

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

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In the Matter of )	
Assessment and Collection of Regulatory )	MD Docket No. 13-140
Fees for Fiscal Year 2013 )	
Procedures for Assessment and Collection of )	MD Docket No. 12-201
Regulatory Fees )	
Assessment and Collection of Regulatory Fees )	MD Docket No. 08-65
For Fiscal Year 2008 )	
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**COMMENTS OF TELSTRA INCORPORATED AND  
AUSTRALIA-JAPAN CABLE (GUAM) LIMITED**

Telstra Incorporated and Australia-Japan Cable (Guam) Limited (hereinafter “Commenting Parties”), by their attorneys, hereby respectfully submit these comments in response to the *Notice of Proposed Rulemaking* and *Further Notice of Proposed Rulemaking* (“*NPRM*”) in the above-captioned proceedings.<sup>1</sup> Telstra Incorporated is a provider of U.S. interstate and international telecommunications services, and it holds a cable landing license for the Endeavour system in addition to Section 214 authority. Australia-Japan Cable (Guam) Limited holds a cable landing license for the Australia-Japan Cable System which extends between Australia, Guam and Japan.

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<sup>1</sup> *Procedures for Assessment and Collection of Regulatory Fees*, in MD Docket No. 12-201, *Assessment and Collection of Regulatory Fees for Fiscal Year 2013*, in MD Docket No. 13-58, *Assessment and Collection of Regulatory Fees for Fiscal Year 2008*, in MD Docket No. 08-65, NOTICE OF PROPOSED RULEMAKING AND FURTHER NOTICE OF PROPOSED RULEMAKING (rel. May 23, 2013) (“*NPRM*”).

The Commenting Parties applaud and strongly endorse the Commission's proposed lowering of regulatory fees imposed on submarine cable systems to more accurately reflect the relatively low level of Commission involvement in this market. The Commenting Parties urge the Commission to continue along this trajectory and, going forward, to decrease the obligations placed on these service providers even further in recognition of the limited set of benefits beyond licensing received by submarine cable system providers and of the potential impact of these fees can have on cable system operators, their customers and consumers.

The Commenting Parties firmly support and endorse the Commission's findings that: (1) "the International Bureau's work has expanded beyond its regulation of international licensees," (2) "International Bureau licensees have required less Commission oversight and regulation," and (3) the law requires that "any reallocation methodology... must be "reasonably related to the benefits provided to the payor of the fee."<sup>2</sup> Accordingly, the Commenting Parties support the direction of the Commission's proposed fee structure for submarine cable systems for Fiscal Year 2013 and believe it is required by applicable law.

Still, for Fiscal Year 2014 and beyond, the Commenting Parties encourage the Commission to take a step toward an even lower, more appropriate set of fees for submarine cable systems operators, reflective of the fact that the Commission has conducted only 2 submarine cable-specific rulemakings in 13 years, with 1 focused on regulatory fees, and that most related agency actions are funded through separate application-processing fees.

Beyond issues of fairness and the legal limitations of the fee schedule, greater practical concerns face the submarine cable industry. Downward trending regulatory fees are

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

critical to the success of these businesses. Many operators already operate on thin margins, so that increased costs can have a material adverse effect.

Moreover, as the Commission correctly points out these cost-based concerns create undeniable incentives to consider alternative routing in order to remain competitive and to attract investment. Both Mexico and Canada currently impose dramatically lower fees on cable system operators landing in those countries.<sup>3</sup> We appreciate the Commission's attention to these significant cost differentials, and recognition that cable routing decisions dictated by the commercial necessity of avoiding U.S. regulatory fees could "result in increased costs to American consumers".<sup>4</sup> We concur that such forced decisions would likely not benefit the interests of cable system operators, their customers, U.S. consumers or the U.S. government.

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<sup>3</sup> *NPRM* ¶ 25.

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

The Commission's proposed actions in this *NPRM* demonstrate that it has conducted a well-thought out investigation and analysis of the statutory bases for its proposed fee structure. Accordingly, the Commenting Parties applaud the Commission for moving in the right direction by proposing lower regulatory fees for submarine cable operators in 2013 and urge it to continue its efforts to reduce burdens on submarine cable operators going forward.

Submitted Respectfully,

**Telstra Incorporated**  
**Australia-Japan Cable (Guam) Ltd**

By:  \_\_\_\_\_

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