

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C.

In the Matter of

Assessment and Collection of Regulatory
Fees for Fiscal Year 2008

MD Docket No. 08-65
RM No. 11312

JOINT PROPOSAL

Through their undersigned counsel, the following operators support the attached proposal for reforming IBC fees as assessed on undersea cable operators:

- Level 3 Communications, LLC
- Brasil Telecom of America, Inc.
- Columbus Networks USA, Inc., ARCOS-1 USA, Inc., and A.SUR Net, Inc.
- Hibernia Atlantic US LLC
- Pacific Crossing Limited and PC Landing Corp.

This Joint Proposal sets forth a number of general principles regarding modification to the IBC fee category. While all signatories agree with these principles, individual signatories have their own views on how these principles might be implemented, interpreted, or even extended. Some of the signatories have or will set forth those views in their individual submissions addressing legal, policy, and economic issues associated with the Joint Proposal. All, however, agree that

the IBC fee category must be reformed and that it must be reformed now.¹

¹ *See Assessment and Collection of Regulatory Fees for Fiscal Year 2008, Notice of Proposed Rulemaking*, FCC 08-126, MD Docket No. 08-65, RM-11312 (rel. May 8, 2008).

Respectfully submitted,

**On behalf of
Pacific Crossing Limited and
PC Landing Corp.**

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**On behalf of
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30 May 2008

Attachment

JOINT PROPOSAL

1. **Create New Regulatory Fee Category for Submarine Cable Systems (“SCS Fee”):** facilities-based 214 holders would remain in the IBC fee category (“New IBC Fee”)
2. **Create “Revenue Requirement” for SCS Fee:** split existing revenue requirement for existing IBC Fee (“Old IBC Fee”)— \$ 8,149,636 for FY 2008—between SCS Fee category and New IBC Fee category
 - Use as a starting point a 50-50 split of the Old IBC Fee category, meaning that the starting point for calculating a revenue requirement for the new SCS Fee for FY 2008 would be \$4,074,818
 - Revise downward the percentage allocated to the SCS Fee category, based on FCC’s internal calculations of regulatory effort expended to regulate undersea cables, which have long suggested that the Commission expends less effort regulating undersea cable operators than international facilities-based common carriers
3. **Define “Payment Unit” of New SCS Fee:** payment unit defined as submarine cable systems connecting international points and for which the FCC has issued a separate cable landing license
4. **Determine SCS Fee By Dividing New Revenue Requirement by Number of Payors in SCS Fee Category:**
 - Resulting per-system fee would be a maximum of \$100,000 per system and potentially lower with a downward adjustment of the percentage of the revenue requirement for the Old IBC Fee based on the Commission’s calculations of its regulatory efforts
 - SCS Fee would apply to submarine cables in commercial service as of December 31st of each year
5. **Calculate New IBC Fee By Dividing New Revenue Requirement by Number of Active Circuits Reported in Aggregate in Circuit-Status Reports:**
 - Common-carrier undersea cable systems would not pay IBC fees based on the international Section 214 authorization granted to the system concurrent with the cable landing license, but instead only to the extent that an individual owner of a common-carrier system reported active common-carrier circuits in its annual circuit-status report
 - Based on the 7,558,072 active circuits reported in the most recent circuit-status report, the per-circuit New IBC Fee would be \$0.54 per 64 KB circuit or circuit-equivalent