



# PUBLIC NOTICE

FEDERAL COMMUNICATIONS COMMISSION  
1919 M STREET N.W.  
WASHINGTON, D.C. 20554

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News media information 202/632-5050. Recorded listing of releases and texts 202/632-0002.

Report No. I-6831

July 27, 1993

## FCC TO ACCEPT APPLICATIONS FOR SERVICE TO CUBA

The FCC has received a letter dated July 22, 1993, from the Department of State detailing general policy guidelines for implementation of the telecommunications provisions of the Cuban Democracy Act (CDA). A copy of this letter is attached. Consistent with the letter, the FCC will act on applications for circuits between the United States and Cuba that comply with the Executive Branch criteria and meet the Commission's own legal and other requirements. Therefore, in addition to the Commission's existing application requirements for international service, applicants must comply with the criteria on page 2, must include the narrative description of their proposed agreements and the sworn statement listed on page 3 of the letter, and must submit copies of such documents to the Departments of Treasury and State. The Department of State in consultation with the Treasury and Commerce Departments will review U.S./Cuba telecommunications policy in twelve to eighteen months to insure that the CDA's mandates as well as overall foreign policy goals are being met.

For further information concerning this matter, please contact Adam Kupetsky or Linda Trochim at (202) 632-3214.



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JAMES H. QUELLO

United States Department of State

Bureau of  
International Communications  
and Information Policy

Washington, D.C. 20520

July 22, 1993

Dear Chairman Quello:

The purpose of this letter is to inform you of the Executive branch's general policy guidelines for implementation of the telecommunications provisions of the Cuban Democracy Act. These guidelines provide guidance to the Commission in considering proposals for telecommunications between the United States and Cuba. Also set forth is an action plan for the Departments of State, Treasury and Commerce, and the FCC.

Section 1705(e)(1) of the Cuban Democracy Act (CDA), states that "telecommunication services between the United States and Cuba shall be permitted." It further provides that ". . . telecommunications facilities are authorized in such quantity and of such quality as may be necessary to provide efficient and adequate telecommunications services between the United States and Cuba." The CDA also allows for full or partial payment of amounts due to Cuba as a result of the provision of such service.

Other provisions of the CDA are intended to tighten the economic embargo on Castro, and in section 1710(a) the Secretary of the Treasury is charged with ensuring that activities permitted under the CDA, such as telecommunications, are carried out for the purposes of the CDA and not for "the accumulation by the Cuban government of excessive amounts of United States currency or the accumulation of excessive profits by any person or entity."

The Executive branch has developed a policy which provides for open competition among all telecommunications carriers which comply with Federal Communications Commission regulations and are licensed as appropriate by Treasury's Office of Foreign Assets Control and Commerce's Bureau of Export Administration. The policy implements the applicable provisions of the CDA by authorizing the provision of service to Cuba as described below.

The Honorable James H. Quello,  
Chairman,  
Federal Communications Commission,  
Washington, D.C. 20554

The Commission should use the following policy guidelines in approving proposals for telecommunications between the United States and Cuba:

- a) Proposals must have the potential to be operational within a year;
- b) Proposals must be limited to equipment and services necessary to deliver a signal to an international telecommunications gateway in Cuba;
- c) Settlements more favorable to Cuba than the current 50/50 split of the \$1.20 per minute accounting rate shall not be permitted. In addition, Cuba shall cover half the costs of construction, maintenance and/or lease of transmission facilities, consistent with standard FCC practice;
- d) Proposals utilizing modes of communications already in place between the U.S. and Cuba (e.g., satellite, the undersea cable) will be approved. Proposals involving new modes of communications (e.g., fiber optic cable) will be reviewed by the appropriate agencies on a case-by-case basis;
- e) All circuits to Cuba must be specifically authorized. Carriers shall report the number of circuits activated by facility on June 30 and December 31 of each year, and on the one-year anniversary of the notification by FCC in the Federal Register;
- f) Treasury will license each U.S. company or U.S. subsidiary to remit to Cuba the full share of Cuba's earnings from the service approved by FCC; State will explore with Treasury and Commerce the possibility of licensing payment-in-kind (e.g., earth stations, satellite equipment, etc.) on a case-by-case basis;
- g) There will be no access to Cuba's blocked account of AT&T's past remittances;
- h) All applications approved by FCC must also be licensed as appropriate by Treasury or Commerce in consultation with State.

All previous licenses granted in the 1988 Memorandum Opinion and in subsequent FCC opinions may remain in force.

In order to implement the policy guidelines the Departments of State, Treasury, and Commerce and FCC will carry out the following plan of action:

Treasury (OFAC) will license travel and payment: OFAC will publish a Federal Register notice stating that it is prepared to provide licenses to U.S. companies to travel to Cuba to discuss possible contractual arrangements with EMTELCUBA. Follow-up visits will also be allowed. OFAC will also publish a notice informing carriers that Treasury (OFAC) must license all payment terms to Cuba and will only license transactions in Cuba necessary to deliver a signal to an international telecommunications gateway in Cuba.

Commerce will license export of U.S.-origin commodities: Commerce's Bureau of Export Administration will publish a Federal Register notice stating that it is updating its regulations to permit the export of telecommunications commodities to Cuba in connection with approved telecommunications projects to the extent that such exports are necessary to deliver a signal to an international telecommunications gateway in Cuba.

FCC will license circuits: The FCC will concurrently announce that it is prepared to grant the necessary licenses for all circuits requested that comply with the criteria, i.e., all applications which meet the Commission's legal requirements, which can be activated and effectively put into operation within twelve months of the date of publication of the initial OFAC notice, which involve existing modes of communications, and which are limited to equipment and services necessary to deliver a signal to an international telecommunications gateway in Cuba. FCC will consult with the appropriate agencies regarding proposals involving new modes of communication. FCC will announce the procedures by which U.S. carriers may apply for the circuits. The application procedure will require all applicants to provide a narrative description of their proposed agreement as well as a sworn statement that the foreign correspondent (EMTELCUBA) agrees to activate the proposed circuits on the Cuban end. Copies of such documents must also be submitted to the Departments of Treasury and State.

State in consultation with Treasury and Commerce will review: The FCC will also announce that U.S./Cuba telecommunications policy will be reviewed by the State Department in consultation with the Treasury and Commerce Departments, in twelve to eighteen months to ensure that the CDA's mandates as well as overall foreign policy goals are being met. At the time of this review, State, Treasury, and Commerce will be able to determine whether additional circuits should be authorized to keep the service "efficient and adequate;" and could assess whether to allow improvements in domestic infrastructure to improve U.S. access to the Cuban market.

The Department of State appreciates the close cooperation of the Commission throughout the years in implementing our telecommunications policy towards Cuba.

Sincerely Yours,



Richard C. Beaird  
Acting U.S. Coordinator and Director

cc: William Clements, Department of Commerce  
R. Richard Newcomb, Department of the Treasury



# NEWS

Federal Communications Commission  
1919 - M Street, N.W.  
Washington, D. C. 20554

News media information 202 / 418-0500  
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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See MCI v. FCC, 515 F 2d 385 (D.C. Cir. 1974).

Report No. CC-588

COMMON CARRIER ACTION

October 5, 1994

## FIVE CARRIERS AUTHORIZED TO PROVIDE DIRECT TELECOMMUNICATIONS SERVICES TO CUBA

Today the Commission approved the applications of five U.S. carriers to provide direct telecommunications services between the United States and Cuba. The services authorized include both switched voice and private line services. The companies whose applications were granted are WilTel International, Inc., MCI Telecommunications Corp., LDDS Communications, Inc., Sprint Communications Company L.P. and IDB WorldCom Services, Inc. Grant of these applications also will permit AT&T to improve its capability to serve Cuba, because a new service agreement it entered into with its correspondent in Cuba, EMTELCUBA, becomes effective upon grant of these applications.

These are the first applications to be granted for direct voice service to Cuba since Congress liberalized restrictions on telecommunications facilities and services between the United States and Cuba in the Cuban Democracy Act of 1992 ("CDA"). The CDA specifically authorized telecommunications facilities "in such quantity and of such quality as may be necessary to provide efficient and adequate telecommunications services between the United States and Cuba." Until 1992, the Cuban Embargo Act of 1962 precluded U.S. carriers from upgrading telecommunications facilities and services between the United States and Cuba. Consequently those facilities, as well as the number of carriers providing service on that route, have remained virtually unchanged for more than thirty years. Meanwhile, demand for calls from the United States to Cuba has increased to the point where more than 60 million calls are attempted annually, with less than one percent being completed.

The Commission initially notified the applicants on July 29, 1994, that it would not process their applications because they were not consistent with the policy guidelines developed by the Executive Branch for U.S. carriers desiring to provide direct services to Cuba. In particular, all five applicants proposed a \$4.85 surcharge per call for collect calls to be paid to the originating carrier. The Commission found the \$4.85 per call surcharge to be unreasonable and unjustified. The Commission observed that the proposed surcharge far exceeded the approximately \$.60 average rate for all countries in the region and the prevalent \$1.00 rate for those countries having a surcharge. Rather than return the applications, however, the Commission gave the applicants another chance to renegotiate the surcharge provision with EMTELCUBA.

(over)

The applicants have now renegotiated the surcharge provision, successfully reaching a lower surcharge of \$1.00 per call. The Department of State notified the Commission on October 3, 1994, that it found the new surcharge to be consistent with international norms and practices, relevant ITU Recommendations, and current surcharge rates in the region. Upon its own review, the Commission found the \$1.00 per call surcharge to be based on costs and consistent with its International Settlements Policy. Therefore, the Commission determined that all five applications were fully consistent with the policy guidelines, and that the public interest would be served by granting the applications.

Action by the Chief, International Facilities Division, October 4, 1994, by Memorandum Opinion, Order, Authorization & Certification (DA 94-1098).

- FCC -

News Media contact: Audrey Spivack at (202) 418-0500.

Common Carrier Bureau contact: Troy Tanner at (202) 418-1470.

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

DA 94-1098

In the Matter of )  
)  
WILTEL INTERNATIONAL, INC. ) File No. I-T-C-94-227  
)  
Application for authority to )  
acquire and operate satellite )  
and cable facilities for the )  
provision of direct services )  
between the United States and Cuba )  
)  
)  
MCI TELECOMMUNICATIONS CORP. ) File No. I-T-C-94-228  
)  
LDDS COMMUNICATIONS, INC. ) File No. I-T-C-94-229  
)  
SPRINT COMMUNICATIONS COMPANY L.P. ) File No. I-T-C-94-247  
)  
IDB WORLDCOM SERVICES, INC. ) File No. I-T-C-94-260  
)  
)  
Applications for authority to )  
acquire and operate satellite )  
facilities for the provision of )  
direct services between the )  
United States and Cuba )

Memorandum Opinion, Order, Authorization & Certification

Adopted: October 4, 1994

Released: October 5, 1994

By the Chief, International Facilities Division:

1. The Commission has under consideration the above-captioned applications filed by WilTel International, Inc. ("WilTel"), MCI Telecommunications Corporation ("MCI"), LDDS Communications, Inc. ("LDDS"), Sprint Communications Company L.P. ("Sprint"), and IDB WorldCom Services, Inc. ("IDB") requesting authority pursuant to Section 214 of the Communications Act of 1934, as amended, to establish channels of communication between the United States and Cuba for the provision of direct services. The applications were placed on the Commission's public notice. AT&T filed petitions to deny against all of the applications. For the reasons stated below, we grant the applications.

**BACKGROUND**

2. WilTel requests authority to acquire by lease from Comsat and operate 120 64-kbps digital satellite voice-grade circuits, and up to two satellite video transmission circuits on an occasional use basis, provided via the INTELSAT Atlantic Ocean



Region (AOR) satellite at 335° E.L., for the provision of international message telephone service ("IMTS") and other switched services<sup>1</sup> and for international private line service between the United States and Cuba. In an amendment to its application, WilTel also requests the flexibility to use either the INTELSAT and/or an Intersputnik satellite. WilTel states the proposed satellite facilities will be located between an appropriately authorized U.S. international fixed-satellite earth station and the appropriate satellite.<sup>2</sup>

3. MCI requests authority to acquire by lease from Comsat and operate 150 64-kbps satellite circuits<sup>3</sup> between the Mount Jackson, Virginia earth station and an appropriate INTELSAT-AOR satellite, together with the necessary connecting facilities between the Mt. Jackson earth station and MCI's operating centers at Pottstown, Pennsylvania and San Antonio, Texas, for the provision of all of MCI's authorized services, including IMTS, between the United States and Cuba.

4. LDDS requests authority to acquire by lease from Comsat and operate 150 64-kbps satellite circuits between an appropriately authorized east coast earth station and an appropriate INTELSAT-AOR satellite for the provision of IMTS and private line services between the United States and Cuba. In an amendment to its application, LDDS also requests authority to use interchangeably the 150 circuits with the Intersputnik, or Columbia Communication Corporation ("Columbia") satellites in addition to the INTELSAT satellites.

5. Sprint requests authority to acquire by lease from Comsat and operate 120 voice-grade satellite circuits<sup>4</sup> between the

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<sup>1</sup> These services include facsimile, data and video transmission services.

<sup>2</sup> WilTel also requests authority to provide service to Cuba via the fiber optic undersea cable, CUBUS-1, that has been proposed in the application for a cable landing license of WilTel Undersea Cable, Inc., FCC File No. SCL-94-002. Because this cable landing license has yet to be granted, we will defer acting on WilTel's request to use these facilities until such time that we are assured the cable facilities will be available for WilTel's use.

<sup>3</sup> MCI states these circuits are bearer circuits with a compression ratio ability of 5:1, thereby allowing MCI to potentially derive as many as 750 circuits.

<sup>4</sup> Sprint initially requested 30 digital satellite circuits, but clarified its request in a letter to the Commission on October 3, 1994, stating that the circuits are equivalent to one

Orion international Standard A earth station located at Shenandoah, Virginia and the INTELSAT-AOR satellite at 335° E.L., connecting with its operating center in New York, New York, by using its own facilities. Sprint proposes to use these facilities to furnish all of Sprint's authorized services, including IMTS, between the United States and Cuba.

6. IDB requests authority to acquire by lease from Comsat and operate 120 voice-grade satellite circuits<sup>5</sup> between an appropriately authorized international earth station in the United States and either an INTELSAT-AOR satellite or the Intersputnik satellite located at 14° W.L. ("Stationar 4"), together with the necessary connecting facilities between the earth station and an operating center in New York, New York, for the provision of IMTS between the United States and Cuba.

7. All of the applicants state that they have reached an agreement with EMTELCUBA of Cuba, to provide the matching facilities from the satellites' mid-point to an earth station in Cuba. Initially, under the terms of the agreements, EMTELCUBA agreed with each applicant to a 50/50 split of a \$1.20 per minute accounting rate for switched traffic, and a \$4.85 surcharge per call for collect calls to be paid to the originating carrier. All of the applicants state that this rate is consistent with the U.S. Department of State's policy guidelines ("Policy Guidelines").<sup>6</sup> They also state that they will initiate service within one year.

8. The applicants state that the public interest would be served by a grant of their applications because it will result in the rapid introduction of new lines of telecommunications between the United States and Cuba. They state that an immediate and large demand exists for direct telecommunications services between the United States and Cuba, and their proposed services will help meet that demand within the regulatory framework established by the Cuban Democracy Act of 1992 (22 U.S.C. § 6002 et seq.).

9. AT&T filed a petition to deny against each of these applications stating that because of the \$4.85 surcharge per call for collect calls, the applicants' accounting rate agreements with EMTELCUBA conflict with the International Settlements Policy ("ISP") and with the directive of the Commission that U.S. carriers

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E-1 circuit which, in turn, can derive 120 virtual voice-grade circuits.

<sup>5</sup> IDB states these are the number of circuits derived from one 2 Mbps channel (an E-1 circuit) operating at a compression ratio of 4:1.

<sup>6</sup> See infra ¶ 10.

negotiate to achieve cost-based accounting rates with foreign administrations.<sup>7</sup> All of the applicants individually filed oppositions to AT&T's petition. They unanimously agreed that an ISP waiver under §64.1001 of the Commission's Rules is not required because AT&T's operating agreement with the Cuban administration expired nearly four years ago. Therefore, the applicants argue that because AT&T's operating agreement is no longer in force, their proposed arrangements do not depart from any current arrangements, and no ISP waiver is required. In addition, WilTel, MCI, and LDDS argue that the Policy Guidelines do not prohibit collect surcharges, and that the \$4.85 surcharge per call is appropriate and not excessive for collect calls.

#### DISCUSSION

10. In a letter dated July 22, 1993, the U.S. Department of State informed us of the Executive Branch's general policy guidelines for implementation of the telecommunications provisions of the Cuban Democracy Act, which provides that "telecommunication services between the United States and Cuba shall be permitted."<sup>8</sup> Among the policy guidelines are the following requirements: 1) the proposals must have the potential to be operational within a year; 2) settlements must not be more favorable to Cuba than the current 50/50 split of the \$1.20 per minute accounting rate; 3) proposals must be limited to equipment and services necessary to deliver a signal to Cuba; 4) proposals must utilize modes of communications already in place between the United States and Cuba; and 5) carriers shall report the number of circuits activated by facility on June 30 and December 31 of each year and on the one-year anniversary of the notification by the Commission in the Federal Register.

11. In accordance with the Policy Guidelines, we forwarded copies of the above-captioned applications to the Department of State and requested that it advise us as to its views. Pursuant to our request, the Department of State issued a follow-up letter dated May 23, 1994.<sup>9</sup> The Department of State

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<sup>7</sup> See Regulation of International Accounting Rates, 6 FCC Rcd 3552 (1991) (expansion of traditional focus of the ISP of preventing whipsawing to include the adverse effect of above-cost levels of accounting rates on U.S. carriers and consumers).

<sup>8</sup> Letter dated July 22, 1993, from Richard C. Beaird, Acting U.S. Coordinator and Director, Bureau of International Communications and Information Policy, U.S. Department of State to FCC Chairman James H. Quello.

<sup>9</sup> Letter dated May 23, 1994, from Richard C. Beaird, Senior Deputy U.S. Coordinator, Bureau of International Communications and Information Policy, U.S. Department of State to FCC Chairman

found the IMTS portions of the applications to be fully consistent with the Policy Guidelines except for the \$4.85 surcharge per call for collect calls. The Department found that the proposed surcharge was unreasonable and unjustified. It observed that the proposed surcharge far exceeded the approximately \$.60 average rate for all countries in the region and the prevalent \$1.00 rate for those countries having a surcharge. Therefore, the Department of State had no objection to our approval of the IMTS applications without the \$4.85 surcharge provision. The Department of State, however, did state that it would favorably consider a surcharge provision that is determined by us to be based on costs, other international norms and practices, relevant ITU Recommendations, and our ISP.

12. In light of the Department of State's letter, and our own review of the applications, we concluded that we would not process the applications as filed because of the agreements with EMTELCUBA for the \$4.85 surcharge. Rather than dismiss the applications, we gave the applicants the opportunity to amend their applications to reflect a new agreement renegotiated with EMTELCUBA that provides for either no surcharge for collect calls, or a surcharge that was reasonable and justified.<sup>10</sup>

13. On September 6, 1994, LDDS amended its application to include a new operating agreement with EMTELCUBA that reflected a reduction in the proposed surcharge of \$4.85 per call for collect calls to \$1.00 per call. A week later, the other four applicants similarly amended their applications to reflect a \$1.00 per call surcharge. We sent copies of these amendments to the Department of State, and requested their advice as to whether these new surcharges were in compliance with the Policy Guidelines.<sup>11</sup> On October 3, 1994, we received a letter from the Department of State expressing its views that the new \$1.00 per call surcharge was in compliance with the Policy Guidelines.<sup>12</sup> The Department of State

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Reed Hundt.

<sup>10</sup> See Letter dated July 29, 1994 from Wendell Harris, Assistant Bureau Chief/International, Common Carrier Bureau, to all five applicants.

<sup>11</sup> See Letters dated September 9 and 16, 1994 from Wendell Harris, Assistant Bureau Chief/International, Common Carrier Bureau, to Richard C. Beard, Senior Deputy U.S. Coordinator, Bureau of International Communications and Information Policy, U.S. Department of State.

<sup>12</sup> Letter dated October 3, 1994, from Richard C. Beard, Senior Deputy U.S. Coordinator, Bureau of International Communications and Information Policy, U.S. Department of State to FCC Chairman Reed Hundt.

stated that the new proposed surcharge of \$1.00 per call appears consistent with international norms and practices, relevant ITU Recommendations, and current surcharge rates in the region. The Department of State notes, however, that it hopes that this and other surcharge rates will generally be reduced or eliminated in the future.

14. Upon our own review of the applications, we agree with the Department of State that the five applicants' amended operating agreements with EMTELCUBA are in compliance with the Policy Guidelines. The \$1.00 per call surcharge for collect calls is within the range of surcharges that other countries in the Caribbean region have for these types of calls, and reflects the cost to the originating country of providing the service. Accordingly, we find that this new surcharge is reasonable and justified. It is our desire, however, as it is the Department of State's, that this surcharge eventually be reduced or eliminated in the future.

15. In addition, we find AT&T's arguments that the \$4.85 per call surcharge is in violation of the ISP to be inapposite. AT&T's arguments were based on the original \$4.85 per call surcharge, not the amended \$1.00 per call surcharge. Further, we note that AT&T's petition stated that a \$1.00 surcharge would be consistent with industry practice. Finally, we have not received any additional pleadings from AT&T arguing that the amended operating agreements are in violation of our ISP.

16. We find that a grant of the above-captioned five applications will serve the public interest subject to the conditions set forth below. These applications are consistent with the Executive Branch's Policy Guidelines. The applicants state that they will initiate service within one year, and expect to initiate service shortly after all requisite regulatory approvals have been obtained. To the extent the applicants propose to use the INTELSAT, Intersputnik, and Columbia satellite facilities and appropriately authorized existing earth station facilities, we find these proposals satisfy the requirement that facilities already be in existence and be limited to equipment and services necessary to deliver a signal to Cuba.

17. Accordingly, IT IS ORDERED that application File No. I-T-C-94-227 IS GRANTED and WilTel is authorized to:

a. lease from Comsat and operate up to 120 64-kbps satellite circuits, and up to two satellite video transmission circuits on an occasional use basis, between an appropriately authorized U.S. international fixed-satellite earth station and the INTELSAT-AOR satellite at 335° E.L., together with the necessary domestic connecting facilities between the earth station and WilTel's operating center, connecting with similar circuits between the satellite and an earth station in Cuba, furnished by EMTELCUBA; or

b. in lieu of the INTELSAT circuits, establish up to 120 64-kbps satellite circuits between an appropriately authorized U.S. international fixed-satellite earth station and an appropriate Intersputnik satellite, together with the necessary domestic connecting facilities between the earth station and WilTel's operating center, connecting with similar circuits between the satellite and an earth station in Cuba, furnished by EMTELCUBA; and

c. use the facilities in either (a) or (b) above to provide IMTS and other switched services (including facsimile, data and video transmission services), and international private line services, between the United States and Cuba.

18. IT IS FURTHER ORDERED that application File No. I-T-C-94-228 IS GRANTED and MCI is authorized to:

a. lease from Comsat and operate 150 64-kbps satellite circuits between the Mount Jackson, Virginia earth station and an appropriate INTELSAT-AOR satellite, together with the necessary connecting facilities between the Mt. Jackson earth station and MCI's operating centers at Pottstown, Pennsylvania and San Antonio, Texas, connecting with similar circuits between the satellite and an earth station in Cuba, furnished by EMTELCUBA; and

b. use the above facilities to provide all of MCI's authorized services, including IMTS, between the United States and Cuba.

19. IT IS FURTHER ORDERED that application File No. I-T-C-94-229 IS GRANTED and LDDS is authorized to:

a. lease from Comsat and operate 150 64-kbps satellite circuits between an appropriately authorized U.S. international fixed-satellite earth station and an appropriate INTELSAT-AOR satellite, together with the necessary domestic connecting facilities between the earth station and LDDS's operating center, connecting with similar circuits between the satellite and an earth station in Cuba, furnished by EMTELCUBA; or

b. in lieu of the INTELSAT circuits, establish up to 150 64-kbps satellite circuits, between an appropriately authorized U.S. international fixed-satellite earth station and an appropriate Intersputnik or Columbia satellite, together with the necessary domestic connecting facilities between the earth station and LDDS's operating center, connecting with similar circuits between the satellite and an earth station in Cuba, furnished by EMTELCUBA; and

c. use the facilities in either (a) or (b) above to provide IMTS and private line services between the United States and Cuba.

20. IT IS FURTHER ORDERED that application File No. I-T-C-94-247 IS GRANTED and Sprint is authorized to:

a. lease from Comsat and operate one E-1 circuit (30 64-kbps circuits), which can derive 120 virtual voice-grade circuits, between the Orion international Standard A earth station located at Shenandoah, Virginia and the INTELSAT-AOR satellite at 335° E.L., together with the necessary connecting facilities between its operating center in New York, New York, and the Orion earth station, connecting with similar circuits between the satellite and an earth station in Cuba, furnished by EMTELCUBA; and

b. use the above facilities to provide all of Sprint's authorized services, including IMTS, between the United States and Cuba.

21. IT IS FURTHER ORDERED that application File No. I-T-C-94-260 IS GRANTED and IDB is authorized to:

a. lease from Comsat and operate one 2 Mbps channel (an E-1 circuit or 30 64-kbps circuits), which can derive 120 virtual voice-grade circuits, between an appropriately authorized U.S. international fixed-satellite earth station and an appropriate INTELSAT-AOR satellite, together with the necessary connecting facilities between the earth station and an operating center in New York, New York, connecting with similar circuits between the satellite and an earth station in Cuba, furnished by EMTELCUBA; or

b. in lieu of the INTELSAT circuits, establish up to one 2 Mbps channel (an E-1 circuit or 30 64-kbps circuits), which can derive 120 virtual voice-grade circuits, between an appropriately authorized U.S. international fixed-satellite earth station and the Intersputnik satellite located at 14° W.L. ("Stacionar 4"), together with the necessary connecting facilities between the earth station and an operating center in New York, New York, connecting with similar circuits between the satellite and an earth station in Cuba, furnished by EMTELCUBA; and

c. use the facilities in either (a) or (b) above to provide IMTS services between the United States and Cuba.

22. IT IS FURTHER ORDERED that the services authorized herein must be implemented within one year from the date of release of this order.

23. IT IS FURTHER ORDERED that WilTel, MCI, LDDS, Sprint and IDB shall split 50/50 with EMTELCUBA the \$1.20 per minute accounting rate for the IMTS services.

24. IT IS FURTHER ORDERED that the surcharge agreed to between the applicants and EMTELCUBA for received collect calls

shall be no greater than \$1.00 per call.

25. IT IS FURTHER ORDERED that the applicants shall submit reports on or before June 30, and December 31 of each year, and on the one-year anniversary of the notification of the grant of these applications in the Federal Register indicating the numbers of circuits activated by facility.

26. IT IS FURTHER ORDERED that this authorization is subject to the applicants' obtaining all necessary licenses and authorizations from the Departments of Treasury and Commerce.

27. IT IS FURTHER ORDERED that this order is subject to revocation without a hearing in the event the Department of State or the Federal Communications Commission determines that the continuation of communications between the United States and Cuba is no longer in the national interest.

28. IT IS FURTHER ORDERED that our authorization for the applicants to provide private lines is limited to the provision of such private lines only between the United States and Cuba -- that is, private lines which originate in the United States and terminate in Cuba or which originate in Cuba and terminate in the United States. In addition, the applicants may not -- and applicants' tariffs must state that their customers may not -- connect private lines provided over these facilities to the public switched network at either the U.S. or foreign end, or both, for the provision of international basic telecommunications services, including switched voice services, unless authorized to do so by the Commission upon a finding that its correspondents afford resale opportunities equivalent to those available under U.S. law, in accordance with Regulation of International Accounting Rates, Phase II, First Report and Order, 7 FCC Rcd 559 (1991), Order on Reconsideration and Third Further NPRM, 7 FCC Rcd 7927 (1992), petition for reconsideration pending.

29. IT IS FURTHER ORDERED that, pursuant to Section 203 of the Communications Act, 47 U.S.C. § 203, and Part 61 of the Commission's Rules, 47 C.F.R. Part 61, the applicants shall file and have in effect a tariff for the services authorized in this order before offering services to the public.

30. IT IS FURTHER ORDERED that the applicants shall file copies of any operating agreements entered into by themselves or their parent/affiliates with their correspondents within 30 days of their execution, and shall otherwise comply with the filing requirements contained in Section 43.51 of the Commission's Rules, 47 C.F.R. § 43.51.

31. IT IS FURTHER ORDERED that the applicants shall file annual reports of overseas telecommunications traffic required by Section 43.61 of the Commission's Rules, 47 C.F.R. § 43.61.



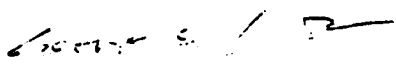
32. IT IS FURTHER ORDERED that the applicants shall file a Section 214 application for any additional circuits they propose to establish between the United States and Cuba.

33. Acceptance of this authorization shall be deemed acceptance of the conditions set forth herein.

34. IT IS FURTHER ORDERED that the Petitions to Deny against each applicant filed by AT&T ARE DENIED.

35. This authorization is issued pursuant to Section 0.291 of the Commission's Rules and is effective upon adoption. Petitions for reconsideration under Section 1.106 or applications for review under Section 1.115 of the Commission's Rules may be filed within 30 days of public notice of this order (see Section 1.4(b)(2)).

FEDERAL COMMUNICATIONS COMMISSION



George S. Li  
Chief, International Facilities Division  
Common Carrier Bureau



# PUBLIC NOTICE

FEDERAL COMMUNICATIONS COMMISSION  
1919 M STREET N.W.  
WASHINGTON, D.C. 20554

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News media information 202/418-0500. Recorded listing of releases and texts 202/418-2222.

Report No. I-7079

December 7, 1994

## RESALE OF SWITCHED SERVICES TO CUBA IS AUTHORIZED

In response to numerous inquiries from the public, the FCC hereby clarifies its policy regarding the authorization of U.S. carriers to resell the switched services of other U.S. carriers to provide switched services to Cuba.

When a U.S. carrier is authorized by the FCC to provide international switched services by reselling the international switched services listed in specific tariffs of other U.S. carriers, the resale carrier is authorized to serve all international points listed in the tariffs it has been authorized to resell. Unless otherwise specified, this authorization includes new international points added to a carrier's tariff even after the resale carrier has received its FCC authorization to resell. This policy also applies when the U.S. carrier whose services are being resold adds Cuba to its list of international points served.

Therefore, any U.S. carrier that has received authority to resell the international switched services of other U.S. carriers may provide switched services to Cuba on a resale basis when an underlying carrier it has been authorized to resell adds Cuba to the tariff being resold. Resale carriers are reminded, however, that they must modify their own tariffs, in accordance with our rules and regulations, to add Cuba as a service point before providing such service to their customers.

For additional information concerning this matter, please contact Troy Tanner, at 418-1470.

-FCC-

**United States Department of State****Washington, D.C. 20520**

March 10, 1995

Dear Chairman Hundt:

I refer to the Department's letter of October 27, 1993, in which we confirmed that our policy guidelines for implementation of the telecommunications provisions of the Cuban Democracy Act during the initial phase were not intended to include services transiting a third country.

The Department recently reviewed the transiting issue. We note with great satisfaction that you authorized five carriers to provide direct telecommunications services between the United States and Cuba and that AT&T was able to improve its service with Cuba as a result of a new service agreement. We also note that the several hundreds of circuits involved are being brought into operation and providing the improved communications foreseen by the Act. Our objective of establishing direct links with Cuba in the initial phase has been met fully. I am pleased to advise that the Department has no objection to your authorizing, in accordance with the Commission's procedures and policies, service via transiting arrangements.

In this regard, we recall that Sprint Communications filed, in July 1993, a request for authority to provide direct switched services between the United States and Cuba. Sprint also indicated, in a September 1994 letter to the Department, its desire to provide direct packet data service via facilities in Canada. The Department has no objection to FCC action on these and similar applications. For your information, we are also aware of an interest by GTE's Dominican Republic subsidiary, CODETEL, to be a transit point for U.S.-Cuba telecommunications traffic. By separate correspondence, we will advise the Treasury Department that we have no objection to their licensing of these or similar applications.

Reed Hundt, Chairman  
Federal Communications Commission  
Suite 814  
1919 M Street, N.W.  
Washington, DC 20554

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The Department understands the Commission may soon issue rules and/or guidelines to clarify conditions with respect to transiting arrangements. While we generally endorse FCC views on this subject and believe they should be applied to the U.S.-Cuba situation to the extent applicable, the Department may nevertheless find it necessary in the future to indicate our objection to specific transiting arrangements where such service might adversely affect U.S. foreign relations or otherwise affect foreign policy objectives.

The Department of State wishes to repeat our appreciation for the close cooperation of the Commission over many years in implementing our telecommunications policy with Cuba and to express our thanks for your efficient and timely handling of the several applications for new service to Cuba.

Sincerely,



Ambassador Vonya B. McCann  
United States Coordinator

International Communications and Information Policy

cc: Larry Christiansen, Department of Commerce  
R. Richard Newcomb, Department of Treasury

Before the  
Federal Communications Commission  
Washington, D.C. 20554

In the Matter of

AT&T CORP.

Application for authority to lease and operate satellite facilities for service between the United States and Cuba. File No. I-T-C-96-009

**ORDER AND AUTHORIZATION**

Adopted: March 29, 1996;

Released: April 9, 1996

By the Chief, Telecommunications Division:

1. Upon consideration of the above-captioned uncontested application, filed by American Telephone and Telegraph Company (AT&T) pursuant to Section 214 of the Communications Act of 1934, as amended, we find that the present and future public convenience and necessity require a grant thereof.

2. Accordingly, IT IS ORDERED that application File No. I-T-C-96-009 IS GRANTED, and AT&T is authorized to:

a. lease from Comsat and operate 30 64-kbps satellite circuits between appropriately licensed U.S. earth stations and an appropriate INTELSAT satellite over the Atlantic Ocean, connecting with similar circuits between the satellite and an earth station in Cuba, furnished by AT&T's correspondent;

b. multiplex the circuits authorized in a., above, through the use of Digital Circuit Multiplexing Equipment, to derive up to 120 circuits from the 30 circuits authorized; and

c. use said facilities to provide AT&T's regularly authorized services between the United States and Cuba.

3. IT IS FURTHER ORDERED that our authorization of AT&T to provide private lines as part of its authorized services is limited to the provision of such private lines only between the United States and Cuba— that is, private lines which originate in the United States and terminate in Cuba or which originate in Cuba and terminate in the United States. In addition, AT&T may not — and AT&T's tariffs must state that its customers may not — connect private lines provided over these facilities to the public switched network at either the U.S. or Cuban end, or both, for the provision of international switched basic services, unless authorized to do so by the Commission upon a finding that Cuba affords resale opportunities equivalent to those available under U.S. law, in accordance with *Foreign Carrier Entry Order*, FCC No. 95-475 (released November 30, 1995). The limitations in this paragraph are subject to the exceptions contained in Sections 63.01(k)(6)(i) and

63.17 of the Commission's Rules, 47 C.F.R. §§63.01(k)(6)(i) and 63.17. See also *Cable & Wireless et al.*, DA-96-17, released January 16, 1996, para. 36.

4. IT IS FURTHER ORDERED that the applicant shall file the annual reports of overseas telecommunications traffic required by Section 43.61 of the Commission's Rules, 47 C.F.R. Section 43.61.

5. IT IS FURTHER ORDERED that the applicant shall file annual circuit status reports in accordance with the requirements set forth in *Rules for Filing of International Circuit Status Reports*, CC Docket No. 93-157, Report and Order, 10 FCC Rcd 8605 (1995).

6. IT IS FURTHER ORDERED that AT&T shall split 50/50 with ETESCA the \$1.20 per minute accounting rate for the IMTS services.

7. IT IS FURTHER ORDERED that the surcharge agreed to between AT&T and ETESCA for received collect calls shall be no greater than \$1.00 per call.

8. IT IS FURTHER ORDERED that AT&T shall submit reports on or before June 30, and December 31, of each year, and on the one-year anniversary of the notification of the grant of this application in the Federal Register, indicating the number of circuits activated by facility.

9. IT IS FURTHER ORDERED that this authorization is subject to AT&T's obtaining all necessary licenses and authorizations from the Departments of Treasury and Commerce.

10. IT IS FURTHER ORDERED that this order is subject to revocation without a hearing in the event the Department of State or the Federal Communications Commission determines that the continuation of communications between the United States and Cuba is no longer in the national interest.

11. This order is issued under Section 0.261 of the Commission's Rules and is effective upon adoption. Petitions for reconsideration under Section 1.106 or applications for review under Section 1.115 of the Commission's Rules may be filed within 30 days of the date of public notice of this order (see Section 1.4(h)(2)).

FEDERAL COMMUNICATIONS COMMISSION

Diane J. Cornell  
Chief, Telecommunications Division  
International Bureau



United States Department of State

Washington, D.C. 20520

May 23, 1994

Dear Chairman Hundt:

I refer to Mr. Wendell Harris' letters of March 17 and April 7 seeking our views on the applications of LDDS, Wiltel, MCI and Sprint to provide direct international message telephone service (IMTS), and of Sprint to also provide data services, between the United States and Cuba. The Wiltel applications to land and operate a private fiber optic digital undersea cable system will be treated in a separate reply to the Commission.

The Department has studied the IMTS applications and finds them to be fully consistent with the policy guidelines contained in our July 22, 1993, letter to you, except for the identical proposals for a \$4.85 surcharge for operator-assisted calls. The proposed surcharge is unreasonable and unjustified. For example, we observe that the proposed surcharge far exceeds the approximately \$.60 average rate for all countries in the region and the prevalent \$1.00 rate for those countries having a surcharge.

We have no objection, therefore, to your approval of the IMTS applications without the \$4.85 surcharge provision. A surcharge provision, if any, that is determined by the FCC to be based on costs, other international norms and practices, relevant ITU Recommendations, and your International Settlements Policy, would be favorably considered by the Department.

With respect to Sprint's data services application, the Department has no objection to your approval subject to the Commission's determination that the proposed rate does not exceed the 50/50 split of the \$1.20 accounting rate required under the guidelines.

Sincerely Yours,

Richard C. Beaird  
Senior Deputy U.S. Coordinator

The Honorable Reed Hundt,  
Chairman,  
Federal Communications Commission,  
Washington, D.C. 20554

CC: William Clements, Department of Commerce  
R. Richard Newcomb, Department of the Treasury



United States Department of State

Washington, D.C. 20520

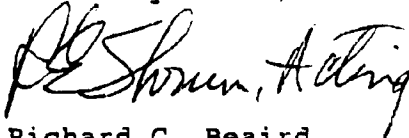
October 3, 1994

Dear Chairman Hundt:

I refer to Mr. Harris' letters of September 9 and 16 seeking our views on the collect-call surcharge of \$1.00 proposed by five (5) applicants for direct international telephone service between the United States and Cuba.

As indicated in the Department's May 23 letter to you, we found the original applications to be fully consistent with the policy guidelines, except for the proposed \$4.85 surcharge. The new proposed surcharge of \$1.00, as reflected in amendments to the five applications, appears consistent with international norms and practices, relevant ITU Recommendations, and current surcharge rates in the region. We have no objection, therefore, to your approval of the amended applications, assuming the Commission is satisfied that the \$1.00 surcharge is based on costs and consistent with your International Settlements Policy. We are hopeful that this and other surcharge rates will generally be reduced or eliminated in the future.

Sincerely Yours,

  
for Richard C. Beard  
Senior Deputy U.S. Coordinator

The Honorable Reed Hundt,  
Chairman,  
Federal Communications Commission,  
Washington, D.C. 20554

CC: William Clements, Department of Commerce  
R. Richard Newcomb, Department of the Treasury

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

SPRINT COMMUNICATIONS COMPANY L.P.	)	
	)	
Application for authority to acquire and operate	)	File No. ITC-214-19990316-00141
additional satellite facilities for provision of service	)	
between the United States and Cuba.	)	

**ORDER AND AUTHORIZATION**

**Adopted: May 13, 1999**

**Released: May 17, 1999**

By the Chief, Telecommunications Division:

1. We have under consideration the above-captioned uncontested application, filed by Sprint Communications Company, L.P. (Sprint), requesting authority, pursuant to Section 214 of the Communications Act of 1934, as amended, to lease and operate one additional 2 Mbps (E-1) digital satellite circuit between the United States and Cuba. Sprint is currently authorized by the Commission to provide service directly to Cuba.<sup>1</sup>

2. The application was placed on public notice on March 31, 1999. We informed the Department of State of the application.<sup>2</sup> No opposing comments were received.<sup>3</sup> Upon consideration of the application and in view of the foregoing, we find that the present and future public convenience and necessity require a grant of the application.

3. Accordingly, IT IS ORDERED that application File No. ITC-214-19990316-00141 IS GRANTED and Sprint is authorized to lease and operate one additional 2 Mbps digital satellite circuit between the United States and Cuba via an INTELSAT AOR satellite.

4. IT IS FURTHER ORDERED that Sprint's tariffs must state that its customers may not resell international private lines or connect them to the public switched network for the provision of international basic telecommunications services, unless authorized to do so by the Commission upon a country-specific finding that the Commission will permit the provision of switched services over private lines between the United States and Cuba. *See Market Entry and Regulation of Foreign-Affiliated Entities*, IB Docket No. 95-22, *Report and Order*, 11 FCC Rcd 3873 (1995); *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market*, IB Docket Nos. 97-142, 95-

<sup>1</sup> See *Wiltel International, Inc., et al*, 9 FCC Rcd 5806 (1994).

<sup>2</sup> Letter from Rebecca Arbogast, Chief, Telecommunications Division, International Bureau, Federal Communications Commission, to Richard Beard Deputy U.S. Coordinator, Office of International Communications and Information Policy, U.S. Department of State dated Apr. 1, 1999.

<sup>3</sup> The Department of State approved the grant of the application on April 28, 1999. See letter to Rebecca Arbogast, Chief, Telecommunications Division, International Bureau, Federal Communications Commission from Richard Beard, Senior Deputy United States Coordinator, International Communications and Information Policy.



22, *Report and Order and Order on Reconsideration*, FCC 97-398 (rel. Nov. 26, 1997), *recon. pending*. The limitations in this paragraph are subject to the exceptions contained in Section 63.18(e)(4)(ii) of the Commission's rules, 47 C.F.R. 63.18(e)(4)(ii) (1996).

5. IT IS FURTHER ORDERED that Sprint shall comply with Section 63.21 of the Commission's Rules, 47 C.F.R. § 63.21.


6. IT IS FURTHER ORDERED that Sprint shall submit reports on or before June 30, and December 31, of each year, and on the one-year anniversary of the notification of the grant of this application in the Federal Register, indicating the number of circuits activated by facility.

7. IT IS FURTHER ORDERED that this authorization is subject to Sprint's obtaining all necessary licenses and authorizations from the Departments of Treasury and Commerce.

8. IT IS FURTHER ORDERED that this order is subject to revocation without a hearing in the event the Department of State or the Federal Communications Commission determines that the continuation of communications between the United States and Cuba is no longer in the national interest.

9. This Order is issued under Section 0.261 of the Commission's Rules and is effective upon adoption. Petitions for reconsideration under Section 1.106 or applications for review under Section 1.115 of the Commission's Rules may be filed within 30 days of the date of public notice of this Order (*see* Section 1.4(b)(2)).

FEDERAL COMMUNICATIONS COMMISSION

  
Rebecca Arbogast  
Chief, Telecommunications Division  
International Bureau