PTC Beyond

The Academy Master Class

APTELECOM 2030 OUR FUTURE VISION

Ensuring the success of the CABLES Program

Train the trainer

16-17 January 2026

Eric Handa

Purpose and Goals of this Training

- Prepare Posts to maximize the impact of the CABLES program
- Prepare Posts to obtain maximum benefit from CABLES Training to bolster undersea cable security portfolios
- Why the CABLES program is important for U.S. foreign policy
- What undersea cables are, why they are critical infrastructure, and how they can be corrupted by malign actors
- Understanding Trusted vs. Untrusted suppliers/networks
- Understanding PRC intentions and actions regarding undersea cables
- Importance of educating stakeholders on the risks of untrusted cables

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Post's Critical Role

Pre – Event

- Identifying and engaging stakeholders and government and industry participants
- Logistics, venue, etc.
- Identify potential host country requirements or restrictions on U.S. sponsored communications infrastructure security-focused events

During The Event

- Present welcome or opening statement of support for the program
- Active engagement as a CABLES program participant to bolster undersea cable expertise
- Set and join 1:1/side meetings with industry and government participants to ensure continuity and follow-up

Post – Event

- Managing project leads and contacts
- Portfolio management
- Coordinate and follow up with participants to encourage/advocate for trusted undersea cable solutions
- Identify and regularly share with EAP/CDP updates on anticipated new cables, potential cable upgrades or opportunities to discourage the landing of untrusted cables

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Promoting Connectivity and Security in Commercial Undersea Cables Systems (CABLES)

- CABLES is an important U.S. diplomatic initiative that is receiving POTUS-level visibility due to its importance to the U.S. foreign policy initiatives in the region
- This slide deck provides an overview of CABLES
- These slides prepare Posts to better cover the undersea cable security portfolio following the CABLES program launch
- This slide deck is intended to help Posts understand the CABLES program and its importance to the security of the U.S. and its allies and partners
- Undersea cables, a strategic resource under threat
- Posts must understand the threats of untrusted vendors and advance projects using trusted vendors

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Reliance on the Internet

- Undersea cables carry 99% of Internet traffic
- Unprecedented boom driven by insatiable bandwidth demand
- Societies, Governments depend on broadband connectivity
- Cables underpin trillions of dollars in economic transactions daily

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What's at Stake?

National Security Risks of Utilizing Untrusted Solutions, Vendors and Equipment in Networks

1

- Untrusted networks can intercept, degrade, divert or deny critical communications

2

- Untrusted vendors, backed by malign actors can exert influence over sovereign nations by providing funding for cables on terms that result in crushing debt for those nations and loss of control over their own cable assets

3

- In the worst-case scenario, malign actors can cut cables, thus potentially isolating a country from the Internet and causing severe economic losses

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CABLES: Countering the Threats

- **CABLES Program Objectives:**
  - To promote the security and development of commercial undersea cable systems in the Indo- Pacific region
  - To highlight the importance of selecting trusted vendors to build, supply, maintain and repair critical communications cable infrastructure
  - To raise awareness of the security risks and quality/reliability issues with using untrusted vendors to build and maintain undersea cables
  - To provide stakeholders with evaluation criteria to better enable trusted vendor selection
  - To discourage selection of untrusted vendors
  - To promote potential U.S. project finance, insurance and project assistance that can enable the development of trusted cable alternatives

- Allowing untrusted vendors to install undersea cables leaves the United States and our allies and partners vulnerable to malign activity and surveillance

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Promote – Impede – Expand

- **CABLES Program Effectiveness Goals:**
  - Increase the use of trusted vendors for installation and maintenance
  - Reduce routing risks
  - Impede the ability of untrusted high-risk vendors to win contracts
  - Expand connectivity through new undersea cable systems

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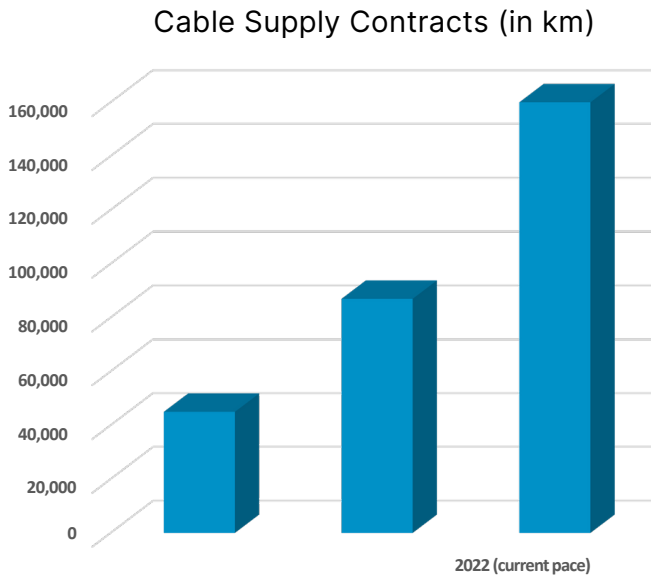
Unprecedented Undersea Cable Demand

- **Mid-1980:**
  - 3 to 4-year boom and bust cycles
- **2009-2013:**
  - modest growth, averaging 45,000km/yr
- **Today:**
  - 9-year growth cycle, averaging 87,000km/yr
- And there is no end in sight



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Advantages/Benefits of the CABLES Program to Posts and Stakeholders

Increase the use of trusted vendors for installation
CABLES Program Planned [Performance] Outcomes:

- Improve understanding of policymakers and private sector stakeholders on risks, vulnerabilities and threats from the selection of untrusted vendors
- Provide technical assistance on trusted vendor selection and procurements
- Encourage external reviews of the security risks of untrusted vendors
- Perform threat briefings and technical assistance on the security and protection of undersea cables
- Identify potential trusted cable projects for U.S. support
- Assist Post in making the economic and business case for selecting trusted vendors in addition to the security case
- Access to country research and reports on known and potential cables in development to assist Posts reporting

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CABLES and Development/Connectivity – Building an Enabling Policy Environment

- CABLES Program Planned [Performance] Outcomes:

Number 1

Provide technical assistance on market dynamics, maintenance and operations, legal issues, and innovations and new technologies

Number 2

Capacity building to improve business environment for undersea cables

Number 3

Addressing technical, legal, and regulatory obstacles that undersea cable firms face (E.g. cable licenses and repairs)

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Commercial Model: Trusted vs Non-Trusted Submarine Cables

Dimension	Trusted Submarine Cable	Non-Trusted Submarine Cable
Addressable Market	**~76% of total subsea demand** (OTTs + Trusted Telcos + other carriers)	**~24% of total demand** (excludes OTTs & Trusted Telcos)
OTT Participation	Fully accessible to OTTs (Google, Amazon, Microsoft, etc.)	Largely excluded due to security, governance & compliance concerns
Demand Concentration	High, diversified, long-term anchor customers	Fragmented, smaller buyers, price-sensitive demand
Revenue Ramp-Up	**Faster early-year sales**, critical in a declining price environment	Slower sales ramp due to limited buyer pool
Pricing Power	Stronger – supports long-term IRUs, upfront payments	Weaker – relies on discounted capacity and shorter-term deals
Cost Recovery	**Rapid payback**, lower financing and interest burden	Prolonged payback period, higher financing cost
Subsidy Dependence	Limited or none required	Often relies on **state subsidies** to offset weak demand
Subsidy vs Revenue Impact	Incremental revenues **far exceed any subsidy advantage**	Subsidies insufficient to compensate for lost market access
Long-Term Sustainability	High – aligns with global security, ESG, and compliance frameworks	Low – increasing risk of exclusion as trust standards tighten
Strategic Risk	Lower geopolitical, regulatory, and customer-concentration risk	Elevated geopolitical, reputational, and stranded-asset risk

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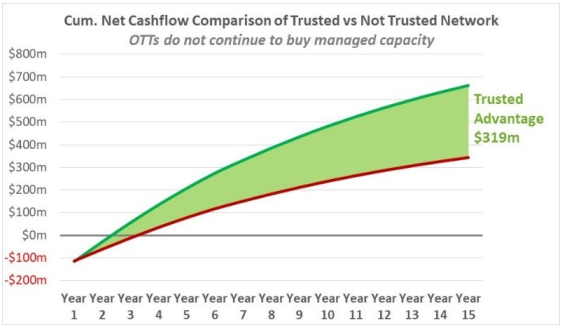
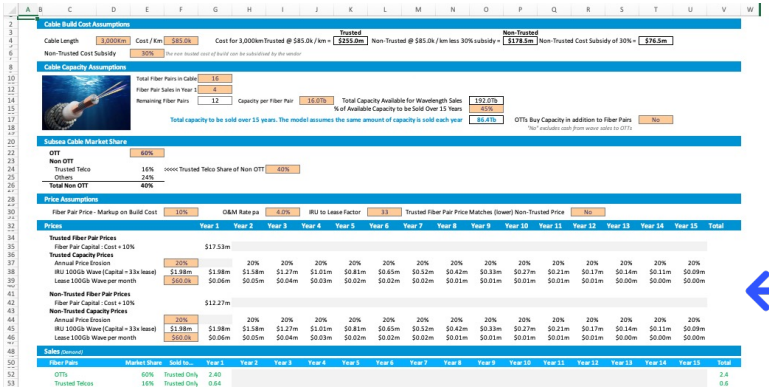
Commercial Model: Illustration

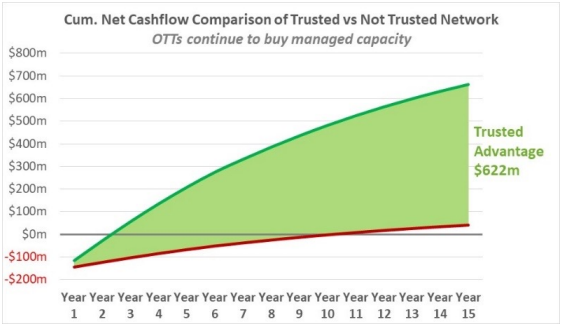
Financial Comparison (Example: 3,000km Cable)

Feature	Trusted Cable	Non-Trusted Cable
Initial Build Cost	$255.0M	$255.0M
Subsidy (30%)	$0	**($76.5M)**
Year 1 Sales	**$138.8M**	$64.9M
15-Year Net Advantage	**+$557.0M**	Base





APTelecom has built a financial model that is customizable to meet Individual country/business requirements



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Case Study: Adamasia Cable System 1 (Solomon Islands)

Trusted Partners & Government Support

- Lead OTT: Google (Bulikula System)
- Co-investors: Telstra, ATH, APTelecom
- Government Financing: Australia (AUD 104M - AUD 71.9M grant + AUD 31.9M loan)
- Project: 1,015-km Adamasia Cable connecting Solomon Islands to Bulikula

Australia's funding of the Solomon Islands–Bulikula interconnection exemplifies how strategic public finance can underwrite trusted digital infrastructure

Strategic Value of Trusted Infrastructure

- Enhanced disaster resilience & redundancy for island nation
- Replaces single-cable dependency (Coral Sea Cable)
- OTT-backed infrastructure attracts sovereign investment
- Demonstrates trusted ecosystem driving government support

Demonstrates how trusted infrastructure drives sovereign investment, disaster resilience, and redundancy

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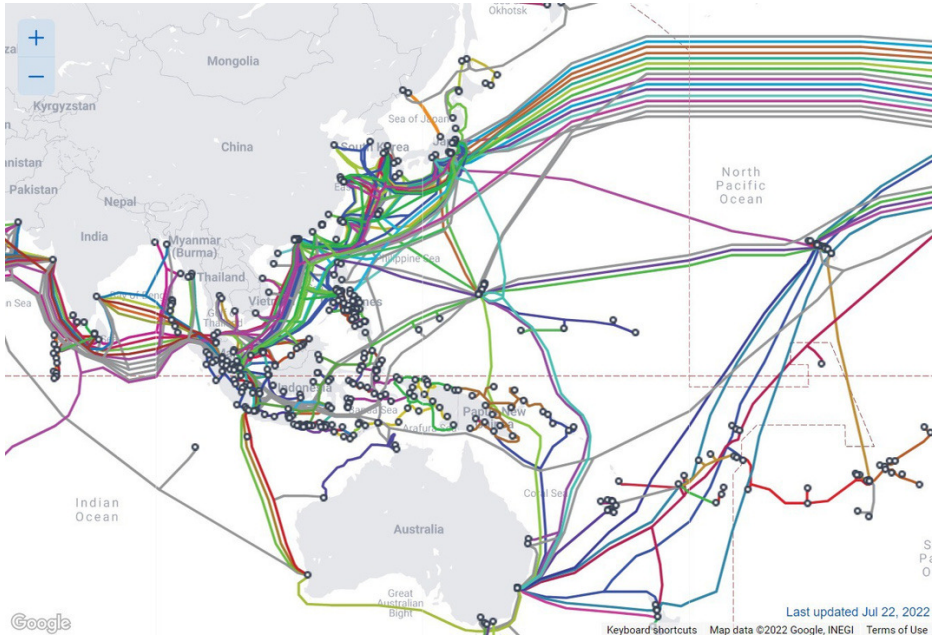
CABLES Program Launch – Outcomes and Successes

- The CABLES program has already seen success:
  - May – June 2022 Workshops
  - Hosted in 6 Southeast Asian countries
  - Attended by 242 individuals
  - 2 post workshop surveys indicate positive responses to the material presented
  - 11 specific Deals, Impede/Intelligence opportunities, and Internal Capacity Building opportunities identified during workshops



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Cooperation = Success

- Visits conducted in May and June 2022 demonstrated that the local post's cooperation is vital to the success of CABLES.
- This cooperation is both on the front end in identifying participants, promoting stakeholder participation, engaging/learning during CABLES workshop training sessions, joining 1:1/side meetings with interlocutors from government and industry, and following up with stakeholders to maintain a robust undersea cable security portfolio
- Opportunities for U.S. Government support emerged during these visits and follow-up needs to be coordinated and aggressively pursued.
- Local support and advocacy are key to achieving success. E.g. Malaysia – Joint Cyber Security Working Group – Post efforts resulted in inter-agency exposure E.g. Vietnam – Post introduced ministry of Information and Communication; resulted in meetings with regulators, a key goal of CABLES.

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Super Sistem – Success Story

- **Super Sistem in Indonesia affirmed its commitment to building a trusted network and APTelecom brought USTDA to the conversation during CABLES sessions in Jakarta**
- Super Sistem has secured $300 million in equity/debt to get cable built
- Only non-PRC built intra-Indonesia system
- Other vendors with systems beyond the PRC are the French and Japanese
- This would be first U.S.-backed system going in right now, the timing is perfect for vendor diversity
- Super Sistem will be doing the permitting and provide an Indonesia-flagged vessel for the lay

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Questions

- APTelecom is available if you have any questions post visit, so please reach out.
- The following is a link to the CABLES library that provides resources to support your efforts:

  https://drive.google.com/drive/folders/18fIN-%20xjfLexaPwDo14yV1L1NwVxoGwtM?usp=sharing

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