

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C.

*In the Matters of*

Assessment and Collection of Regulatory Fees  
for Fiscal Year 2015

MD Docket No. 15-121

Amendment of Part 1 of the Commission's  
Rules

MD Docket No. 15-121

Assessment and Collection of  
Regulatory Fees for Fiscal Year 2014

MD Docket No. 14-92

**COMMENTS OF  
THE NORTH AMERICAN SUBMARINE CABLE ASSOCIATION**

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## SUMMARY

In this year’s regulatory-fees rulemaking, the Commission has asked whether additional downward adjustment of the submarine cable system fee is warranted. The unequivocal view of the North American Submarine Cable Association (“NASCA”) is “yes.” Although NASCA and its submarine cable operator members are grateful for the Commission’s recognition that submarine cable system regulatory fees remain excessive, NASCA believes that the Commission’s pace of reform and reallocation remains too slow and is lacking in legal justification. Absent specific legal justification—and none has been proffered—the proposed FY 2015 submarine cable system fees would violate Section 9 of the Communications Act, as amended, which requires that the Commission correlate regulatory fees with full-time equivalent employees (“FTE”) data and that such fees be “reasonably related to the benefits provided to the payor of the fee by the Commission’s activities.” Such a gradualist approach suggests that the Commission expects submarine cable operators to continue to subsidize Commission regulation of payors in other categories for years to come.

The Commission has repeatedly conceded that submarine cable system fees are too high because they bear no relation to the Commission’s FTE data or the Commission’s minimal regulation of submarine cables. Instead, the Commission continues to over-collect from submarine cable operators, which represent 7.14 percent of IB FTEs, as if they represented 31.6 percent of IB FTEs at present and 27.6 percent of IB FTEs upon adoption of the proposed regulatory-fee schedule. At the current pace of rate reduction, it would take the Commission at least five more years to align the revenue requirement with the statutory basis for fees, *i.e.*, FTEs engaged in regulating submarine cables.

NASCA's comments consist of two parts. *First*, because the Commission has not identified any legal basis for delaying reallocation—or indeed any legal basis for continuing to collect manifestly excessive fees from submarine cable operators, the commission should realign the revenue requirement with the FTE numbers to recalculate regulatory fees for FY 2015. the Commission should seek \$1,534,134 from submarine cable operators. The balance of the FY 2015 IB revenue requirement of \$21,486,467 would be allocated to other categories of IB payors. *Second*, the Commission should correct the number of payment units used to caculate the submarine cable system fee, as 42 international cable systems in service as of December 31, 2014 represent 40.63 payment units rather than 39.19 units, meaning that the per-system fee should be even lower.

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In this year's regulatory-fees rulemaking, the Commission has asked whether additional downward adjustment of the submarine cable system fee is warranted.<sup>1</sup> The unequivocal view of the North American Submarine Cable Association ("NASCA") is "yes." Although NASCA and its submarine cable operator members are grateful for the Commission's recognition that submarine cable system regulatory fees remain excessive, NASCA believes that the Commission's pace of reform and reallocation remains too slow and lacking in legal justification. The gradualist approach reflected in this year's proposed fee schedule suggests that the Commission expects submarine cable operators to continue to subsidize specific Commission regulation of other payors for years to come. Absent specific legal justification—and none has been proffered—this outcome would violate Section 9 of the Communications Act, as amended,

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<sup>1</sup> See *Assessment and Collection of Regulatory Fees for Fiscal Year 2014*, MD Docket No. 15-121, Notice of Proposed Rulemaking, Report and Order, and Order, FCC 15-59, ¶ 12 (rel. May 21, 2015) ("FY 2015 Reg Fees NPRM").

which requires that the Commission correlate regulatory fees with full-time equivalent employees (“FTE”) data and that such fees be “reasonably related to the benefits provided to the payor of the fee by the Commission’s activities.”<sup>2</sup>

The Commission has repeatedly conceded that submarine cable system fees are too high because they bear no relation to the Commission’s FTE data or the Commission’s minimal regulation of submarine cables. Instead, the Commission continues to over-collect from submarine cable operators, which represent 7.14 percent of IB FTEs, as if they represented 31.6 percent of IB FTEs at present and 27.6 percent of IB FTEs upon adoption of the proposed regulatory-fee schedule.

Submarine cable operators have been patient, as they have pursued regulatory-fee reforms for their industry since 2003. At the current pace, however, it would take the Commission at least five additional years to align the revenue requirement with the statutory basis for fees, *i.e.*, FTEs engaged in regulating submarine cables. This timeframe is too long, and the Commission has not identified any legal basis for delaying such a reallocation—or indeed any legal basis for continuing to collect manifestly excessive fees from submarine cable operators. Absent such a legal justification for a more gradual realignment, the Commission should realign the revenue requirement with the FTE numbers to recalculate regulatory fees for submarine cable operators for FY 2015.

NASCA is the principal non-profit trade association for submarine-cable owners, submarine-cable maintenance authorities, and prime contractors for submarine-cable systems operating in North America. NASCA’s members include:

- Alaska Communications System

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<sup>2</sup> 47 U.S.C. § 159(b)(1)(A).

- Alaska United Fiber System Partnership, a subsidiary of General Communication, Inc.
- Alcatel-Lucent Submarine Networks
- Apollo Submarine Cable System Limited
- AT&T Corp.
- Columbus Networks
- Global Cloud Xchange (f/k/a Reliance GlobalCom)
- Global Marine Systems Ltd.
- Globenet
- Hibernia Atlantic
- Level 3 Communications, LLC
- Pacific Landing Corp.
- Rogers Communications
- Southern Cross Cable Network
- Sprint Communications Corporation
- Tata Communications (America) Inc.
- Tyco Electronics Subsea Communications LLC
- Verizon Business

NASCA serves both as a forum and advocacy organization for its members' interests. Collectively, NASCA's members pay the vast majority of regulatory fees in the Submarine Cable System category, representing 30 of the 42 active systems landing in the United States.

NASCA's comments consist of two parts. *First*, NASCA explains that the Commission should further reduce the 2015 revenue requirement for submarine cable system fees in order to address the legal requirements of Section 9 and the Commission's own conclusion that submarine cable system fees remain excessive. *Second*, the Commission should correct the number of payment units used to calculate the submarine cable system fee, as 42 international submarine cable systems in service as of December 31, 2014, represent 40.18 payment units, rather than 39.19 payment units.

**I. To Comply with Section 9, the Commission Should Reallocate a Greater Proportion of the IB Revenue Requirement from Submarine Cable Systems to Other IB Payors.**

To comply with Section 9, the Commission should reallocate a greater proportion of the IB revenue requirement from submarine cable systems to other IB payors. In this year's rulemaking, the Commission has proposed a "five percent decrease based on [its] tentative conclusion that the fee remains excessive relative to the minimal Commission oversight and regulation of this industry."<sup>3</sup> This gradualist approach reflected in the *FY 2015 Reg Fees NPRM* indicates that the Commission expects submarine cable operators to continue to pay excessive fees for years to come. The Commission has not identified any legal basis for delaying a complete reallocation—or indeed any legal basis for continuing to collect manifestly excessive fees from submarine cable operators. Absent a legal justification for a more gradual realignment, the Commission should realign the revenue requirement with the FTE numbers to recalculate regulatory fees for submarine cable operators for FY 2015.

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<sup>3</sup> *FY 2015 Reg Fees NPRM* at ¶ 12.

**A. The Commission Has Repeatedly Acknowledged that It Performs Very Few Assessable Regulatory Activities for the Benefit of Submarine Cable Operators.**

The Commission has repeatedly acknowledged that it performs very few assessable regulatory activities (as enumerated in 47 U.S.C. § 159(a)(1)) for the benefit of submarine cable operators. In 2015, the Commission has proposed “a five percent decrease based on [its] tentative conclusion that the fee remains excessive relative to the minimal Commission oversight and regulation of this industry.”<sup>4</sup> In 2014, the Commission reduced the revenue requirement by five percent because “the current regulatory fee assessment for the submarine cable category does not fairly take into account the Commission’s minimal oversight and regulation of the industry, as demonstrated by NASCA.”<sup>5</sup> In 2013, the Commission stated that “fees submarine cable service providers now pay is the sixth highest regulatory fee percentage among all fee categories, notwithstanding the fact that the provision of international submarine cable service involves little regulation and oversight from the Commission after the initial licensing process.”<sup>6</sup> The Commission concluded that “[t]he Policy Division employees whose work involves the regulation of submarine cable systems and bearer circuits, equates to only two FTEs.”<sup>7</sup>

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<sup>4</sup> *Id.*

<sup>5</sup> *Assessment and Collection of Regulatory Fees for Fiscal Year 2014, Assessment and Collection of Regulatory Fees for Fiscal Year 2013, Procedures for Assessment and Collection of Regulatory Fees, Report and Order and Further Notice of Proposed Rulemaking*, 29 FCC Rcd. 10,767, 10,772 ¶ 11 (2014) (“FY 2014 Reg Fees R&O”).

<sup>6</sup> *Procedures for Assessment and Collection of Regulatory Fees, Assessment and Collection of Regulatory Fees for Fiscal Year 2013, Assessment and Collection of Regulatory Fees for Fiscal Year 2008, Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking*, 28 FCC Rcd. 7790, 7802 ¶ 27 (2013) (“FY 2013 Reg Fees NPRM”).

<sup>7</sup> *Id.* at 7802 ¶ 27. *See also FY 2014 Reg Fees R&O* at 10,772 ¶ 11 (stating that “only two FTEs in the International Bureau work on submarine cable issues”).

The factual basis for these conclusions remains unchanged. Of the four assessable regulatory activities enumerated in 47 U.S.C. § 159(a)(1), IB performs very few for the specific benefit of submarine cable operators:

- “Enforcement”
  - IB almost never engages in enforcement-related activities against submarine cable operators. To NASCA’s knowledge, the Commission has never pursued a case of an unauthorized landing in the United States.
  - In the past 10 years, the Commission has issued a mere 3 notices of apparent liability (“NAL”) for unauthorized transfers and assignments of cable landing licenses, and two of those NALs involved mostly licenses other than cable landing licenses.
- “Policy and rulemaking”
  - IB has conducted or played a major supporting role in only 2 submarine cable-specific rulemakings in the last 13 years.
  - The regulatory regime for submarine cables is very limited. The Commission (and, by delegation, IB) regulates submarine cables pursuant to the Cable Landing License Act (47 U.S.C. §§ 34-39), a statute that consists of a mere 437 words and Commission regulations that span a mere 7 ½ pages. Almost all submarine cables operate on a non-common-carrier basis, meaning that they are not subject to and do not benefit from regulation under the Communications Act of 1934.
- “User information services”
  - Submarine-cable-related activity in the International Bureau Filing System (“IBFS”) represents a fraction of the records appearing in IBFS. Of the 345,810 records in IBFS as of June 16, 2015, only 615 pertain to submarine cables.
  - Similarly, NASCA estimates that submarine cable-related queries to the IBFS Help Desk represent a small fraction of the queries received.
  - In 2015, IB replaced its Circuit Status Manual with a new Section 43.62 Filing Manual to implement 2013 rule changes for international capacity reporting. Most of the new manual addresses licensees other than submarine cable operators. This new manual does, however, formalize submarine cable data collection that had previously been undertaken on an informal basis by an IB staffer.
  - IB also collects (but generally takes no further action on) quarterly reports from cable landing licensees regulated as dominant, although these licensees represent a small fraction of the providers regulated by IB as dominant.
  - Very little of IB’s web site addresses submarine cable issues.

- “International activities”
  - IB does not undertake activities on behalf of submarine cable operators in multilateral or bilateral negotiations or treaty conferences, particularly as submarine cables do not use radio spectrum or raise associated coordination or interference issues.
  - Submarine cable operators rarely interact with the Strategic Analysis and Negotiations Division (“SAND”), which focuses on international negotiations mainly involving radio spectrum (and the staff of which the Commission reallocated as indirect FTEs in 2013).<sup>8</sup>

Almost all of IB’s activities involving submarine cables arise from sporadic and infrequent licensing and transaction-reviews, the costs of which the Commission recovers separately through application processing fees:

- “Licensing”
  - IB reviews cable landing license applications under the Cable Landing License Act. There have been only 30 new-system applications in the last 10 years.
  - IB grants licenses for a 25-year term, so there is essentially no renewal activity.
  - Most applications qualify for streamlined processing, and IB grants most licenses pursuant to public notice rather than individually-drafted orders.
  - IB does not conduct any technical or environmental analysis of cable landing license applications.
  - Most systems are licensed as non-common-carrier systems and are not subject to regulation under the Communications Act of 1934.
- “Transaction reviews”
  - IB reviews transactions resulting in assignments and transfers of control.
  - In the past 10 years, the Commission has received 93 transfer-of-control filings related to submarine cables. In that time, the Commission received a total of 2,851 transfer-of-control filings. Similarly, in the past 10 years, the Commission has received 44 assignment filings related to submarine cables out of a total of 2,266 assignment filings. Most of these transfer-of-control and assignment-related filings are simply *pro forma* notices.

As the Commission has properly noted in its last three regulatory-fee rulemakings, these activities are minimal, particularly when compared with the effort of regulating other consumer-oriented services.

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<sup>8</sup> FY 2013 Reg Fees NPRM at 7799-7800 ¶ 21.

**B. Nevertheless, the Commission Has Continued to Over-Recover Regulatory Fees from Submarine Cable Operators for IB FTEs.**

Notwithstanding the fact that the Commission's regulatory effort for submarine cable operators equates to two FTEs, the Commission has continued to over-recover regulatory fees from submarine cable operators for IB FTEs.

- In FY 2013, submarine cable operators were expected to pay \$8,530,139, representing 36.3 percent of IB-related regulatory fees and 2.5 percent of all Commission regulatory fees (\$339,844,000), even though they accounted for only 7.14 percent of IB direct FTEs (two out of 28) and 0.44 percent of total Commission-wide direct FTEs (two out of 458).<sup>9</sup>
- In FY 2014, even with the Commission's five-percent decrease in the revenue requirement, submarine cable operators were expected to pay \$6,586,731, representing 31.6 percent of IB-related regulatory fees and 1.9 percent of all Commission regulatory fees (\$339,847,246), even though they continued to account for only 7.14 percent of IB direct FTEs (two of 28) and approximately 0.44 percent of the total Commission-wide

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<sup>9</sup> See *Assessment and Collection of Regulatory Fees for Fiscal Year 2013, Procedures for Assessment and Collection of Regulatory Fees, Assessment and Collection of Regulatory Fees for Fiscal Year 2008*, Report and Order, 28 FCC Rcd. 12,351, 12,374 Attachment B (2013) ("FY 2013 Reg Fees R&O"). Total IB-related regulatory fees include those expected from: (1) submarine cable operators (\$8,530,139); (2) 64 KB terrestrial and satellite circuits (\$1,032,277); (3) earth stations (\$935,000); (4) GSO space stations (\$12,101,700); and (5) NGSO space stations (\$899,250) totaling \$23,498,366 across the five categories.  $\$8,530,139 / \$23,498,366 = 36.3\%$ .

FTEs.<sup>10</sup>

Now in FY 2015, the Commission proposes a 5-percent decrease in the revenue requirement. Under this proposal, however, submarine cable operators would continue to pay 1.7 percent (\$5,933,967) of all Commission regulatory fees (\$340,512,502), though they continue to account for only 0.45 percent of total Commission-wide direct FTEs (two out of 446). The \$5,933,967 revenue requirement for submarine cable operators represents 27.6 percent of IB-related regulatory fees.<sup>11</sup>

By contrast, in FY 2015, the Commission has proposed that GSO and NGSO satellite operators and earth stations pay aggregated regulatory fees of approximately \$14.7 million, representing 68.5 percent of IB-related regulatory fees.<sup>12</sup> As revenue allocations across services are supposed to reflect direct FTE allocations under the Commission's FTE methodology, one

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<sup>10</sup> *FY 2014 Reg Fees R&O* at 10,794, Appendix B; *Assessment and Collection of Regulatory Fees for Fiscal Year 2014, Assessment and Collection of Regulatory Fees for Fiscal Year 2013, Procedures for Assessment and Collection of Regulatory Fees*, Notice of Proposed Rulemaking, Second Further Notice of Proposed Rulemaking, and Order, 29 FCC Rcd. 6417, 6427 ¶ 27 (2014) (“*FY 2014 Reg Fees NPRM*”). The Commission did not provide final direct FTE data in the *FY 2014 Reg Fees R&O*, but the *FY 2014 Reg Fees NPRM* stated that there were 456 direct FTEs. Total IB-related regulatory fees include those expected from: (1) submarine cable operators (\$6,586,731); (2) 64 KB terrestrial and satellite circuits (\$941,640); (3) earth stations (\$1,003,000); (4) GSO space stations (\$11,505,600); and (5) NGSO space stations (\$797,100) totaling \$20,834,071 across the five categories. \$6,586,731 / \$20,834,071 = 31.6%.

<sup>11</sup> See *FY 2015 Reg Fees NPRM*, Appendix B. Total IB-related regulatory fees include those expected from: (1) submarine cable operators (\$5,933,967); (2) 64 KB terrestrial and satellite circuits (\$836,000); (3) earth stations (\$1,122,000); (4) GSO space stations (\$12,713,375); and (5) NGSO space stations (\$881,125) totaling \$21,486,467 across the five categories. \$5,933,967 / \$21,486,467 = 27.6%. (For illustration purposes, terrestrial and satellite circuits, which account for 3.9%, are not included in this analysis, though the Commission generally groups them together.)

<sup>12</sup> *FY 2015 Reg Fees NPRM*, Appendix B. Proposed GSO and NGSO and earth station regulatory fees total \$14,716,500. \$14,716,500 / \$21,486,467 = 68.49%.

would expect to find, based on the FY 2014 numbers, that satellite operators would account for 19.2 direct FTEs and that submarine cable operators would account for 7.7 direct FTEs, out of a total of 28 direct FTEs in IB's Satellite and Policy Divisions. Yet following an extensive examination of FTE data in its *FY 2013 Reg Fees NPRM* and *FY 2013 Reg Fees R&O*, the Commission allocated 25 direct FTEs from the Satellite Division to satellite space station and earth station regulatees, two direct FTEs from the Policy Division to submarine cable regulatees, and one direct FTE from the IB front office (without allocation to specific regulatees).<sup>13</sup>

These FTE numbers mean that satellite space station and earth station regulatees account for approximately 89 percent of the IB direct FTEs but pay only approximately 64 percent of the fees of IB regulatees. Clearly, the revenue allocation between submarine cable operators and satellite-related services is erroneous and requires further correction.

**C. The Over-Recovery of Regulatory Fees from Submarine Cable Operators Results from the Commission's Failure to Adjust Downward the Revenue Requirement Previously Assigned for International Bearer Circuits.**

The Commission has continued to over-recover regulatory fees from submarine cable operators due to an insufficient downward adjustment of the revenue requirement previously assigned for International Bearer Circuits and now split between submarine cable operators and terrestrial and satellite circuits—two of the five categories of IB regulatees. NASCA believes that the over-recovery does not result from the split between submarine cable operators (87.6 percent) and terrestrial and satellite circuits (12.4 percent), which the Commission made in 2009 when it adopted a new system-based methodology for submarine cable operators and abandoned the capacity-based fee methodology that had greatly distorted the market for submarine cable

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<sup>13</sup> *FY 2013 Reg Fees R&O* at 12,355-56 ¶ 13, 14; *FY 2013 Reg Fees NPRM* at 7802 ¶ 27.

capacity connecting the United States.<sup>14</sup> In fact, the Commission has never clearly identified any direct FTEs associated with these circuits.

Instead, NASCA believes that the over-recovery results from the fact that the combined revenue requirement for submarine cable operators and terrestrial and satellite circuits is still set too high as compared with that for the other three categories of IB regulatees (GSO, NGSO, and earth station) that account for the bulk of IB's regulatory activity and direct FTEs. The current respective revenue requirements for submarine cable operators and terrestrial and satellite circuits on the one hand and GSO space stations/NGSO space stations/earth stations on the other simply bear no relation to the underlying direct FTEs attributable to those services.

**D. The Commission Should Allocate 7.14 Percent of the Current IB Revenue Requirement to Submarine Cable Operators, Consistent with the FTE Data.**

On its face, the current allocation and collection of regulatory fees for submarine cable operators is inconsistent with Section 9 and will remain inconsistent with Section 9 until the reallocation is complete and submarine cable operators are no longer paying for direct FTEs providing regulatory benefits exclusively to other payors. Rather than chip away gradually at a legacy revenue requirement from the old international bearer circuits category, which lacks any factual basis in current FTE allocations,<sup>15</sup> the Commission should allocate 7.14 percent of the IB revenue requirement to submarine cable operators. Applying this allocation percentage to the

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<sup>14</sup> See *Assessment and Collection of Regulatory Fees for Fiscal Year 2008*, Second Report and Order, 24 FCC Rcd. 4208 (2009).

<sup>15</sup> See *FY 2013 Reg Fees R&O* at 12,355 ¶ 12 (stating that “[w]e find no persuasive argument for perpetuating the use of 14 year-old FTE data as the basis for regulatory fees in FY 2013”).

proposed recoveries in the *FY 2015 Reg Fees NPRM*,<sup>16</sup> the Commission should seek \$1,534,134 from submarine cable operators.<sup>17</sup> The balance of the FY 2015 IB revenue requirement of \$21,486,467 would be allocated to other categories of IB payors.

To reach the appropriate 7.14-percent allocation of the IB revenue requirement for submarine cable operators, the Commission should identify a specified timeframe for the reduction and the legal basis for implementation over any multi-year period. NASCA is not aware of any legal basis for continuing collection in any future year of excess fees that subsidize the specific regulatory benefits provided to other Commission payors. By contrast, if the Commission were to continue to decrease the percentage of submarine cable/terrestrial and satellite bearer circuits fees by 5 percent per year until reaching 7.14 percent for submarine cable licensees—and the Commission’s year-to-year statements do not clarify if this is the Commission’s intention—it would need at least five years to reduce submarine cable system regulatory fees to a percentage that actually reflects the Commission’s regulatory effort and complies with Section 9.

While NASCA is sympathetic to the potential impact of significant increases for other payors—and has stated as much in past regulatory-fee rulemakings—the fact remains that submarine cable operators have been paying disproportionately high fees for years and subsidizing the very payors who would pay more as a consequence of the reallocation: satellite

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<sup>16</sup> NASCA shares this calculation for illustrative purposes only and recognizes that it does not take into account further potential reallocations that could affect IB payors, such as the reallocation of indirect FTEs as direct FTEs for non-IB payors, or changes in the payor categories.

<sup>17</sup> *FY 2015 Reg Fees NPRM*, Appendix B. Total proposed IB fees for FY 2015 are \$21,486,467. Applying NASCA’s proposed allocation, 7.14 percent, equals approximately \$1,534,134.

space station and earth station operators. Notably, the Commission did not impose a specific cap for fee increases in FY 2014 and has not proposed one for FY 2015.<sup>18</sup>

Only by aligning the revenue requirements with the FTE data can the Commission comply with the requirements of Section 9. Regulatory fees must be “reasonably related to the benefits provided to the payor of the fee by the Commission’s activities.”<sup>19</sup> At present, the regulatory fees paid by submarine cable operators relate largely to regulatory benefits provided to satellite payors. The proposed five-percent reduction for FY 2015 is appreciated by submarine cable operators but remains legally insufficient.

## **II. The Commission Should Correct the Number of Payment Units for the Submarine Cable System Fee and Recalculate the Fee Accordingly.**

The *FY 2015 Reg Fees NPRM* understates the number of payment units for the submarine cable system fee, at 39.19 units.<sup>20</sup> According to Commission records, however, there were 42 international submarine cable systems in service as of December 31, 2014, with 40 of those systems having capacities of 20 Gbps or greater, one having capacity of 2.5 Gbps or greater but less than 5 Gbps, and one having capacity of less than 2.5 Gbps.<sup>21</sup> These system numbers

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<sup>18</sup> See *FY 2015 Reg Fees NPRM* at ¶ 38.

<sup>19</sup> 47 U.S.C. § 159(b)(1)(A).

<sup>20</sup> *FY 2015 Reg Fees NPRM*, Appendix B.

<sup>21</sup> See *FY 2014 Regulatory Fees, Submarine Cable Systems*, Public Notice (rel. Sept. 16, 2014) [https://apps.fcc.gov/edocs\\_public/attachmatch/DOC-329423A1.pdf](https://apps.fcc.gov/edocs_public/attachmatch/DOC-329423A1.pdf) (listing systems currently in commercial service) (noting 41 in-service systems). AMX-1 entered into commercial service on June 23, 2014. See FCC File No. SCL-LIC-20120330-00002.

represent 40.18 payment units.<sup>22</sup> Before issuing the final FY 2015 Schedule of Regulatory Fees, the Commission should correct this estimate in order to avoid over-collecting from submarine cable operators. Even without the legally-necessary adjustments discussed above, this correction would result in a submarine cable system fee of \$147,696 for a system with capacity of 20 Gbps or greater.

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<sup>22</sup> The disparity may result in part from the fact that the Commission released three different versions of the FY 2014 Regulatory Fees, Submarine Cable Systems Public Notice.

*Compare* [https://apps.fcc.gov/edocs\\_public/attachmatch/DOC-329423A1.pdf](https://apps.fcc.gov/edocs_public/attachmatch/DOC-329423A1.pdf), *with* [https://apps.fcc.gov/edocs\\_public/attachmatch/DOC-329382A1.pdf](https://apps.fcc.gov/edocs_public/attachmatch/DOC-329382A1.pdf), *and* [https://apps.fcc.gov/edocs\\_public/attachmatch/DOC-329345A1.pdf](https://apps.fcc.gov/edocs_public/attachmatch/DOC-329345A1.pdf). NASCA believes the correct version is the September 16, 2014 version with the latest document number, [https://apps.fcc.gov/edocs\\_public/attachmatch/DOC-329423A1.pdf](https://apps.fcc.gov/edocs_public/attachmatch/DOC-329423A1.pdf).

## CONCLUSION

For the foregoing reasons, NASCA urges the Commission to reduce the revenue requirement for submarine cable systems and align the submarine cable system fee with the Commission's FTE data.

Respectfully submitted,



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