



*Fiber Optic Industry Presentation to
Florida Cabinet Aides on
DEP Proposal*

March 7, 2001

North American Submarine Cable Association (NASCA) Member Companies



- ✍ 360networks*
- ✍ Alcatel*
- ✍ AT&T/ Concert*
- ✍ Flag Telecom*
- ✍ Gemini*
- ✍ Global Crossing*
- ✍ Global Photon*
- ✍ Global Marine Systems*
- ✍ Level 3 Communications*
- ✍ MCI Worldcom*
- ✍ New World Networks*
- ✍ Southern Cross*
- ✍ Sprint*
- ✍ Teleglobe*
- ✍ TyCom*
- ✍ WCI Cable*
- ✍ Williams Communications*

OVERVIEW



What causes us problems

 *Excessive, annual fees*

 *SE Florida exclusion*

 *Govt-mandated corridors*

Why bad for Florida

 *Weak environmental justification*

 *Undercuts goals of Florida's IT Policy*

SOLUTION



- ✍ Reasonable one-time fee*
- ✍ No government-mandated corridors*
- ✍ Allow landing on SE coast under appropriate conditions to protect environment*
- ✍ Define any specific areas cables should avoid*

Impacts of Proposed Fees

- ✍ \$5/ft/year = approx. \$100,000/cable/year*
- ✍ Outside corridor intended to be about 10x that (approx. \$1 million/cable/year)*
- ✍ Competitive market, so higher costs are passed on to consumers*
- ✍ Who then should believe Florida's presentation of itself as IT-friendly?*

The Myths

- ✍ 'Spider web' of cables coming*
- ✍ therefore need corridors to preserve bottom for other uses*
- ✍ Major environmental impacts threatened*
- ✍ therefore cables should be kept out of SE*
- ✍ AND confined to corridors*

The Spiderweb Myth



- ✍ Count real projects, not mere applications*
- ✍ Existing phone cables*
- ✍ Independent expert's estimate: 4 to 24 more landings thru 2009*
- ✍ NASCA most likely estimate: about 8*
- ✍ No north-south "festoon" systems*

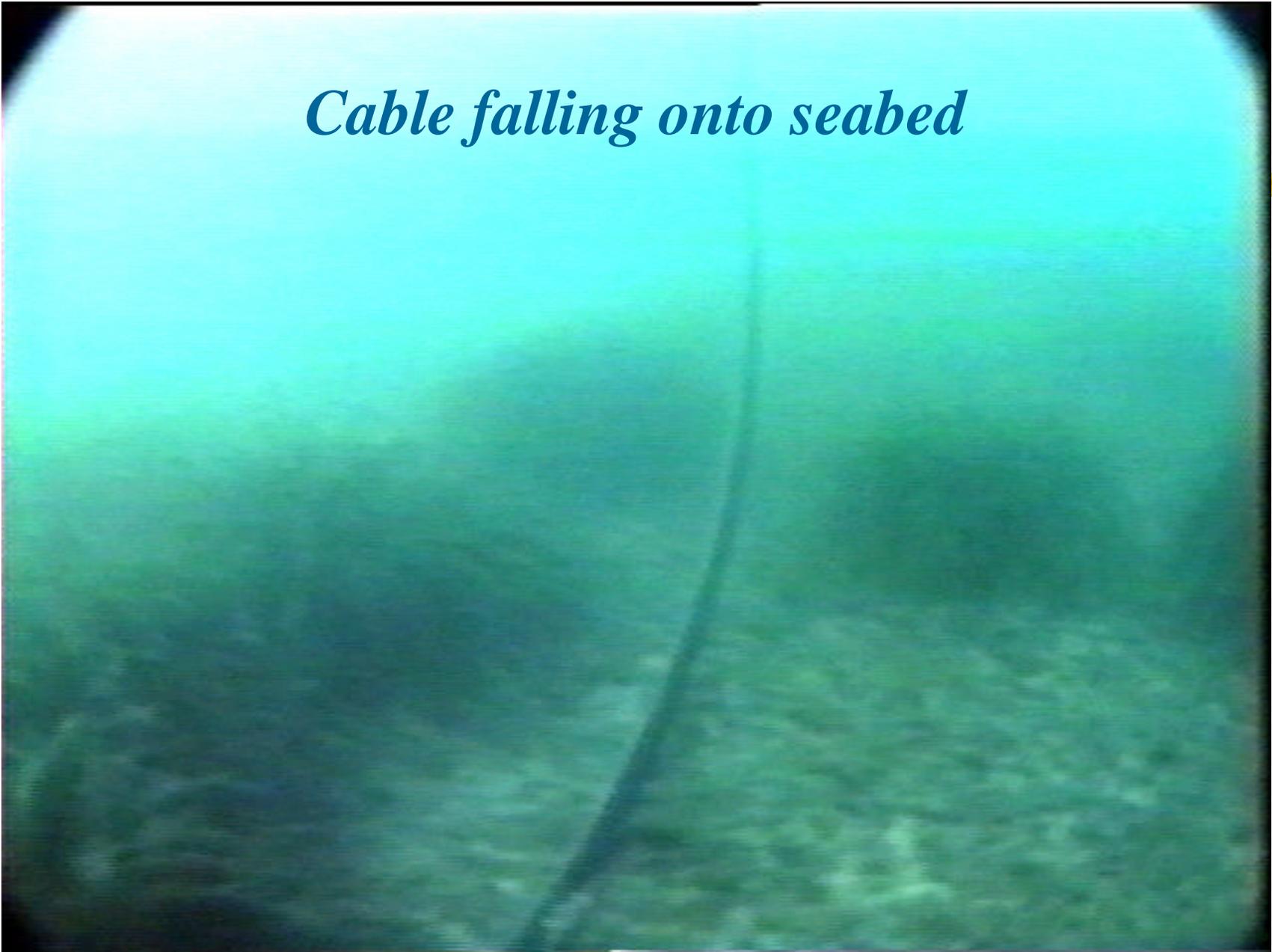
Proper Cable Estimate Eliminates the Corridor Rationale

- ✍ Plenty of seabed left for other uses (even including existing cables)*
- ✍ Cumulative environmental impacts are small*
- ✍ If cable-laying speeds up, contrary to predictions, can safely adjust policy then*

The Environmental Disaster Myth (BMPs work!)

- ✍ Fracouts? Minimize, monitor, remove. Drill mud has never smothered Florida coral.*
- ✍ Turbidity plumes at punchout? Minor & temporary.*
- ✍ Manatee entanglement? No known case.*
- ✍ Dragging cable across bottom? Not if follow BMPs.*
- ✍ Grapnel dragging? Unnecessary over reefs.*
- ✍ Oscillations? Small, if any.*
- ✍ Anchor dragging concern? Pin cable down.*
- ✍ Cables floating up? Too heavy!*

Cable falling onto seabed



*Cable providing scarce substrate
on sandy bottom*

H13



0:03:20

9:11 AM
APR. 20, 1998

9:11 AM
APR. 20, 1998

Other organisms preferring the cable

▶
0:00:45

2:58 PM
APR. 20, 1998

2:58 PM
APR. 20, 1998

Cable on hard bottom becoming encrusted

Hi8



0:25:00

9:32 AM
APR. 20, 1998

9:32 AM
APR. 20, 1998

Quantified Hardbottom Impacts

	<i>Holly-wood</i>	<i>Boca Raton</i>	<i>North Boca</i>
<i>Average coral density over hardbottom crossed</i>	<i>1% to 2%</i>	<i>1%</i>	
<i>Average distance between corals impacted (feet)</i>	<i>50</i>	<i>100</i>	
<i>Total area of impacts (shaded corals at 10%)</i>	<i>2'9" sq.</i>	<i>3" sq.</i>	



0:51:32

4:12 PM
APR. 20, 1998

4:12 PM
APR. 20, 1998

Florida's IT Policy (Ch. 99-354, Sec. 11)



“The Information Service Technology Development Task Force shall [develop] policies that will benefit residents of this state by fostering the free-market development and beneficial use of advanced communications networks and information technologies within this state.”

IT Florida's Reports to the Legislature

- ✍ “Government should not intrude into the operations of the competitive broadband and information services industries.”*
- ✍ “Florida should take the lead among states in working with ebusiness companies”*
- ✍ Fiscal policies should encourage, not burden E-business*
- ✍ Competitive marketplace should drive infrastructure development*
- ✍ Regulation by “least intrusive means”*

Legislature & Administration Supporting Florida's IT Policy Implementation



- ✍ Appointments to the IT Task Force*
- ✍ Legislature helps fund development of NAP
(approved and built in Dade County)*
- ✍ Enterprise Florida initiatives*
- ✍ July 2000, consistent comments by Governor &
Cabinet re submarine cables*
 - ✍ should let companies decide where to land (pp. 28-29)*
 - ✍ we need to be wired, to be gateway to Latin America in
the new economy (p. 32)*

How DEP Proposal Conflicts With Florida's IT Policy

- ✍ Would establish FL as the most inhospitable state in the US to international cable landings*
- ✍ Undercuts promotion of FL as IT-friendly, “High-Tech Corridor”, “Internet Coast”*
- ✍ Undermines SE Florida's position as the natural gateway to the south for cables carrying data, Internet & voice traffic*

Cabinet Should Give DEP Policy Direction

- ✍ Reasonable one-time fee*
- ✍ No government-mandated corridors*
- ✍ Allow landing on SE coast where applicant complies with BMPs and minimizes and mitigates environmental impacts*
- ✍ Define any specific areas cables should avoid*

July 2000 Permit Approvals by Cabinet

- ✍ TyCom and Atlantica (now 360networks) projects reviewed and approved by DEP*
- ✍ One- time interim easement fee included:*
 - ✍ Appraised real estate value of easement plus*
 - ✍ “Enhanced value or profit gained” fee of \$5 per linear foot*
- ✍ Cabinet directed DEP to study corridor concept and fees*
- ✍ Approximately 50 pending cable applications*

Developments Since July 2000

- ✍ October 31, 2000: DEP asks industry for information re: number of cables*
- ✍ December 1: NASCA commissions cable study*
- ✍ January 24, 2001: BOT approves ARCOS*
- ✍ February 14: NASCA submits study to DEP & DEP unveils corridor and fee proposals*
- ✍ February 21: DEP public meeting*