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26 March 2001

BY HAND DELIVERY

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Re: Review of Commission Consideration of Applications under the Cable Landing License Act, IB Docket No. 00-106, Notice of Ex Parte Presentation

Dear Ms. Salas:

Pursuant to Section 1.1206 of the Commission's rules, TyCom Networks (US) Inc. ("TyCom") hereby notifies the Commission of an oral *ex parte* presentation with respect to the above-referenced proceeding. On March 23, 2001, Mary Ann Perrone and Catherine Creese of TyCom, Tom Polgar of Tyco International Ltd., and I met with Bryan Tramont of Commissioner Furchtgott-Roth's office to discuss TyCom's position with respect to this proceeding.

TyCom elaborated on the positions it took previously in comments filed with the Commission. Specifically, TyCom supported the Commission's proposals to clarify rules regarding necessary applicants for cable landing licenses and for grants of such licenses via public notice. TyCom also expressed support for a simple, bright-line streamlining rule that would function only to speed application processing, rather than add a new substantive analysis to the consideration of cable landing license applications. TyCom noted that while concerns about the legality of the President's delegation of licensing authority for submarine cables were not frivolous, that as a practical matter, TyCom believes that the Commission is best placed to license such facilities, and to do so in an expeditious manner.

TyCom noted that the commenters in this proceeding—including both established carriers and new network companies—almost uniformly urged the Commission to adopt a more

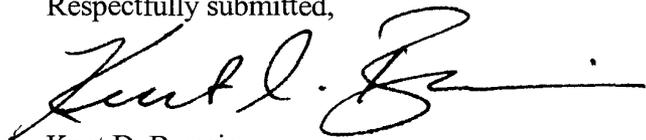
deregulatory, simplified approach. TyCom expressed continued concern that the three streamlining options proposed by the Commission are too complex, would further delay the granting of cable landing licenses, and would not foster competition in the market for international submarine cable capacity. TyCom noted that the streamlining options do not fully account for the competitive realities of the international capacity market: capacity is expanding exponentially each year, and bandwidth prices plummeting. Most of the international traffic on submarine cables is data, not IMTS or voice, meaning that the ability to establish correspondent relationships is no longer a particular concern. Moreover, with respect to ownership structures, TyCom noted that consortium-based cables are increasingly disfavored by the very carriers who have participated in such cables in the past. Because consortium cables lag behind non-consortium systems in terms of management, marketing, technology, time to market, and capacity upgrades due to their cumbersome structure, the market itself has come to disfavor such structures. For these reasons, TyCom sees no need for the Commission to regulate such matters.

TyCom noted its longstanding concern that the Commission should avoid adopting rules that would pick winners and losers in the marketplace, or skew the decisions of investors and contractors, by (1) favoring certain ownership and capital structures, (2) dictating contractual terms relating to order processing, delivery, and reasonability of charges, and (3) creating regulatory uncertainty and the prospect of further delay. TyCom explained that the Commission lacks both the expertise to choose such "best practices" and the resources to police their implementation.

TyCom stated that to the extent the Commission's streamlining proposals were designed to encourage market liberalization in foreign markets, the proposals were inconsistent with the Commission's *Foreign Participation Order*. TyCom also noted that the proposals could be construed to violate U.S. commitments under the WTO Basic Telecom Agreement. TyCom also noted that such licensing conditions seemed to have little effect on the availability of cable station access and backhaul connectivity on the foreign end. TyCom acknowledged that while market access problems for U.S. submarine cable operators do exist, TyCom has found that such issues are better addressed through negotiation and enforcement of bilateral and multilateral trade agreements.

Please contact me with any questions in this matter.

Respectfully submitted,



Kent D. Bressie
Counsel for TyCom Networks (US) Inc.

cc: Bryan Tramont