

December 11, 2013

Mr. David Heyman
Assistant Secretary for Policy
U.S. Department of Homeland Security
3801 Nebraska Avenue, N.W.
Washington, D.C. 20528

Re: Pending application to transfer control of Brasil Telecom of America Inc., holder of cable landing licenses under the Submarine Cable Act, from Oi S.A. to BTG Pactual YS Empreendimentos e Participações S.A., FCC # SCL-T/C-20130729-00006

Dear Mr. Heyman:

This letter (“Letter of Assurances”) outlines the commitments by Brasil Telecom of America Inc. (“GlobeNet”) and BTG Pactual YS Empreendimentos e Participações S.A. (“BTG”) to the U.S. Department of Homeland Security (“DHS”), in order to address national security, law enforcement and public safety concerns raised with regard to GlobeNet’s application to the Federal Communications Commission (“FCC”) for consent to the above-referenced transaction.

GlobeNet and its affiliates own the GlobeNet Cable System which, pursuant to FCC authority,¹ links landing stations in Tuckerton, New Jersey, and Boca Raton, Florida, with landing stations in Bermuda, Brazil, Colombia and Venezuela. GlobeNet and its ultimate parent company, Oi S.A. (“Oi”), have jointly applied with BTG to the FCC for authority to transfer control of GlobeNet and the GlobeNet Cable System from Oi to BTG in a transaction that will be seamless to GlobeNet’s customers. Once this transaction is completed, GlobeNet will become a wholly-owned subsidiary of BTG. For purposes of this Letter of Assurances, the GlobeNet Cable System means the submarine and terrestrial portions of the associated undersea fiber-optic telecommunications network, including, but not limited to, associated cable landing stations, Points of Presence (POPs), or interconnected gateways in the United States (whether leased or owned).

1. Definitions.

a. “Domestic Communications” 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.

¹ See FCC File Nos. SCL-LIC-19961026-00001 and SCL-LIC-19990602-00010.



b. "Domestic Communications Infrastructure" means any portion of the Cable System used by or on behalf of GlobeNet that is: (a) transmission, switching, bridging and routing equipment (including software and upgrades) used by or on behalf of GlobeNet to provide, process, direct, control, supervise or manage Domestic Communications; (b) facilities and equipment used by or on behalf of GlobeNet that are physically located in the United States; and (c) facilities used by or on behalf of GlobeNet to control the equipment described in (a) and (b) above. Domestic Communications Infrastructure does not include equipment or facilities used by service providers other than GlobeNet that are:

- (1) Interconnecting communications providers; or
- (2) providers of services or content that are:
 - (A) accessible using the communications services of GlobeNet; and
 - (B) available in substantially similar form and on commercially reasonable terms through communications services of companies other than GlobeNet.

The phrase "on behalf of" as used in this section does not include entities with which GlobeNet has contracted for peering, interconnection, roaming, long distance, or other similar arrangements. Domestic Communications Infrastructure does not include equipment dedicated to the termination of international undersea cables outside the United States, provided that such equipment is utilized solely to effectuate the operation of such undersea transport network(s) in no manner controls land-based transport network(s) or their associated systems in the United States.

c. "Electronic Communication" has the meaning given it in 18 U.S.C. § 2510(12).

d. "Principal Equipment" means the primary components of the Domestic Communications Infrastructure and GlobeNet's Cable System, including, but not limited to, servers, routers, switches, signal modulators and amplifiers, repeaters, submarine line terminal equipment (SLTE), system supervisory equipment (SSE), power feed equipment (PFE), tilt and shape equalizer units (TEQ/SEQ), optical distribution frames (ODF), and synchronous optical network (SONET), synchronous digital hierarchy (SDH), wave division multiplexing (WDM), dense wave division multiplexing (DWDM), coarse wave division multiplexing (CWDM) or optical carrier network (OCN) equipment, as applicable, and any non-embedded software necessary for the proper monitoring, administration and provisioning of the GlobeNet Cable System.

e. "U.S. Records" means all customer billing records, subscriber information, or any other related information used, processed, or maintained in the ordinary course of business relating to communications services offered to U.S. persons.

g. "Wire Communication" has the meaning given it in 18 U.S.C. § 2510(1).

2. U.S. Records

GlobeNet agrees that, for all U.S. Records, GlobeNet will make such U.S. Records available in the United States in response to lawful U.S. process. For these purposes, U.S. Records shall include information subject to disclosure to a U.S. federal or state governmental entity under the

procedures specified in Sections 2703(c) and (d) and Section 2709 of Title 18 of the United States Code.

GlobeNet agrees to take all practicable measures to prevent unauthorized access to, or disclosure of the content of, communications or U.S. Records in violation of any U.S. federal, state, or local laws or of the commitments set forth in this Letter of Assurances. If GlobeNet learns of any unauthorized disclosure with respect to U.S. Records, it will deliver a written notification containing all the known details concerning each such incident to DHS within five (5) business days.

GlobeNet agrees that it will not, directly or indirectly, disclose or permit disclosure of or access to U.S. Records, Domestic Communications, or any information (including the content of communications) pertaining to a wiretap order, pen/trap order, subpoena or other lawful demand by a U.S. law enforcement agency for U.S. Records, to any person if the purpose of such disclosure or access is to respond to the legal process or request on behalf of a non-U.S. government without first satisfying all pertinent requirements of U.S. law and obtaining the express written consent of DHS or the authorization of a court of competent jurisdiction in the United States. The term "non-U.S. government" means any government, including an identified representative, agent, component or subdivision thereof, that is not a local, state or federal government in the United States. Any such requests or legal process submitted by a non-U.S. government to GlobeNet shall be referred to DHS as soon as possible, and in no event later than five (5) business days after such request or legal process is received by or known to GlobeNet, unless the disclosure of the request or legal process would be in violation of U.S. law or an order of a court in the United States.

3. Point of Contact

For the purposes of this Letter of Assurances, GlobeNet agrees to maintain a point of contact within the United States with the authority and responsibility for accepting and overseeing compliance with a wiretap order, pen/trap order, subpoena or other lawful demand by U.S. law enforcement authorities for the content of communications or U.S. Records. Any point of contact shall be a resident U.S. citizen, and GlobeNet shall cooperate with any request by a U.S. government authority that a background check or security clearance process be completed for a designated point of contact. GlobeNet has designated Erick W. Contag as its current point of contact for purposes of this Letter of Assurances. GlobeNet will notify DHS of any change in the point of contact within five (5) days of such change.

4. Principal Equipment

a. Initial Principal Equipment List: Upon execution of this Letter of Assurances, GlobeNet shall provide to DHS an initial list of Principal Equipment for review. The Principal Equipment list shall specify the associated vendor, product line, make, and model number, and embedded software major release for each article of Principal Equipment. In the event DHS objects to GlobeNet's use of any Principal Equipment, it shall notify GlobeNet in writing within 5 business days. Any such Principal Equipment will be referred to as "Objectionable Principal Equipment."

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- b. Removal of Objectionable Principal Equipment:
- i. GlobeNet agrees to entirely remove Objectionable Principal Equipment currently used on the backhaul from the Cable Landing Station (“CLS”) in Tuckerton, New Jersey, to GlobeNet’s Point of Presence (“POP”) in New York, NY. This removal will be completed no later than December 31, 2013. GlobeNet will notify DHS within thirty (30) days of the completion of this effort.
 - ii. GlobeNet agrees to entirely remove Objectionable Principal Equipment currently used on the backhaul from the Boca Raton, Florida CLS to the POPs in Miami Florida. This removal will be completed no later than December 31, 2014. GlobeNet will provide quarterly reports on the progress of this effort, and will notify DHS within thirty (30) days of the completion of this project.
 - iii. GlobeNet agrees to not expand or materially upgrade Objectionable Principal Equipment currently used as SDH equipment or software and, to the extent practicable, will accelerate the decommissioning of such equipment.
 - iv. GlobeNet agrees to address any concerns identified by DHS with respect to Objectionable Principal Equipment not addressed by paragraphs (i) - (iii) above in good faith, in consultation with DHS.
- c. GlobeNet agrees to make no purchases or installations of Objectionable Principal Equipment on GlobeNet’s Cable System once identified by DHS.
- d. Notwithstanding paragraph (c) above, GlobeNet shall be permitted to replace Objectionable Principal Equipment that becomes defective or faulty; provided that it does not expand from the current capabilities of such Objectionable Principal Equipment.
- e. Updated Principal Equipment List: Within thirty (30) days of any change to its Principal Equipment List, GlobeNet will provide DHS with an updated list of its Principal Equipment in line with above definition of Principal Equipment for review. In the event DHS objects to GlobeNet’s use of any Principal Equipment, it shall notify GlobeNet in writing within thirty (30) days.
- f. Maintenance: GlobeNet agrees to provide at least fifteen (15) business days’ advance written notice to DHS prior to performing any non-emergent maintenance, repair, or replacement that would result in any modification to the description of the Principal Equipment. In the event of any modification that is the result of any maintenance, repair or replacement that is undertaken pursuant to a bona fide emergency and is necessary to ensure the continued operability of the GlobeNet Cable System, GlobeNet agrees to provide advance notice of the modification to DHS if practicable, and in any case, no later than five (5) business days after the modification. GlobeNet agrees to provide at least thirty (30) business days’ advance written notice to DHS prior to making any modifications to its description of contracts for the GlobeNet Cable System’s maintenance and support.

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5. Security Officer

Upon execution of this Letter of Assurances, GlobeNet agrees to designate and maintain a security officer (the "Security Officer"), and to provide DHS with personally identifiable information for the designee. The Security Officer must be a resident U.S. citizen. The Security Officer will be responsible for serving as a point of contact within the United States with the authority and responsibility for accepting and overseeing GlobeNet's compliance with this Letter of Assurances. In the event that DHS objects to the proposed Security Officer, it shall notify GlobeNet in writing within thirty (30) days. GlobeNet will notify DHS of any change in the Security Officer within five (5) days of such change. In the event that DHS objects to the proposed change, it shall notify GlobeNet in writing within thirty (30) days. GlobeNet shall cooperate with any request by a U.S. Government authority that a background check or security clearance process be completed for a designated Security Officer. For the avoidance of doubt, the Security Officer may be the same person as the point of contact referred to in Section 3 above.

6. Written Operations & Security Policies

a. GlobeNet agrees to take reasonable measures to prevent the unauthorized use of or access to the Domestic Communications Infrastructure. These measures shall include maintaining and/or creating and complying with written GlobeNet policies and procedures related to a comprehensive security strategy for activities at the U.S. cable landings and network operations center(s).

b. Within thirty (30) days of the consummation of the above referenced transaction, and thereafter upon request by DHS, GlobeNet will provide DHS with copies of its written operations procedures, and written security policies relating to the operation of the GlobeNet Cable System. Thereafter, GlobeNet will notify DHS within ten (10) days of any changes to these policies and procedures. GlobeNet further agrees: (a) to cooperate with DHS' recommendations with respect to these procedures and policies, and to the extent such recommendations are not adopted by GlobeNet, to provide a detailed explanation as to why such measures are not adopted.

7. Measures to Prevent Physical and Logical Unauthorized Access

a. GlobeNet agrees to screen personnel prior to permitting unescorted access to the Domestic Communications Infrastructure through a background check and financial investigation, as well as a public criminal records check. GlobeNet also agrees to cooperate with reasonable lawful requests by DHS or any U.S. Government authority desiring to conduct any further background checks.

b. GlobeNet agrees to take practicable measures to prevent unauthorized access to, and protect the physical and logical security of, the GlobeNet Cable System and any information carried on the GlobeNet Cable System, including, without limitation ensuring that all third party

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equipment manufacturers, contractors and subcontractors who obtain access (physical and logical) to Principal Equipment are escorted by GlobeNet personnel and subject to monitoring by GlobeNet personnel.

c. Furthermore, GlobeNet agrees to report to DHS within five (5) business days if it learns of information that reasonably indicates unauthorized third-party access, disruption, or corruption to the GlobeNet Cable System or any information being carried on the GlobeNet Cable System. GlobeNet further agrees: (a) to cooperate with DHS' recommendations with respect to the remediation of such events, and to the extent such recommendations are not adopted by GlobeNet, to provide a detailed explanation as to why such measures are not adopted; and (b) to report GlobeNet's actions in response to any recommendation from DHS concerning remediation within ten (10) business days of receipt of such recommendation.

8. U.S. Government Access to Information or Facilities

GlobeNet agrees that upon reasonable notice, DHS or other agencies or personnel assigned to assist DHS may visit GlobeNet's landing stations, domestic operations centers, and security offices to conduct on-site reviews concerning the implementation of the terms of this Letter of Assurances and may require unimpeded access to information concerning technical, physical, management, or other security measures needed by DHS to verify compliance with the terms of this Letter of Assurances.

9. Notice of Changes to GlobeNet's Services

GlobeNet will notify DHS at least thirty (30) days in advance of any significant changes to the services provided by GlobeNet to its customers within the United States.

10. Annual Certification of Compliance

The Security Officer shall be responsible for certifying annually to DHS that GlobeNet is compliant with the terms of the Letter of Assurances.

11. Notices

All notices to be provided to DHS shall be directed to:

U.S. Department of Homeland Security
Office of Policy
Attn: Shawn Cooley, Director – Foreign Investment Risk Management
245 Murray Lane S.W.
Mail Stop: 0445
Washington, D.C. 20528
IP-FCC@hq.dhs.gov.

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12. Good Faith Negotiation

GlobeNet will negotiate in good faith to resolve any national security, law enforcement, or public safety concerns DHS may raise with respect to the GlobeNet Cable System's equipment, contracts, or security practices.

13. Exempt from Disclosure

GlobeNet is providing this Letter of Assurances on the express understanding that all notices, reports and information provided to DHS pursuant to this Letter of Assurances shall be treated as confidential business information exempt from disclosure under the Freedom of Information Act, 5 U.S.C. 552(b)(4).

14. Final Provisions

GlobeNet agrees that, in the event the commitments set forth in this Letter of Assurances are breached, in addition to any other remedy available at law or equity, DHS may request that the FCC modify, condition, revoke, cancel, or render null and void any relevant license or permit. GlobeNet acknowledges and agrees that the obligations in this Letter of Assurances apply not only to the signatories hereto, but also to any subsidiary or affiliate of GlobeNet that provides Domestic Communications.

Nothing in this Letter of Assurances is intended to excuse the GlobeNet from any obligation it may have to comply with U.S. legal requirements for the retention, preservation, or production of information, records or data, or from any applicable requirements of the Communications Assistance for Law Enforcement Act, 47 U.S.C. 1001, et seq., nor shall it constitute a waiver of: (a) any obligation imposed by any U.S. federal, state or local laws on GlobeNet; (b) any enforcement authority available under any U.S. or state laws; (c) the sovereign immunity of the United States; or (d) any authority the U.S. Government may possess (including without limitation authority pursuant to International Emergency Economic Powers Act) over the activities of GlobeNet located within or outside the United States. Nothing in this Letter of Assurances is intended to or is to be interpreted to require the parties to violate any applicable U.S. law. Likewise, nothing in this Letter of Assurances limits the right of the United States Government to pursue criminal sanctions or charges against GlobeNet, and nothing in this Letter of Assurances provides GlobeNet with any relief from civil liability.

This Letter of Assurances supersedes and replaces in its entirety that certain letter of assurances dated February 11, 2009 provided by GlobeNet to DHS.²

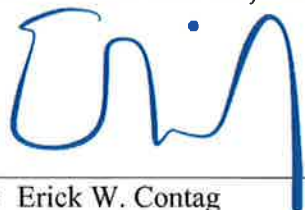
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² The previous letter of assurances was filed in associated with FCC File No. SCL-T/C-20081212-00021.

GlobeNet and BTG understand that, upon execution of this Letter of Assurances by authorized representatives or attorneys for GlobeNet and BTG, DHS shall promptly notify the FCC that it has no objection to the FCC's grant of the above-referenced application.

Sincerely,

Brasil Telecom of America, Inc.



By: _____
Name: Erick W. Contag
Title: Chief Operating Officer
Date: December 11, 2013

BTG Pactual YS Empreendimentos e Participações S.A.

By: _____
Name: Renato Mazzola
Title: Attorney-in-Fact
Date: December 11, 2013

By: _____
Name: Gabriel Barretti
Title: Attorney-in-Fact
Date: December 11, 2013

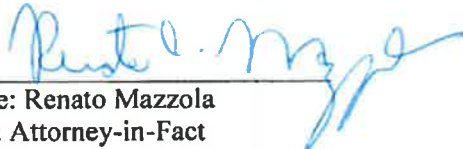
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