant's request and extended the Construction STA for another 180 days, through March 28, 2020.¹³ On March 13, 2020, the Applicants requested a further extension of the Construction STA.¹⁴ On March 26, 2020, the Commission granted the Applicants' request and extended the Construction STA for another 180 days, through September 22, 2020, and construction and testing are proceeding under that authority.¹⁵

Segments S1.1.1, S.1.1.2, and S.2 (connecting the United States to Taiwan) are now fully constructed, tested, and ready for commercial operation. As explained below, GU Holdings and its affiliates urgently need the capacity of those segments to support their internal operations, and this STA would serve the public interest.

For clarity, the present request for STA to begin commercial operation of the U.S.-Taiwan portion of PLCN is separate from, but consistent with, the broader request submitted by GU Holdings and Edge USA on January 29, 2020, for STA to begin commercial operation of both the U.S.-Taiwan and U.S.-Philippines (Baler) portions of the PLCN system.¹⁶

¹² See Request for Special Temporary Authority, FCC File No. SCL-STA-20190906-00032 (filed Sept. 6, 2019).

¹³ See Special Temporary Authority Grant, FCC File No. SCL-STA-20190906-00032 (granted Sept. 30, 2019).

¹⁴ See Request for Special Temporary Authority, FCC File No. SCL-STA-20200313-00014 (filed Mar. 13, 2020).

¹⁵ See Special Temporary Authority Grant, FCC File No. SCL-STA-20200313-00014 (granted Mar. 26, 2020).

¹⁶ See GU Holdings Inc. and Edge Cable Holdings USA, LLC, Request for Special Temporary Authority, FCC File No. SCL-STA-20200129-00006 (filed Jan. 29, 2020).

II. THE U.S.-TAIWAN FIBER PAIR WILL BE OPERATED SEPARATELY FROM AND INDEPENDENTLY OF ALL OTHER PORTIONS OF PLCN

Under the requested STA, GU Holdings seeks authority for commercial operation of only the fiber pair, segments, and common equipment providing connectivity between the United States and Taiwan. Fiber Pair 2 and Segment S2, which connects the United States and Taiwan, will be operated by GU Holdings and its affiliates separately from and independently of other portions of PLCN and independent of Edge USA, PLDC, and their respective affiliates. Independent operation of this fiber pair and these segments is commercially and technically feasible, and consistent with the public interest. Specifically,

- PLCN’s owners do not “share” fiber pairs. Each owner holds title to separate fiber pairs with separate submarine line terminating equipment, and each will operate those fiber pairs and equipment independent of the other owners;
- Operation of Fiber Pair 2, Segment S2, and the common equipment on Segments S1.1.1 and S1.1.2, does not depend on any equipment housed in the Philippines or Hong Kong, and neither Edge USA nor PLDC has any independent access rights to any equipment housed in the United States or Taiwan. Within the United States cable landing station, each party is assigned a separate cage for housing equipment supporting their individual fiber pairs (e.g., submarine line terminating equipment), and a fourth cage houses equipment supporting operation of all fiber pairs (e.g., power feeding equipment). GU Holdings holds exclusive approval authority for all persons accessing any of these cages;
- Neither Edge USA nor PLDC holds any voting rights on Segment S2 connecting PLCN’s main trunk to Taiwan; rather, an affiliate of GU Holdings holds 100 percent of the voting rights on Segment S2, and
- Each party is contractually prohibited from using its participation interest in the system to interfere with the ownership or rights of use of the other parties.¹⁷

¹⁷ Section 5.6 of the Joint Build Agreement by and between the PLCN owners states:

Each Party . . . shall not use any Minimum Investment Unit or capacity or spectrum on its Minimum Investment Unit(s) in any manner such as to interfere with the ownership or right of use of any other Party, and use commercially reasonable efforts to ensure that its Affiliates, agents, employees, contractors and other persons within its reasonable control comply with the foregoing[.]

As a result of these existing provisions, neither Edge USA nor PLDC will have any role in the requested operation of the Taiwan branch. Furthermore, Edge USA and PLDC by contract may not interfere with the ownership or rights of use of GU Holdings.

III. GRANT OF THE STA WILL SERVE THE PUBLIC INTEREST

Grant of the requested STA will serve the public interest, convenience, and necessity and otherwise comply with U.S. law and Commission regulations.

GU Holdings and its affiliates have an immediate need to meet internal demand for capacity between the U.S. and Taiwan, in particular to connect Google's Taiwan data center to Google data centers in the United States and thereby to serve users throughout the Asia-Pacific region. Indeed, without access to PLCN's U.S.-Taiwan capacity, the value of large, recent capital investments Google has made in the United States is significantly reduced.

When the Applicants submitted the *PLCN Application* nearly 3 years ago, they anticipated that the system would be operational within no more than 18 months. GU Holdings and its affiliates accordingly made network and product decisions that relied on the availability of PLCN capacity on the U.S.-Taiwan route by late 2019. That capacity is now installed, tested, and ready for service. Absent STA to operate the U.S.-Taiwan segment, GU Holdings and its affiliates will be forced to seek alternative capacity to meet its affiliates' needs. It is uncertain whether sufficient capacity would be available at all. To the extent such alternative capacity is available, obtaining it on short notice will likely result in significantly higher prices for the capacity. In contrast, timely grant of the STA will permit GU Holdings and its affiliates to deliver their traffic with minimal delay.

Grant of the STA request will also help ensure realization of other public benefits identified in the *PLCN Application*, including increasing competition on the U.S.-Taiwan route and enhancing the service quality, redundancy, and resilience of communications systems in the region through route diversity.¹⁸

GU Holdings is not aware of any national security issues associated with operation of the U.S.-Taiwan segment by GU Holdings, under the terms described above.

IV. CONCLUSION

For the foregoing reasons, the Commission should grant to GU Holdings as expeditiously as possible, and subject to Team Telecom consideration, STA to operate on a commercial basis the fiber pairs, segments, and common equipment connecting the United States with Taiwan, while continuing the Commission's consideration of the *PLCN Application*.

Respectfully submitted,

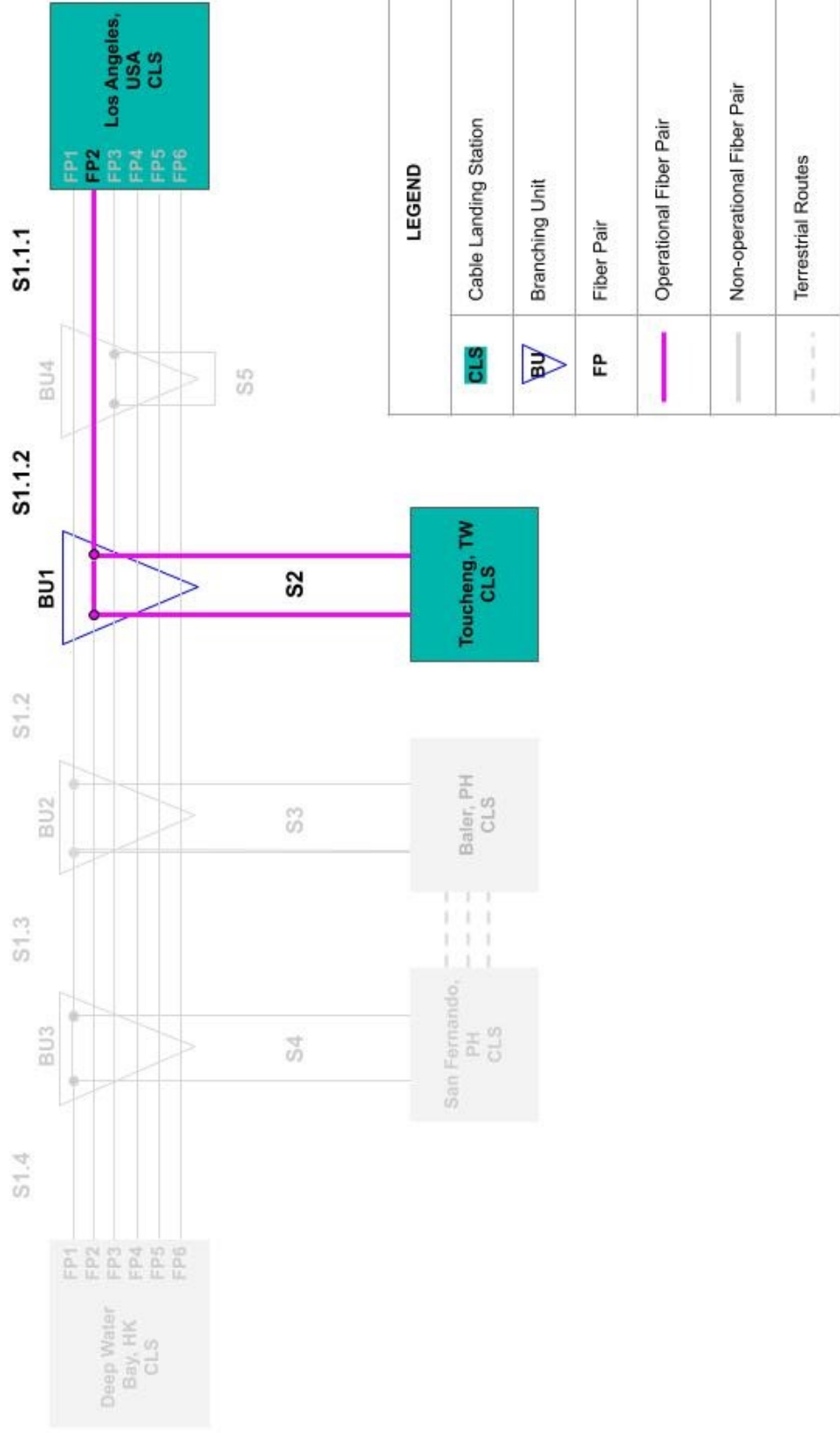


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¹⁸ *PLCN Application* at 3.

Appendix A
System Diagram Under U.S.-Taiwan STA



CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing document was served this date upon the following via electronic mail:

U.S. Coordinator
EB/CIP
U.S. Department of State

Office of Chief Counsel/NTIA
U.S. Department of Commerce

Defense Information Systems Agency
ATTN: GC/DO1



Stephanie Selmer
April 2, 2020