



**MCI Telecommunications Corporation**

1801 Pennsylvania Avenue, NW  
Washington, DC 20006  
202 887 2727  
FAX 202 887 3175

**Larry A. Blosser**  
Senior Counsel  
Federal Law and Public Policy

EX PARTE OR LATE FILED

February 28, 1997

ORIGINAL

Mr. William F. Caton, Secretary  
Federal Communications Commission  
1919 M Street NW, Room 222  
Washington, DC 20554

RECEIVED

FEB 28 1997

Re: Ex Parte Presentation – MCI/BT Merger  
GN Docket No. 96-245

Federal Communications Commission  
Office of Secretary

Dear Mr. Caton:

On February 27, 1997, Jack Scorce and I accompanied representatives of MCI International (Robert May, Manny Mencia, Colin Reeve and Serge Wernikoff), who presented a briefing to members of the International Bureau staff (Diane Cornell, Mark Uretsky, Kerry Murray, Jamie Hedlund, Doug Galbi and Cathy Hsu) concerning International Submarine Cable planning, construction and ownership.

Because the presentation touched upon issues raised in the above-captioned proceeding, we are filing this ex parte notice together with a copy of the presentation materials.

An original and one copy of this notice are being submitted to the Secretary of the FCC, with additional copies to ITS, the International Reference Room, and the Wireless Reference Room, in accordance with the Commission's December 10, 1996 Public Notice in this proceeding.

Sincerely,

  
Larry A. Blosser

- cc: Diane Cornell
- Mark Uretsky
- Doug Galbi
- Kerry Murray
- Jamie Hedlund
- Cathy Hsu



**BRIEFING ON  
INTERNATIONAL  
SUBMARINE CABLE**

**FEBRUARY 27, 1997**

# OVERVIEW



- 1 INTERNATIONAL CABLE PLANNING AND CONSTRUCTION PROGRAM.
- 2 TRANS-OCEANIC CONSORTIUM CABLES.
- 3 MCI INTERNATIONAL CABLE OWNERSHIP.

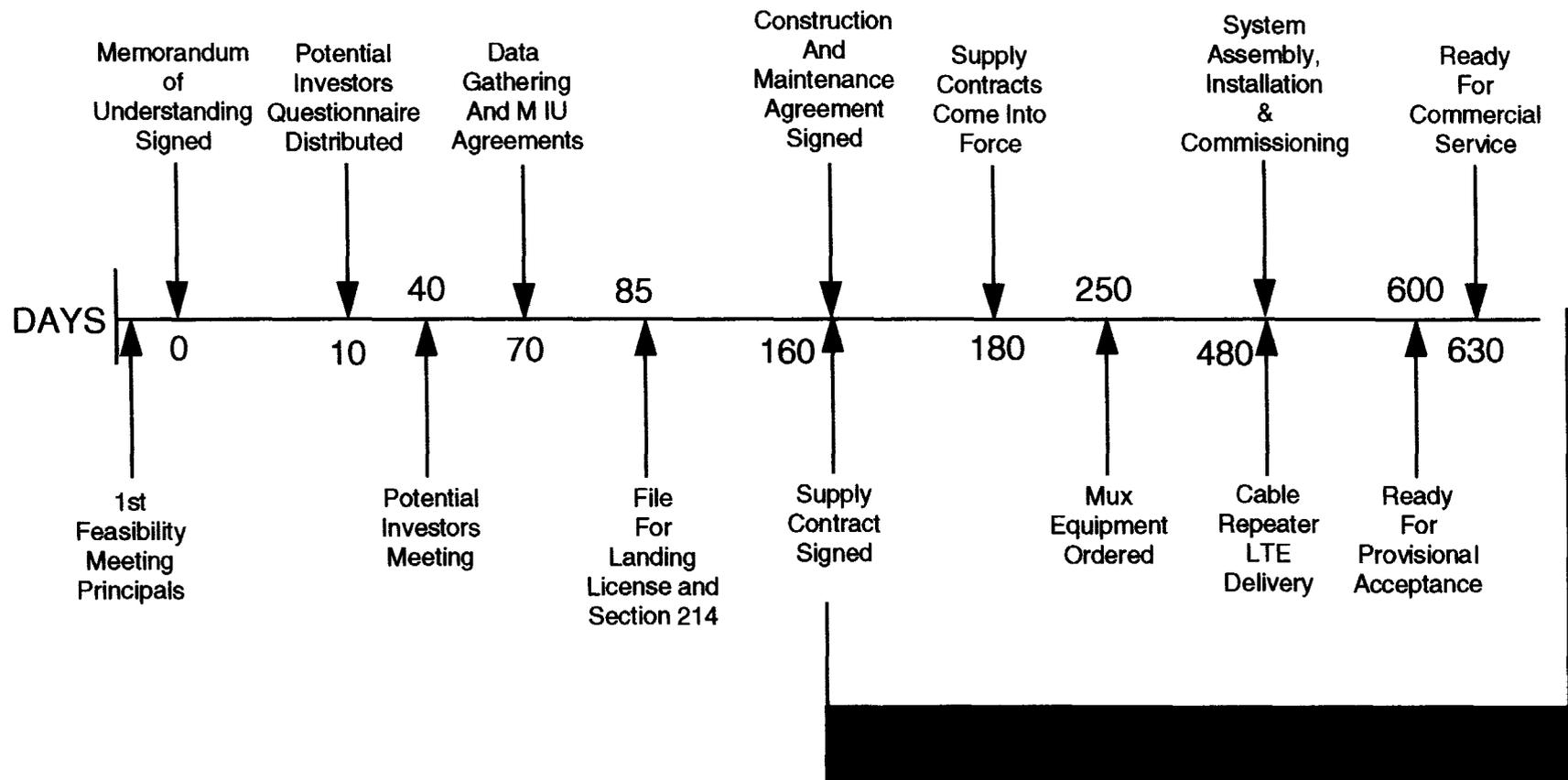


# 1. INTERNATIONAL CABLE PLANNING AND CONSTRUCTION PROCESS

# International Cable Planning and Construction Process



## Consortium Generic Timeline Schedule of Activities



# International Cable Planning and Construction Process



- 1.) Principals Sign a Memorandum of Understanding (MOU) to Proceed with the Feasibility Studies and Planning for the System
  - A. Establish Initial Management Committee (IMC).
  - B. Obtain Authorization from Principals (Participating Major Telecom Entities) to Start Feasibility Studies for the Construction of the Fiber Optic Submarine Cable System.
  - C. Develop Proper Interconnection Plans and Prepare the Construction and Maintenance Agreement .

# International Cable Planning and Construction Process



- 2.) Establish Sub-Committees :
  - A. Draft C&MA.
  - B. Initial Procurement Group (IPG) Activities.
    1. Specifications/RFP/Planning.
    2. Complete Desktop Studies.
    3. Contract for Sea Survey.
    4. Route/ Cost Identification.

# International Cable Planning and Construction Process



- 3.) Hold Data Gathering for Participating Carriers
  - A. Bilateral Agreements on Joint Capacity.
  - B. Capital Investment Decision.
  
- 4.) Post Data Gathering Process
  - A. C&MA Signed.
  - B. Supply Contract Signed / Construction Begins
    - Payments Commence

# International Cable Planning and Construction Process



## 4.) (Continued)

- C. General Committee Initiated. Sets Up Sub-Committees and Provides Owner Representation. Subcommittee Functions are:
  - a. Procurement.
  - b. Assignment, Routing, and Restoration.
  - c. Operations and Maintenance.
  - d. System and Equipment.
  - e. Financial; Payment of Supplier; etc.

# International Cable Planning and Construction Process



## 4.) (Continued)

- D. Ongoing Sub-Committee Meetings during the Period of Construction Dealing with all Aspects of the System.

# International Cable Planning and Construction Process



## SUMMARY

1. There are a Series of Defined Steps to Build a Cable.
2. The System Capacity is Built to The Demand Requirements of the Owners.
3. Owners Absorb Ongoing Costs for Operating and Restoration of the Network.



## 2. TRANS-OCEANIC CONSORTIUM CABLES

# Trans-Ocean Consortium Cables Atlantic Region



## TRANS-ATLANTIC OCEAN CABLE SYSTEMS

<u>CABLE</u>	<u>C&amp;MA SIGNING</u>	<u>RFS</u>	<u>SYSTEM COST \$ M</u>	<u>SYSTEM CAPACITY E-1 'S</u>	<u>NUMBER OF INVESTORS</u>
TAT-12/13	DEC-92	OCT-95/96	\$ 704	4032	78
COLUMBUS II	NOV-92	DEC-94	\$ 337	1512	75
CANTAT-3	Oct-92	NOV-94	\$ 414	2016	38
TAT-11	Oct-91	AUG-93	\$ 285	504	28
TAT-10	Oct-91	AUG-92	\$ 300	504	46
TAT-9	Mar-87	MAR-92	\$ 470	504	39
TAT-8	Jan-84	SEP-88	\$ 685	252	30
PTAT	N/A	NOV-89	N/A	N/A	N/A

\* All Consortium Cables 100 % Subscribed Within 6 Months Of RFS (Except PTAT)

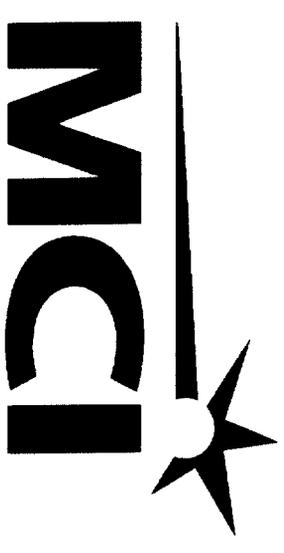
# Trans-Ocean Consortium Cables Pacific Region



## TRANS-PACIFIC OCEAN CABLE SYSTEMS

<u>CABLE</u>	<u>C&amp;MA SIGNING</u>	<u>RFS</u>	<u>SYSTEM COST \$ M</u>	<u>SYSTEM CAPACITY E-1'S</u>	<u>NUMBER OF INVESTORS</u>
TPC-5	OCT 92	DEC 95/96	\$ 1,335	4032	47
TPC-4	OCT 89	OCT 92	\$ 381	1252	37
HAW-5	OCT 90	JAN 93	\$ 162	756	23
HAW4/TPC3	JAN 86	MAR 89	\$ 860	1518	22
NPC	FEB 89	FEB 91	\$ 674	612	36

\* All Consortium Cables 100 % Subscribed Within 6 Months Of RFS ( Except NPC )



### 3. MCI INTERNATIONAL CABLE OWNERSHIP

**MCI International Cable Ownership  
Atlantic Region  
Private Line Order History  
1994-1996**



- **Order Volume has Increased  
Approximately 50%**
- **Bandwidth Per Order has Increased  
Approximately 250%**

# MCI International Cable Ownership Atlantic Region



The data shown below represents actual E1 cable bearer circuits installed by service type for 1994, 1995 and 1996.

	<u>Actual</u> <u>1994</u>	<u>Actual</u> <u>1995</u>	<u>Actual</u> <u>1996</u>
Total Requirements.	333	425	887
Total Cable Owned	864	906	1,144
TAT 12/13 Owned	455	528	687

MCI International Cable Ownership  
Pacific Region  
Private Line Order History  
1994 - 1996



- Order Volume has Increased  
Approximately 80%
- Bandwidth Per Order has Increased  
Approximately 300%

# MCI International Cable Ownership Pacific Region



The data shown below represents actual E1 cable bearer circuits installed by service type for 1994, 1995 and 1996.

	<u>Actual</u> <u>1994</u>	<u>Actual</u> <u>1995</u>	<u>Actual</u> <u>1996</u>
Total Cust. Req.	235	322	564
Total Cable Owned	414	479	621
TPC 5 Owned	302	367	509

# MCI International Cable Ownership



- Cable Capacity Utilization can be Increased By :
  - Use of DCMS on Switched Voice Facilities by Multiplexing. Technology Advances in Trial Can Now Multiplex 8:1.
  - Private Line Customers Procure Clear Channel Services (not multiplexed).
- TAT12/13 System Wide Capacity Utilization can be Increased By:
  - Use of Wideband Division Multiplexing Equipment Can be Put on the Cable System Which Could Double or Quadruple the Overall Cable Capacity
    - > Technical Evaluation Under Way