ITIF | INFORMATION TECHNOLOGY & INNOVATION FOUNDATION

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COMMENTS OF ITIF

Before the

Federal Communications Commission

Washington, D.C.

In the Matter of:	)	
Review of Submarine Cable Landing License Rules and Procedures To Assess Evolving National Security, Law Enforcement, Foreign Policy, and Trade Policy Risks	)	OI Docket No. 24-523
Amendment of the Schedule of Application Fees Set Forth in Sections 1.1102 through 1.1109 of the Commission's Rules	)	MD Docket No. 24-524

April 11, 2025

INTRODUCTION AND SUMMARY

The Information Technology and Innovation Foundation (ITIF) appreciates the opportunity to comment on the review of the Federal Communication Commission's (Commission) submarine cable landing license rules and procedures.[1] The current submarine cable landing license application process is lengthy and complex, sometimes taking years to complete.[2] This extended timeline creates significant costs to applicants, discouraging investment in submarine cables that land in the United States, and ultimately weakening network security. The proposals in the Notice of Proposed Rulemaking (NPRM) risk further complicating this process, potentially undermining critical national security and data capacity objectives that depend on resilient, redundant submarine cable networks.[3] The Commission should instead streamline the application process to encourage more infrastructure investment while maintaining appropriate security safeguards.

THE CURRENT APPLICATION PROCESS IS INEFFICIENT

The existing submarine cable landing license application process suffers from fundamental inefficiencies. The extensive interagency review process and lack of standardized requirements, combined with the business and technical realities of cable projects, result in a regulatory environment that is difficult to navigate.

High Initial Investment with Uncertain Timelines

A serious issue with the current application process is that cable projects require substantial upfront capital investment and then face uncertainty regarding how long the application review will take. Years of coordinating among consortium members, contracting with equipment manufacturers, route planning, and buildout timelines occur before a prospective licensee applies. The current licensing system routinely causes delays, creating uncertainty that discourages investors from pursuing new critical infrastructure projects.

Extended Project Timelines Cause Cascading Deployment Disruptions and Abandoned Projects

In recent years, the timeline from project concept to cables being ready for service has increased from three years to five years, primarily due to delays during the application review process.[4] Even minor regulatory delays significantly disrupt construction timelines due to limited weather windows, specialized vessel

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[1] Founded in 2006, ITIF is an independent 501(c)(3) nonprofit, nonpartisan research and educational institute—a think tank. Its mission is to formulate, evaluate, and promote policy solutions that accelerate innovation and boost productivity to spur growth, opportunity, and progress. ITIF's goal is to provide policymakers around the world with high-quality information, analysis, and recommendations they can trust. To that end, ITIF adheres to a high standard of research integrity with an internal code of ethics grounded in analytical rigor, policy pragmatism, and independence from external direction or bias. See About ITIF: A Champion for Innovation, https://itif.org/about; "Review of Submarine Cable Landing License Rules and Procedures To Assess Evolving National Security, Law Enforcement, Foreign Policy, and Trade Policy Risks," Federal Communications Commission, Notice of Proposed Rulemaking (OI Docket No. 24-253, April 2025), https://docs.fcc.gov/public/attachments/FCC-24-119A1.pdf. ("NPRM").

[2] Gigi Onag, "Bifrost subsea cables receives regulatory approval to land in the US," *Light Reading*, January 24,2025, https://www.lightreading.com/cable-technology/bifrost-subsea-cable-receives-regulatory-approval-to-land-in-the-us.

[3] "Review of Submarine Cable Landing License Rules and Procedures To Assess Evolving National Security, Law Enforcement, Foreign Policy, and Trade Policy Risks," Federal Communications Commission, Notice of Proposed Rulemaking (OI Docket No. 24-253, April 2025), https://docs.fcc.gov/public/attachments/FCC-24-119A1.pdf.

[4] "Broadband Beneath the Waves: Understanding the World of Submarine Cables," ITIF, last updated February 26, 2025, https://itif.org/events/2025/02/26/broadband-submarine-cables/.

availability, and intricate international regulatory coordination requirements. Cable projects have been abandoned due to excessive delays.[5] This outcome is undesirable because all upfront investment is ultimately wasted.

THE NPRM RISKS MAKING A DIFFICULT REGULATORY ENVIRONMENT EVEN WORSE

The Commission's goal of finding regulatory mechanisms for increasing national security is a worthy effort, but this NPRM fails to create such mechanisms and could lead to further impediments to protecting our critical communications infrastructure. The greatest threats to the global network of submarine cables currently are physical damage to cable systems and the exponentially growing demand for data without the capacity to handle them. For both issues, the solution is to create resilient cable networks, which is achieved by having many cables laid along redundant routes. Network resiliency requires strong investment from the submarine cable industry, but the current regulatory system is not welcoming to investment, which the NPRM exacerbates.

The Licensing Term, Interagency Review, Ownership Reporting Threshold, and Service Offering Reporting

Rather than reducing the license term for cable landings, the Commission should maintain an approach that matches the duration of a license to the lifespan of the technology it covers.[6] Since the average lifespan of submarine cables is around 25 years, the current 25-year licenses are appropriate.[7] Reducing the license term would mean applicants have to reapply for the already-approved cable, which would be onerous and duplicative with other parts of the NPRM, such as periodic reporting requirements.

The Commission should also avoid expanding the interagency application review process.[8] Application review is already the most significant source of delays, and bringing more agencies into the fold would likely do more harm than good. Rather than requiring applications to go across another desk, the Commission should adopt standards from agencies with relevant expertise in submarine cable security.[9] This way, security threats would be addressed without creating additional opportunities for delays in the review process. The Commission should avoid promulgating additional steps in this proceeding that would make the review process even slower.

The Commission should not reduce the ownership reporting threshold.[10] While there are legitimate concerns about foreign investment and the use of foreign components in US communications systems, submarine cable landing licenses are a bad regulatory mechanism for addressing these issues, particularly given parallel

[5] Mark Harris, "Google and Facebook turn their backs on undersea cable to China," *TechCrunch,* February 6, 2020, https://techcrunch.com/2020/02/06/google-and-facebook-turn-their-backs-on-undersea-cable-to-china/?guccounter=1.

[6] NPRM, para 59.

[7] Submarine Cables Frequently Asked Questions – What happens to cables when they are turned off?" accessed April 7, 2025, https://www2.telegeography.com/submarine-cable-faqs-frequently-asked-questions#:~:text=Cables%20are%20engineered%20with%20a,because%20they're%20economically%20obsolete.

[8] NPRM, para 141.

[9] NPRM, paras 110, 113.

[10] NPRM, para 92

Commission initiatives focused on safeguarding US critical communications infrastructure.[11] This proposal, therefore, would deter investment in communications infrastructure by introducing regulatory uncertainty without enhancing security.

Finally, the Commission should not require applicants and licensees to report on information regarding the sale or purchase of leases for data capacity on submarine cable systems. Buying and selling network capacity contributes to network diversity and is a standard part of a healthy submarine cable market. Introducing capacity reporting requirements creates hurdles for cable owners and operators and risks disrupting the productivity of these critical communication systems. Any national security concerns regarding leasing should be addressed on a vendor-specific basis to ensure that threats are addressed without creating an overburdensome reporting requirement.

More Cables Will Help Achieve National Security and Data Capacity Goals

Rather than adding to an already onerous application process, the Commission should acknowledge the ways a streamlined cable deployment process will enhance security. The most effective strategy for mitigating submarine cable security threats is developing robust network resilience through numerous cables laid along diverse routes.[12] Physical damage is the main threat to submarine cables. On average, there are about 200 submarine cable cuts per year, most of which are caused by fishing vessels dragging their anchors across cables along the ocean floor.[13] These cuts can lead to disruptions of international data flows, but increased cable redundancy means data can be rerouted and disruptions are minimized.[14]

The NPRM's proposals are disproportionately directed at threats to data integrity, but they do so at the expense of a licensing system that discourages the redundancy that would mitigate harm from physical damage. Data integrity is less of a concern because data are protected through light-based transmission and application-layer encryption. Furthermore, tapping a cable on the ocean floor is extremely difficult, making it unlikely that adversaries would target the submerged portions of cable systems for espionage.[15]

In addition to security, having more cables is essential for the United States to achieve its goal of expanding its data center industry.[16] First, many dot-com-era submarine cables are close to end-of-life. The dot-com cables being retired means that existing data capacity is already at risk of being reduced if these cables are not swiftly

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[11] Secure and Trusted Communications Networks Act of 2019, H.R. 4998, 116th Cong. (2020). https://www.congress.gov/116/plaws/publ124/PLAW-116publ124.pdf.

[12] Kent Bressie and Kathrine Creese, *Final Report – Clustering of Cables and Cable Landings* (Washington DC: Federal Communications Commission – Communications Security, Reliability and Interoperability Council August 2016), https://transition.fcc.gov/bureaus/pshs/advisory/csric5/WG4A_Final_091416.pdf.

[13] "Submarine Cable Frequently Asked Questions – Don't these cables ever break?" accessed April 8, 2025, https://www2.telegeography.com/submarine-cable-faqs-frequently-asked-questions#:~:text=Don't%20these%20cables%20ever%20break?&text=Yes!%20Cable%20faults%20are%20common,shark%20bites%20are%20exceedingly%20rare.

[14] Andrew Wooden, "Red Sea cable cuts' impact was 'severely underestimated'," *telecoms.com,* October 8, 2024, https://www.telecoms.com/telecoms-infrastructure/red-sea-cable-cuts-impact-was-severely-underestimated-.

[15] Colin Wall and Pierre Morcos, "Invisible and Vital: Undersea Cables and Transatlantic Security" (CSIS, June 2021), https://www.csis.org/analysis/invisible-and-vital-undersea-cables-and-transatlantic-security.

[16] Amber Jackson, "US President Donald Trump: Building a Data Center Empire," *Data Centre Magazine,* April 11, 2025, https://datacentremagazine.com/articles/us-president-donald-trump-building-a-data-centre-empire.

replaced. Second, as the United States looks to build more data centers, particularly hyperscale data centers, there will need to be more submarine cables in place to handle the increase in data capacity. As such, redundant cable systems lead to robust and resilient networks that can address both national security and data capacity issues.

THE COMMISSION SHOULD FOCUS ON STREAMLINING THE APPLICATION REVIEW PROCESS

The Commission should decline to adopt the proposals in the Notice. There is a role for FCC action in reforming the submarine cable review process, but it starts with not making the situation worse. Rather, given the importance of having resilient submarine cable networks, the Commission should work with Team Telecom to find ways to streamline the application review process.

One possible option for streamlining would be to standardize the mitigation requirements for new cable projects. Having bespoke mitigation agreements for every cable project causes uncertainty and delays as applicants do not know what to expect going into the review process. Standardizing mitigation requirements, or at least having a baseline, would speed up this process and enable more investment in cables that improve data capacity and national security.

CONCLUSION

Reforming the submarine cable landing license review process is essential for maintaining US leadership in global telecommunications infrastructure while ensuring appropriate national security protections. We urge the Commission to implement a streamlined, predictable process that balances legitimate security concerns with the need for infrastructure investment. The most effective security measure is a resilient network with redundant routes, achievable only through a regulatory environment that encourages, rather than impedes, submarine cable development.

Thank you for your consideration.

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