

APPENDIX A

LIST OF PARTIES

Asociacion Hispanoamericano de Centros de Investigacion y Empresas de Telecomunicaciones (AHCJET): Comments

Asociacion Nacional de Industrias Electronicas y de Telecomunicaciones (ANIEL): Comments

Association of Andean Community Telecommunications Enterprises (ASETA): Comments

AT&T Corp. (AT&T): Comments, Reply, Ex Parte

AT&T Wireless Services, Inc. (AT&T Wireless): Reply

BellSouth Corporation (BellSouth): Reply, Ex Parte

Cellular Telecommunications & Internet Association (CTIA): Ex Parte

Competitive Telecommunications Association (CompTel): Comments, Reply

Caribbean Association of National Telecommunications Organizations (CANTO): Ex Parte

Cable & Wireless USA, Inc. (C&W): Comments

European Telecommunications Network Operators' Association (ETNO): Comments

Delegation of the European Commission (EC): Reply, Ex Parte

The Government of Japan: Comments, Reply

GSM Europe: Comments

KDDI Corporation (KDDI): Reply

Royal KPN NV (KPN): Reply, Ex Parte

The City of Laredo, Texas (Laredo): Reply

Telecom Colombia: Comments

Telecom Italia: Comments, Ex Parte

Telefonica: Comments

National Telecommunications and Information Administration (NTIA): Ex Parte

NTT DoCoMo, Inc. (*NTT DoCoMo*): Comments, Reply

Orange SA (*Orange*): Comments

Orbitel S.A.E.S.P. (*Orbitel*): Reply

PanAmSat Corporation (*PanAmSat*): Comments

PCCW Limited (*PCCW*): Comments, Reply

Sprint Communications Company, LP (*Sprint*): Comments

T-Mobile USA, Inc. (*T-Mobile*): Reply, Ex Parte

United Kingdom, Department of Trade and Industry: Ex Parte

Videsh Sanchar Nigam Limited (*VSNL*): Ex Parte

Verizon: Comments, Reply, Ex Parte

Vodafone: Comments, Reply, Ex Parte

WorldCom (*MCI*): Comments, Reply

APPENDIX B**FINAL RULES**

Parts 0, 43, 63, and 64 of the Commission rules are amended as follows:

PART 0 – COMMISSION ORGANIZATION

1. The authority citation for part 0 continues to read as follows:

Authority: Sec. 5, 48 Stat. 1068, as amended; 47 U.S.C. 155.

2. Section 0.457 is amended by removing paragraph (d)(1)(vi).

PART 43 – REPORTS OF COMMUNICATION COMMON CARRIERS AND CERTAIN AFFILIATES

3. The authority citation for part 43 continues to read as follows:

Authority: 47 U.S.C. 154; Telecommunications Act of 1996; Pub. Law 104-104, sec. 402(b)(2)(B), (c), 110 Stat. 56 (1996) as amended unless otherwise noted. 47 U.S.C. 211, 219, 220, as amended.

4. Section 43.51 is amended by revising paragraphs (b), (d) and (e)(1)-(2), removing paragraph (e)(3), the Note to (e)(3) and paragraph (f), and adding Note 4 to § 43.51 to read as follows:

§ 43.51 Contracts and concessions.

(b) ***

(1) ***

(2) A carrier that is engaged in foreign communications and that has been classified as dominant for any service on any of the U.S.-international routes included in the contract, except for a carrier classified as dominant on a particular route due only to a foreign carrier affiliation under § 63.10 of this chapter, or

(3) A carrier, other than a provider of commercial mobile radio services, that is engaged in foreign communications and enters into a contract, agreement, concession, license, authorization, operating agreement or other arrangement and amendments thereto with a foreign carrier that does not qualify for the presumption, set forth in Note 3 to this section, that it lacks market power on the foreign end of one or more of the U.S.-international routes included in the contract, unless the route appears on the Commission's list of U.S.-international routes that the Commission has exempted from the international settlements policy set forth in § 64.1002 of this chapter.

(c) ***

(d) Any U.S. carrier that interconnects to the U.S. public switched network an international private line that extends between the United States and a country that the Commission has not exempted from the international settlements policy shall file annually with the Chief of the International Bureau a certified statement containing the number and type (e.g., a 64-kbps circuit) of private lines interconnected at the carrier's own switch, including any switch in which the carrier holds a leasehold interest. The certified statement shall specify the number and type of interconnected private lines on a country specific basis. The identity of the customer need not be reported, and the Commission will treat the country of origin information as confidential. Carriers need not file their contracts for such interconnections, unless they are specifically requested to do so. These reports shall be filed on a consolidated basis on February 1 (covering international private lines interconnected during the preceding January 1 to December 31 period) of each year. International private lines to countries which the Commission has exempted from the international settlements policy, set forth in § 64.1002 of this chapter, at any time during a particular reporting period are exempt from this filing requirement.

(e) Other filing requirements for carriers providing service on U.S.-international routes that are subject to the international settlements policy.

(1) For routes subject to the international settlements policy set forth in § 64.1002 of this chapter, if a U.S. carrier files an operating or other agreement with a foreign carrier pursuant to paragraph (a) of this section to begin providing switched voice, telex, telegraph, or packet-switched service between the United States and a foreign point, the carrier must also file with the International Bureau a modification request under § 64.1001 of this chapter. The operating or other agreement cannot become effective until the modification request has been granted under paragraph § 64.1001(e) of this chapter.

(2) For routes subject to the international settlements policy, if a carrier files an amendment, pursuant to paragraph (a) of this section, to an existing operating or other agreement with a foreign carrier to provide switched voice, telex, telegraph, or packet-switched service between the United States and a foreign point, and the amendment relates to the exchange of services, interchange or routing of traffic and matters concerning rates, accounting rates, division of tolls, the allocation of return traffic, or the basis of settlement of traffic balances, the carrier must also file with the International Bureau a modification request under § 64.1001 of this chapter. The amendment to the operating or other agreement cannot become effective until the modification request has been granted under § 64.1001(e) of this chapter.

Note 1 § 43.51: ***

Note 2 § 43.51: ***

Note 3 § 43.51: ***

Note 4 to § 43.51: The Commission's list of international routes exempted from the international settlements policy is available on the International Bureau's World Wide Web site at <http://www.fcc.gov/ib>.

PART 63 – EXTENSION OF LINES, NEW LINES AND DISCONTINUANCE, REDUCTION, OUTAGE AND IMPAIRMENT OF SERVICE BY COMMON CARRIERS; AND GRANTS OF RECOGNIZED PRIVATE OPERATING AGENCY STATUS

5. The authority citation for part 63 continues to read as follows:

Authority: Sections 1, 4(i), 4(j), 10, 11, 201-205, 214, 218, 403 and 651 of the Communications Act of 1934, as amended, 47 U.S.C. 151, 154(i), 154(j), 160, 201-205, 214, 218, 403, and 571, unless otherwise noted.

6. Section 63.12 is amended by removing paragraph (c)(3) and redesignating (c)(4) as paragraph (c)(3).

7. Section 63.14 is amended by revising paragraph (c) to read as follows:

(c) This section shall not apply to the rates, terms and conditions in an agreement between a U.S. carrier and a foreign carrier that govern the settlement of U.S. international traffic, including the method for allocating return traffic, if the U.S. international route is exempt from the international settlements policy set forth in § 64.1002 of this chapter.

Note to paragraph (c): The Commission's list of international routes exempted from the international settlements policy is available on the International Bureau's World Wide Web site at <http://www.fcc.gov/ib>.

8. Section 63.16 is removed.

9. Section 63.17 is amended by revising paragraph (b) to read as follows:

§ 63.17 Special provisions for U.S. international common carriers.

(b) Except as provided in paragraph (b)(4) of this section, a U.S. common carrier, whether a reseller or facilities-based carrier, may engage in "switched hubbing" to countries that do not appear on the list of U.S. international routes exempted from the international settlements policy, set forth in § 64.1002 of this chapter provided the carrier complies with the following conditions:

(1) U.S.-outbound switched traffic shall be routed over the carrier's authorized U.S. international circuits extending between the United States and a country that is exempt from the international settlements policy (i.e., the "hub" country), and then forwarded to the third country only by taking at published rates and reselling the international message telephone service (IMTS) of a carrier in the hub country;

(2) U.S.-inbound switched traffic shall be carried to a country that is exempt from the international settlements policy (i.e., the "hub" country) as part of the IMTS traffic flow from a third country and then terminated in the United States over the carrier's authorized U.S. international circuits extending between the United States and the hub country.

Note to paragraph (b): The Commission's list of international routes exempted from the international settlements policy is available on the International Bureau's World Wide Web site at <http://www.fcc.gov/ib>.

10. Section 63.22 is amended by removing paragraph (e) and redesignating paragraphs (f) and (g) as paragraphs (e) and (f), respectively.

11. Section 63.23 is amended by revising paragraph (d) to read as follows:

§ 63.23 Resale-based international common carriers.

(d) The carrier may provide switched basic services over its authorized resold private lines in either of the following two circumstances:

(1) The country at the foreign end of the private line appears on the Commission's list of international routes exempted from the international settlements policy set forth in § 64.1002 of this chapter; or

(2) The carrier is exchanging switched traffic with a foreign carrier that lacks market power in the country at the foreign end of the private line. A foreign carrier lacks market power for purposes of this section if it does not appear on the Commission's list of foreign carriers that do not qualify for the presumption that they lack market power in particular foreign points.

Note to paragraph (d): The Commission's list of international routes exempted from the international settlements policy, and the Commission's list of foreign carriers that do not qualify for the presumption that they lack market power in particular foreign points are available on the International Bureau's World Wide Web site at <http://www.fcc.gov/ib>.

PART 64 – MISCELLANEOUS RULES RELATING TO COMMON CARRIERS

12. Amend the authority citation for part 64 to read as follows:

Authority: 47 U.S.C. 154, 254(k); secs. 403(b)(2)(B), (c), Public Law 104-104, 110 Stat. 56. Interpret or apply 47 U.S.C. 201, 218, 225, 226, 228, and 254(k) unless otherwise noted.

13. Section 64.1001 is amended to revise the title and paragraphs (a) and (b), remove paragraphs (c) and (e), and redesignate paragraphs (d), (f), and (g) as paragraphs (c), (d), and (e), respectively, to read as follows:

§ 64.1001 Requests to modify international settlement arrangements.

(a) The procedures set forth in this rule apply to carriers that are required to file with the International Bureau, pursuant to § 43.51(e) of this chapter, requests to modify international settlement arrangements. Any operating agreement or amendment for which a modification request is required to be filed cannot become effective until the modification request has been granted under paragraph (f) of this section.

(b) A modification request must contain the following information:

- (1) The applicable international service;
- (2) The name of the foreign telecommunications administration;
- (3) The present accounting rate (including any surcharges);
- (4) The new accounting rate (including any surcharges);
- (5) The effective date;
- (6) The division of the accounting rate; and
- (7) An explanation of any proposed modification(s) in the operating agreement with the foreign correspondent.

14. Add § 64.1002 to subpart J to read as follows:

§ 64.1002 International settlements policy.

(a) Except as provided in paragraph (b) of this section, a common carrier that is authorized pursuant to part 63 of this chapter to provide facilities-based switched voice, telex, telegraph, or packet-switched service on a U.S. international route, and that enters into an operating or other agreement to provide any such service in correspondence with a foreign carrier that does not qualify for the presumption that it lacks market power on the foreign end of the route, must comply with the following requirements:

- (1) The terms and conditions of the carrier's operating or other agreement relating to the exchange of services, interchange or routing of traffic and matters concerning rates, accounting rates, division of tolls, the allocation of return traffic, or the basis of settlement of traffic balances, are identical to the equivalent terms and conditions in the operating agreement of

another carrier providing the same or similar service between the United States and the same foreign point.

(2) The carrier shall not bargain for or agree to accept more than its proportionate share of return traffic.

(3) The division of tolls shall be evenly-divided between the U.S. carrier and foreign carrier.

(4) The carrier must also duly comply with the requirements in § 43.51 and § 64.1001 of this chapter.

Note to § 64.1001(a): Carriers shall rely on the Commission's list of foreign carriers that do not qualify for the presumption that they lack market power in particular foreign points for purposes of determining which of their foreign carrier correspondent agreements are subject to the requirements of this paragraph. This list is available on the International Bureau's World Wide Web site at <http://www.fcc.gov/ib>.

(b) A carrier that enters into an operating or other agreement with a foreign carrier for the provision of a common carrier service on an international route is not subject to the requirements of paragraph (a) of this section if the route appears on the Commission's list of international routes that the Commission has exempted from the international settlements policy. This list is available on the International Bureau's World Wide Web site at <http://www.fcc.gov/ib>.

(c) A carrier that seeks to add a U.S. international route to the list of routes that are exempt from the international settlements policy shall make its request in writing to the International Bureau, accompanied by a showing that a U.S. carrier has entered into a benchmark-compliant settlement rate agreement with a foreign carrier that possesses market power in the country at the foreign end of the U.S. international route that is the subject of the request. The required showing shall consist of an effective accounting rate modification, filed pursuant to § 64.1001 of this part, that includes a settlement rate that is at or below the Commission's benchmark settlement rate adopted for that country in IB Docket No. 96-261, Report and Order, 12 FCC Rcd 19,806, 62 FR 45758, Aug. 29, 1997, available on the International Bureau's World Wide Web site at <http://www.fcc.gov/ib>.

(d) A carrier or other party may request Commission intervention on a route that the Commission has exempted from the international settlements policy by filing with the International Bureau a petition, pursuant to this section, demonstrating anticompetitive behavior that is harmful to U.S. customers. Carriers and other parties filing complaints must support their petitions with evidence, including an affidavit and relevant commercial agreements. The International Bureau will review complaints on a case-by-case basis and take appropriate action on delegated authority pursuant to § 0.261. Interested parties will have 10 days from the date of issuance of a public notice of the petition to file comments or oppositions to such petitions and subsequently 7 days for replies. In the event significant, immediate harm to the public interest is likely to occur that cannot be addressed through *post facto* remedies, the International Bureau may impose temporary requirements on carriers authorized pursuant to § 63.18 of this chapter without prejudice to its findings on such petitions.

Note 1 to § 64.1002: For purposes of this section, *foreign carrier* is defined in § 63.09 of this chapter.

Note 2 to § 64.1002: For purposes of this section, a foreign carrier shall be considered to possess market power if it appears on the Commission's list of foreign carriers that do not qualify for the presumption that they lack market power in particular foreign points. This list is available on the International Bureau's World Wide Web site at <http://www.fcc.gov/ib>.

APPENDIX C: ISR and Non-ISR Settlement Rates

**IMTS Settlement Rates, 1993 - 2002 For ISR and Non - ISR Routes
(ISR Routes categorized by year in which routes were approved for ISR)**

No.	Country	Category	ISR	Compliant	Settlement Rate = Outgoing Payment / Outgoing Minutes										Shaded
		Income	Country	Status	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	Area Annual
		Level	(yyyymmdd)	(2 = No)											Rate Change
ISR Approved during 1999															
1	New Zealand	1	19981231	1	\$0 430	\$0 450	\$0 317	\$0 228	\$0 331						-28 27%
2	Japan	1	19980630	1	\$0 565	\$0 529	\$0 479	\$0 470	\$0 430						-24 47%
3	Australia	1	19971218	1	\$0 407	\$0 344	\$0 303	\$0 243	\$0 180						-23 83%
4	Switzerland	1	19980629	1	\$0 496	\$0 469	\$0 354	\$0 259	\$0 176						-16 10%
5	Belgium	1	19980430	1	\$0 630	\$0 568	\$0 387	\$0 297	\$0 202						-10 12%
6	Austria	1	19980629	1	\$0 497	\$0 449	\$0 375	\$0 269	\$0 193						-17 31%
7	Luxembourg	1	19980430	1	\$0 513	\$0 512	\$0 439	\$0 281	\$0 170						-10 21%
8	Italy	1	19980921	1	\$0 727	\$0 530	\$0 424	\$0 259	\$0 185						-7 29%
9	Ireland	1	19981217	1	\$0 477	\$0 425	\$0 355	\$0 227	\$0 162						-23 02%
10	Denmark	1	19980430	1	\$0 715	\$0 726	\$0 412	\$0 248	\$0 159						-5 89%
11	United Kingdom	1	19941006	1	\$0 296	\$0 270	\$0 208	\$0 159	\$0 128						-16 22%
12	France	1	19980430	1	\$0 400	\$0 343	\$0 280	\$0 201	\$0 141						-4 45%
13	Netherlands	1	19980130	1	\$0 356	\$0 298	\$0 292	\$0 193	\$0 157						-8 17%
14	Norway	1	19980430	1	\$0 499	\$0 371	\$0 253	\$0 198	\$0 265						3 98%
15	Germany	1	19980430	1	\$0 461	\$0 303	\$0 209	\$0 125	\$0 104						-1 49%
16	Canada	1	19940506	1	\$0 150	\$0 136	\$0 114	\$0 100	\$0 082						-20 28%
17	Sweden	1	19980116	1	\$0 356	\$0 277	\$0 190	\$0 109	\$0 071						10 71%
	Above Group - 1998 - 2002 annual rate change (simple average)														-11 91%
ISR Approved during 1998															
1	Singapore	1	19981123	1	\$0 435	\$0 451	\$0 465	\$0 446	\$0 410	\$0 339					-33 84%
2	Iceland	1	19990517	1	\$0 669	\$0 660	\$0 582	\$0 480	\$0 396	\$0 287					-2 65%
3	Israel	1	19990707	1	\$0 959	\$0 954	\$0 837	\$0 680	\$0 476	\$0 292					-26 71%

Source Annual Section 43 61 International Traffic Report (Table A1)

No	Country	Category Income Level	ISR Country (yyyyymmdd)	Compliant Status (2 = No)	Settlement Rate = Outgoing Payment / Outgoing Minutes										Shaded Area Annual Rate Change
					1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	
4	Hong Kong	1	19990104	1	\$0 651	\$0 507	\$0 501	\$0 471	\$0 403	\$0 331	\$0 121	\$0 082	\$0 083	\$0 089	-17 11%
5	Finland	1	19990707	1	\$0 468	\$0 417	\$0 308	\$0 283	\$0 208	\$0 154	\$0 121	\$0 120	\$0 119	\$0 108	-3 46%
6	Spain	1	19990517	1	\$0 854	\$0 817	\$0 691	\$0 420	\$0 232	\$0 167	\$0 113	\$0 085	\$0 075	\$0 131	5 02%
Above Group - 1999 - 2002 annual rate change (simple average)															-13 46%
ISR Approved during 2000															
1	United Arab Emirates	1	20000830	1	\$0 887	\$0 881	\$0 867	\$0 832	\$0 814	\$0 735	\$0 354	\$0 326	\$0 162	\$0 226	-16 75%
2	Trinidad and Tobago	2	20001201	1	\$0 732	\$0 732	\$0 706	\$0 685	\$0 593	\$0 516	\$0 436	\$0 280	\$0 178	\$0 188	-24 38%
3	Uruguay	2	20001020	1	\$0 785	\$0 803	\$0 785	\$0 648	\$0 523	\$0 467	\$0 356	\$0 229	\$0 200	\$0 167	-14 60%
4	Macau	1	20000830	1	\$0 940	\$0 826	\$0 742	\$0 648	\$0 624	\$0 467	\$0 341	\$0 209	\$0 122	\$0 133	-19 02%
5	Argentina	2	20000830	1	\$0 807	\$0 786	\$0 731	\$0 695	\$0 454	\$0 362	\$0 319	\$0 176	\$0 087	\$0 073	-35 48%
6	Brunei	1	20001020	1	\$1 091	\$1 010	\$0 961	\$0 740	\$0 400	\$0 385	\$0 199	\$0 171	\$0 128	\$0 074	-34 31%
7	Hungary	2	20000830	1	\$0 683	\$0 671	\$0 676	\$0 573	\$0 326	\$0 233	\$0 171	\$0 136	\$0 106	\$0 112	-9 41%
8	Poland	3	20000229	1	\$0 833	\$0 622	\$0 550	\$0 446	\$0 321	\$0 270	\$0 199	\$0 135	\$0 082	\$0 105	-10 90%
9	Greece	2	20001020	1	\$0 790	\$0 774	\$0 687	\$0 545	\$0 454	\$0 351	\$0 193	\$0 116	\$0 073	\$0 068	-23 59%
10	Netherlands Antilles	1	20000112	1	\$0 385	\$0 431	\$0 472	\$0 453	\$0 415	\$0 358	\$0 282	\$0 173	\$0 116	\$0 115	0 56%
Above Group - 2000 - 2002 annual rate Change (simple average)															-18 79%
ISR Approved during 2001															
1	Thailand	3	20010516	1	\$0 834	\$0 808	\$0 779	\$0 760	\$0 680	\$0 488	\$0 332	\$0 228	\$0 204	\$0 153	-47 93%
2	Jordan	3	20011219	1	\$0 760	\$0 744	\$0 747	\$0 746	\$0 612	\$0 625	\$0 493	\$0 466	\$0 288	\$0 165	-43 09%
3	Bahrain	2	20010627	1	\$0 726	\$0 809	\$0 800	\$0 798	\$0 794	\$0 634	\$0 537	\$0 337	\$0 295	\$0 195	-17 24%
4	Saint Kitts and Nevis	2	20010425	1	\$0 626	\$0 667	\$0 572	\$0 581	\$0 475	\$0 378	\$0 376	\$0 201	\$0 225	\$0 161	-19 71%
5	Zambia	5	20011219	1	\$0 748	\$0 737	\$0 150	\$0 642	\$0 567	\$0 498	\$0 429	\$0 238	\$0 212	\$0 054	-74 39%
6	Egypt	4	20011219	1	\$0 838	\$0 788	\$0 724	\$0 699	\$0 656	\$0 574	\$0 511	\$0 450	\$0 210	\$0 144	-31 36%
7	Saint Lucia	2	20010425	1	\$0 645	\$0 597	\$0 557	\$0 537	\$0 466	\$0 415	\$0 403	\$0 206	\$0 209	\$0 169	-19 19%
8	Belize	3	20010613	1	\$0 785	\$0 756	\$0 750	\$0 717	\$0 654	\$0 530	\$0 431	\$0 351	\$0 289	\$0 188	-24 26%
9	Paraguay	3	20011219	1	\$0 981	\$0 925	\$0 842	\$0 741	\$0 620	\$0 511	\$0 409	\$0 316	\$0 207	\$0 159	-24 28%
10	Botswana	3	20010328	1	\$0 727	\$0 842	\$0 721	\$0 599	\$0 491	\$0 338	\$0 255	\$0 254	\$0 208	\$0 083	-59 62%
11	Antigua and Barbuda	2	20010425	1	\$0 621	\$0 608	\$0 571	\$0 544	\$0 470	\$0 413	\$0 403	\$0 199	\$0 204	\$0 168	-17 72%
12	Saint Vincent and the Grenadines	3	20010425	1	\$0 620	\$0 588	\$0 552	\$0 515	\$0 491	\$0 428	\$0 401	\$0 445	\$0 204	\$0 164	-19 62%
13	Jamaica	3	20011219	1	\$0 736	\$0 707	\$0 680	\$0 656	\$0 628	\$0 628	\$0 500	\$0 391	\$0 203	\$0 146	-28 03%
14	Grenada	3	20011114	1	\$0 582	\$0 575	\$0 543	\$0 516	\$0 467	\$0 415	\$0 400	\$0 405	\$0 203	\$0 183	-10 05%

No	Country	Category	ISR	Compliant	Settlement Rate = Outgoing Payment / Outgoing Minutes										Shaded
		Income Level	Country (yyyyymmdd)	Status (2 = No)	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	Area Annual Rate Change
ISR Approved during 2003															
1	Bangladesh	5	20030116	1	\$1 214	\$1 108	\$0 887	\$0 936	\$0 790	\$0 749	\$0 576	\$0 304	\$0 252	\$0 154	
2	Indonesia	3	20030205	1	\$0 909	\$0 909	\$0 799	\$0 720	\$0 621	\$0 527	\$0 403	\$0 236	\$0 191	\$0 103	
3	Tunisia	3	20030319	1	\$0 850	\$0 887	\$0 848	\$0 718	\$0 474	\$0 395	\$0 301	\$0 352	\$0 206	\$0 184	
4	Mauntus	2	20030514	1	\$0 820	\$0 828	\$0 930	\$0 936	\$0 708	\$0 701	\$0 731	\$0 422	\$0 257	\$0 220	
5	Oman	2	20030514	1	\$1 131	\$1 082	\$1 030	\$0 991	\$0 498	\$0 806	\$0 637	\$0 591	\$0 498	\$0 393	
6	Qatar	1	20030514	1	\$1 012	\$1 016	\$0 990	\$1 003	\$1 000	\$0 925	\$0 933	\$1 076	\$0 421	\$0 151	
7	New Caledonia	2	20030611	1	\$1 358	\$1 305	\$1 342	\$1 716	\$0 573	\$0 702	\$0 673	\$0 485	\$0 382	\$0 244	
8	Guinea	5	20030711	1	\$0 723	\$0 689	\$0 642	\$0 572	\$0 484	\$0 498	\$0 380	\$0 192	\$0 145	\$0 103	
9	Suriname	3	20030813	1	\$1 267	\$1 044	\$1 040	\$1 026	\$0 958	\$0 763	\$0 435	\$0 520	\$0 483	\$0 537	
10	Fiji	3	20031022	1	\$1 301	\$1 297	\$1 185	\$1 048	\$0 978	\$0 817	\$0 590	\$0 520	\$0 272	\$0 205	
Non - ISR Group															
1	Afghanistan	5		2	\$3 192	\$2 465	\$2 019	\$1 881	\$1 583	\$0 064	\$0 171	\$0 597	\$0 550	\$0 298	46 78%
2	Albania	4		1	\$2 276	\$1 380	\$1 188	\$0 651	\$0 438	\$0 385	\$0 168	\$0 189	\$0 111	\$0 081	-32 25%
3	Algeria	3		1	\$0 923	\$0 969	\$0 733	\$0 613	\$0 604	\$0 352	\$0 246	\$0 179	\$0 136	\$0 107	-25 72%
4	Andorra	1		2	\$0 471	\$0 119	\$0 356	\$0 291	\$0 225	\$0 137	\$0 102	\$0 111	\$0 148	\$0 153	2 78%
5	Angola	5		1	\$1 081	\$1 064	\$0 974	\$0 774	\$0 630	\$0 447	\$0 345	\$0 542	\$0 128	\$0 162	-22 43%
6	Anguilla	3		1	\$0 692	\$0 489	\$0 641	\$0 602	\$0 489	\$0 445	\$0 425	\$0 434	\$0 258	\$0 135	-25 71%
7	Armenia	4		1	\$1 034	\$0 567	\$0 996	\$0 748	\$0 743	\$0 700	\$0 448	\$0 372	\$0 264	\$0 174	-29 38%
8	Aruba	1		1	\$0 385	\$0 388	\$1 484	\$0 384	\$0 381	\$0 383	\$0 320	\$0 270	\$0 151	\$0 183	-19 26%
9	Azerbaijan	4		1	\$1 228	\$0 667	\$0 641	\$0 788	\$0 920	\$0 581	\$0 347	\$0 216	\$0 149	\$0 156	-28 05%
10	Bahamas, The	1		1	\$0 241	\$0 238	\$0 236	\$0 236	\$0 237	\$0 234	\$0 175	\$0 189	\$0 139	\$0 131	-13 50%
11	Belarus	3		1	\$1 501	\$1 123	\$0 793	\$0 596	\$0 466	\$0 227	\$0 265	\$0 234	\$0 191	\$0 197	-3 52%
12	Benin	5		1	\$0 677	\$0 627	\$0 511	\$0 619	\$0 500	\$0 440	\$0 360	\$0 191	\$0 232	\$0 181	-19 94%
13	Bermuda	1		1	\$0 513	\$0 510	\$0 511	\$0 475	\$0 430	\$0 334	\$0 178	\$0 143	\$0 128	\$0 096	-26 77%
14	Bhutan	5		1	\$1 883	\$2 466	\$1 641	\$0 665	\$0 577	\$0 267	\$0 227	\$0 209	\$0 326	\$0 129	-16 67%
15	Bosnia and Herzegovina	4		1	\$0 044	\$0 699	\$1 311	\$0 364	\$0 269	\$0 215	\$0 182	\$0 198	\$0 160	\$0 144	-9 55%
16	Bulgana	3		1	\$0 977	\$0 846	\$0 567	\$0 487	\$0 464	\$0 306	\$0 237	\$0 204	\$0 142	\$0 114	-22 01%
17	Burkina	5		1	\$0 729	\$0 709	\$0 656	\$0 575	\$0 655	\$0 559	\$0 441	\$0 548	\$0 239	\$0 163	-28 49%
18	Burma (Myanmar)	5		2	\$2 273	\$2 981	\$2 667	\$2 772	\$1 111	\$0 732	\$0 408	\$0 186	\$0 940	\$0 339	-17 51%
19	Burundi	5		1	\$2 715	\$2 007	\$2 157	\$2 008	\$0 963	\$0 410	\$0 286	\$0 170	\$0 385	\$0 139	-23 71%
20	Cambodia	5		2	\$1 755	\$2 145	\$1 400	\$1 364	\$1 212	\$0 937	\$0 636	\$0 536	\$0 569	\$0 444	-17 03%
21	Cameroon	5		1	\$1 081	\$0 991	\$0 795	\$0 880	\$0 824	\$0 707	\$0 469	\$0 293	\$0 189	\$0 195	-27 54%
22	Cape Verde	3		1	\$0 815	\$0 707	\$0 531	\$0 479	\$0 529	\$0 479	\$0 444	\$0 260	\$0 244	\$0 206	-18 98%
23	Cayman Islands	1		1	\$0 621	\$0 585	\$0 556	\$0 514	\$0 468	\$0 408	\$0 202	\$0 161	\$0 151	\$0 125	-25 56%
24	Central African Republic	5		2	\$1 976	\$1 469	\$1 746	\$1 520	\$1 066	\$0 138	\$0 381	\$0 313	\$0 295	\$0 177	6 32%
25	Chad	5		2	\$2 992	\$2 277	\$2 632	\$2 405	\$1 789	\$0 992	\$0 563	\$0 382	\$0 505	\$0 301	-25 76%

No	Country	Category Income Level	ISR Country (yyyyymmdd)	Compliant Status (2 = No)	Settlement Rate = Outgoing Payment / Outgoing Minutes										Shaded Area Annual Rate Change	
					1993	1994	1995	1996	1997	1998	1999	2000	2001	2002		
26	China	4		1	\$1 529	\$1 429	\$1 330	\$1 115	\$0 788	\$0 533	\$0 406	\$0 254	\$0 138	\$0 071	-39 58%	
27	Comoros	5		2	\$2 858	\$1 227	\$1 560	\$1 531	\$1 362	\$0 354	\$0 233	\$0 258	\$0 448	\$0 206	-12 71%	
28	Congo	5		1	\$0 860	\$0 844	\$0 876	\$0 776	\$0 323	\$0 479	\$0 479	\$0 498	\$0 329	\$0 245	-15 37%	
29	Cote d'Ivoire	5		1	\$1 326	\$1 277	\$1 143	\$1 115	\$0 841	\$0 885	\$0 689	\$0 563	\$0 228	\$0 149	-35 99%	
30	Cuba	3		2	\$0 746	\$0 601	\$0 603	\$0 623	\$0 606	\$0 599	\$0 588	\$0 577	\$0 596	\$0 723	4 80%	
31	Djibouti	3		1	\$0 803	\$0 831	\$0 863	\$0 836	\$0 746	\$0 471	\$0 873	\$0 458	\$0 459	\$0 205	-18 73%	
32	Equatorial Guinea	5		1	\$2 197	\$1 377	\$1 756	\$1 719	\$0 400	\$0 279	\$0 520	\$0 269	\$0 278	\$0 298	1 66%	
33	Eritrea (included in Ethiopia)	5		2	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
34	Estonia	3		1	\$1 061	\$1 081	\$0 724	\$0 494	\$0 370	\$0 271	\$0 225	\$0 147	\$0 073	\$0 086	-24 83%	
35	Ethiopia	5		2	\$1 068	\$0 933	\$0 919	\$0 921	\$0 904	\$0 869	\$0 547	\$0 650	\$0 530	\$0 409	-17 16%	
36	Faroe Islands (included in Denmark)	1		1	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
37	French Guiana	2		1	\$0 539	\$0 556	\$0 559	\$0 446	\$0 107	\$0 241	\$0 241	\$0 255	\$0 167	\$0 143	-12 31%	
38	French Overseas Dept (Martinique)	2		1	\$1 369	\$0 614	\$1 218	\$0 464	\$0 400	\$0 264	\$0 259	\$0 244	\$0 387	\$0 176	-9 67%	
39	French Polynesia	1		1	\$1 330	\$1 283	\$1 281	\$0 992	\$0 897	\$0 497	\$0 622	\$0 295	\$0 207	\$0 201	-20 25%	
40	Gabon	2		1	\$0 850	\$1 015	\$0 877	\$0 780	\$0 826	\$0 466	\$0 470	\$0 325	\$0 149	\$0 148	-25 14%	
41	Georgia	4		1	\$0 163	\$1 622	\$1 221	\$1 593	\$1 275	\$0 511	\$0 351	\$0 302	\$0 093	\$0 078	-37 52%	
42	Greenland	1		2	\$0 816	\$0 828	\$0 445	\$0 242	\$0 248	\$0 319	\$0 211	\$0 408	\$0 276	\$0 408	6 34%	
43	Guadeloupe	2		1	\$0 309	\$0 569	\$0 574	\$0 481	\$0 332	\$0 304	\$0 126	\$0 124	\$0 139	\$0 131	-18 97%	
44	Guinea-Bissau	5		2	\$1 729	\$1 582	\$1 516	\$1 064	\$0 750	\$0 379	\$0 512	\$0 567	\$0 658	\$0 748	18 52%	
45	Haiti	5		1	\$0 659	\$0 625	\$0 599	\$0 600	\$0 599	\$0 587	\$0 492	\$0 408	\$0 454	\$0 171	-26 55%	
46	Honduras	4		1	\$0 753	\$0 753	\$0 750	\$0 695	\$0 544	\$0 435	\$0 443	\$0 411	\$0 304	\$0 228	-14 89%	
47	India	4		1	\$0 974	\$0 903	\$0 897	\$0 819	\$0 774	\$0 620	\$0 584	\$0 473	\$0 394	\$0 266	-19 09%	
48	Iran	3		1	\$1 496	\$1 453	\$1 461	\$1 449	\$1 308	\$0 791	\$0 799	\$0 684	\$0 201	\$0 157	-33 29%	
49	Iraq	3		2	\$1 003	\$1 085	\$0 989	\$0 982	\$0 938	\$0 785	\$0 768	\$0 858	\$0 670	\$0 496	-10 85%	
50	Kazakhstan	3		1	\$1 368	\$1 787	\$1 140	\$1 036	\$0 790	\$0 634	\$0 334	\$0 283	\$0 160	\$0 129	-32 86%	
51	Kenya	5		2	\$0 905	\$0 801	\$0 892	\$0 878	\$0 637	\$0 574	\$0 504	\$0 385	\$0 278	\$0 208	-22 45%	
52	Kimberly	3		2	\$2 231	\$3 099	\$1 965	\$1 989	\$0 419	\$0 528	\$0 622	\$0 496	\$0 502	\$0 631	4 54%	
53	Korea, North	3		2	NA	NA	NA	\$0 300	\$0 856	\$0 260	\$0 382	\$0 014	\$0 499	\$0 616	24 14%	
54	Kyrgyzstan	4		1	\$1 300	\$1 300	\$0 947	\$0 899	\$0 710	\$0 499	\$0 371	\$0 293	\$0 338	\$0 148	-26 20%	
55	Laos	5		1	\$2 239	\$2 491	\$2 233	\$2 345	\$0 746	\$0 673	\$0 857	\$0 480	\$0 281	\$0 173	-28 80%	
56	Latvia	3		1	\$1 254	\$1 012	\$0 903	\$0 795	\$0 626	\$0 340	\$0 272	\$0 253	\$0 171	\$0 140	-19 90%	
57	Lebanon	3		1	\$1 018	\$1 047	\$0 945	\$0 968	\$0 765	\$0 623	\$0 537	\$0 392	\$0 189	\$0 148	-30 20%	
58	Lesotho	5		1	\$0 885	\$1 450	\$0 791	\$0 739	\$0 852	\$0 367	\$0 250	\$0 263	\$0 242	\$0 147	-20 36%	
59	Liberia	5		1	\$0 497	\$0 490	\$0 483	\$0 479	\$0 464	\$0 421	\$0 314	\$0 349	\$0 266	\$0 163	-21 10%	
60	Libya	2		1	\$1 670	\$1 660	\$0 801	\$0 525	\$0 315	\$0 198	\$0 138	\$0 087	\$0 112	\$0 118	-12 20%	
61	Liechtenstein	1		1	\$0 520	\$0 115	\$0 369	\$0 274	\$0 173	\$0 142	\$0 060	\$0 069	\$0 041	\$0 152	1 85%	
62	Lithuania	3		1	\$1 084	\$1 127	\$0 932	\$0 783	\$0 513	\$0 314	\$0 235	\$0 355	\$0 173	\$0 133	-19 31%	
63	Macedonia FDR (included in Serbia)	3		1	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	

No	Country	Category Income Level	ISIR Country (yyyymmdd)	Compliant Status (2 = No)	Settlement Rate = Outgoing Payment / Outgoing Minutes										Shaded Area Annual Rate Change
					1983	1984	1985	1986	1987	1988	1989	2000	2001	2002	
64	Madagascar	5			\$3 753	\$3 060	\$2 555	\$2 582	\$0 583	\$0 527	\$0 282	\$2 343	\$0 208	\$0 275	-15 03%
65	Malawi	5			\$0 485	\$0 486	\$0 473	\$0 436	\$0 507	\$0 427	\$0 362	\$0 213	\$0 186	\$0 078	-34 58%
66	Maldives	3			\$1 575	\$1 786	\$1 485	\$1 413	\$0 722	\$0 534	\$0 648	\$0 328	\$0 596	\$0 344	-10 41%
67	Malii	5			\$0 813	\$0 783	\$0 687	\$0 700	\$0 711	\$0 802	\$0 599	\$0 387	\$0 343	\$0 265	-24 17%
68	Malta	2			\$1 034	\$0 836	\$0 641	\$0 463	\$0 303	\$0 195	\$0 134	\$0 127	\$0 126	\$0 121	-11 33%
69	Mauritania	5			\$0 786	\$0 846	\$0 833	\$0 836	\$0 741	\$0 766	\$0 611	\$0 708	\$0 203	\$0 186	-29 79%
70	Mayotte (included in Comoros)	2			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
71	Mexico	2			\$0 646	\$0 613	\$0 559	\$0 502	\$0 406	\$0 357	\$0 245	\$0 188	\$0 142	\$0 111	-25 41%
72	Micronesia, Federated States of	3			\$0 781	\$0 698	\$0 576	\$0 566	\$0 425	\$0 483	\$0 468	\$0 499	\$0 545	\$0 367	-6 62%
73	Moldova	3			\$1 391	\$1 536	\$1 073	\$0 809	\$0 504	\$0 204	\$0 193	\$0 188	\$0 139	\$0 143	-8 45%
74	Monaco (included in France)	1			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
75	Montserrat	3			\$0 628	\$0 591	\$0 546	\$0 546	\$0 473	\$0 422	\$0 408	\$0 413	\$0 202	\$0 180	-21 60%
76	Mozambique	5			\$0 973	\$1 034	\$1 176	\$1 130	\$0 668	\$0 094	\$0 471	\$0 385	\$0 210	\$0 183	17 98%
77	Namibia	3			\$1 018	\$1 071	\$1 008	\$1 078	\$0 636	\$0 486	\$0 255	\$0 221	\$0 197	\$0 132	-27 79%
78	Nepal	5			\$1 055	\$1 078	\$0 990	\$0 978	\$0 968	\$0 740	\$0 651	\$0 344	\$0 181	\$0 275	-21 90%
79	Niger	5			\$0 815	\$0 821	\$0 830	\$0 824	\$0 626	\$0 597	\$0 444	\$0 221	\$0 185	\$0 127	-32 13%
80	Pakistan	4			\$1 154	\$1 166	\$1 100	\$1 036	\$0 793	\$0 641	\$0 524	\$0 422	\$0 286	\$0 232	-22 41%
81	Papua New Guinea	3			\$0 989	\$0 885	\$0 816	\$0 767	\$0 527	\$0 473	\$0 333	\$0 190	\$0 224	\$0 188	-20 58%
82	Reunion	2			\$3 912	\$0 963	\$0 775	\$0 594	\$0 628	\$0 263	\$0 222	\$0 220	\$0 197	\$0 210	-5 46%
83	Romania	3			\$1 013	\$0 919	\$0 857	\$0 684	\$0 737	\$0 193	\$0 286	\$0 215	\$0 163	\$0 145	-6 79%
84	Russia	3			\$1 308	\$1 225	\$1 193	\$0 976	\$0 583	\$0 357	\$0 321	\$0 175	\$0 121	\$0 079	-31 49%
85	Rwanda	5			\$1 384	\$1 081	\$1 115	\$0 432	\$0 521	\$0 672	\$0 562	\$0 483	\$0 052	\$0 283	-19 47%
86	Sao Tome and Principe	4			\$1 232	\$1 479	\$1 470	\$1 572	\$0 996	\$0 707	\$0 585	\$1 157	\$0 647	\$1 138	12 61%
87	Saudi Arabia	2			\$1 106	\$1 108	\$1 098	\$1 063	\$0 954	\$0 851	\$0 865	\$0 263	\$0 195	\$0 235	-27 49%
88	Senegal	5			\$1 229	\$1 254	\$0 926	\$1 260	\$0 833	\$0 733	\$0 514	\$0 293	\$0 268	\$0 193	-28 33%
89	Serbia	3			\$0 703	\$0 755	\$0 596	\$0 563	\$0 557	\$0 347	\$0 258	\$0 265	\$0 163	\$0 150	-18 93%
90	Seychelles	2			\$1 719	\$1 822	\$1 502	\$1 404	\$1 032	\$0 258	\$0 635	\$0 252	\$0 199	\$0 211	-4 83%
91	Sierra Leone	5			\$0 822	\$0 824	\$0 718	\$0 663	\$0 636	\$0 241	\$0 516	\$0 688	\$0 428	\$0 231	-0 97%
92	Somalia	5			\$1 083	\$2 671	\$0 085	\$1 336	\$1 127	\$0 766	\$0 727	\$1 066	\$0 847	\$0 876	3 48%
93	Sri Lanka	4			\$1 066	\$0 992	\$0 974	\$0 958	\$0 659	\$0 705	\$0 484	\$0 294	\$0 258	\$0 245	-23 23%
94	Sudan	5			\$1 308	\$1 115	\$0 964	\$0 849	\$0 634	\$0 536	\$0 458	\$0 289	\$0 240	\$0 315	-12 45%
95	Swaziland	3			\$0 758	\$0 776	\$0 676	\$0 634	\$0 603	\$0 275	\$0 400	\$0 263	\$0 125	\$0 159	-12 78%
96	Syria	3			\$1 502	\$1 117	\$1 002	\$1 000	\$0 903	\$0 513	\$0 585	\$0 502	\$0 480	\$0 346	-9 41%
97	Tajikistan	4			\$1 300	\$0 313	\$1 008	\$0 998	\$0 624	\$0 723	\$0 511	\$0 250	\$0 216	\$0 177	-29 64%
98	Tanzania	5			\$0 813	\$0 864	\$0 797	\$0 700	\$0 630	\$0 536	\$0 356	\$0 383	\$0 216	\$0 174	-24 53%
99	Togo	5			\$0 846	\$0 937	\$0 786	\$0 758	\$0 753	\$0 997	\$0 553	\$0 471	\$0 349	\$0 175	-29 23%
100	Tonga	3			\$1 094	\$1 103	\$1 033	\$1 020	\$1 020	\$0 813	\$0 721	\$0 681	\$0 425	\$0 194	-30 12%
101	Turkmenistan	3			\$1 300	\$0 948	\$0 744	\$0 691	\$0 771	\$0 847	\$0 554	\$0 503	\$0 227	\$0 116	-34 90%
102	Turks and Caicos Islands	3			\$0 624	\$0 612	\$0 569	\$1 038	\$0 474	\$0 410	\$0 405	\$0 408	\$0 203	\$0 164	-20 41%

No	Country	Category	ISR	Compliant	Settlement Rate = Outgoing Payment / Outgoing Minutes										Shaded
		Income Level	Country (yyyymmdd)	Status (2 = No)	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	Area Annual Rate Change
103	Uganda	5		1	\$0 743	\$0 748	\$0 593	\$0 595	\$0 507	\$0 288	\$0 204	\$0 198	\$0 161	\$0 103	-22 57%
104	Ukraine	3		1	\$1 050	\$0 798	\$0 743	\$0 716	\$0 609	\$0 507	\$0 312	\$0 185	\$0 145	\$0 114	-31 08%
105	Uzbekistan	3		1	\$1 000	\$1 025	\$0 859	\$0 783	\$0 756	\$0 716	\$0 555	\$0 224	\$0 148	\$0 067	-44 66%
106	Vanuatu	3		2	\$2 545	\$2 343	\$2 090	\$2 047	\$1 837	\$0 813	\$2 460	\$1 530	\$1 833	\$0 938	3 62%
107	Vietnam	4		2	\$1 097	\$0 937	\$0 879	\$0 865	\$0 870	\$0 814	\$0 738	\$0 682	\$0 618	\$0 477	-12 52%
108	Virgin Islands, British	2		1	\$0 485	\$0 459	\$0 437	\$0 449	\$0 396	\$0 341	\$0 321	\$0 240	\$0 229	\$0 168	-16 17%
109	Western Samoa	3		2	\$0 841	\$0 833	\$0 832	\$0 750	\$0 739	\$0 630	\$0 686	\$0 454	\$0 261	\$0 195	-25 41%
110	Yemen	4		1	\$0 754	\$0 785	\$0 752	\$0 747	\$0 738	\$0 670	\$0 629	\$0 567	\$0 501	\$0 339	-15 67%
111	Zaire	5		2	\$0 541	\$0 450	\$0 440	\$0 445	\$0 437	\$0 469	\$0 412	\$0 467	\$0 133	\$0 183	-21 00%

APPENDIX D

Routes Exempt From the ISP

No.	Country	No.	Country
1	Algeria	49	Japan
2	Antigua and Barbuda	50	Jordan
3	Argentina	51	Korea, South
4	Australia	52	Kuwait
5	Austria	53	Luxembourg
6	Bahrain	54	Macau
7	Bangladesh	55	Malaysia
8	Barbados	56	Mauritius
9	Belgium	57	Monaco (included in France)
10	Belize	58	Mongolia
11	Bermuda	59	Morocco
12	Bolivia	60	Netherlands
13	Bosnia and Herzegovina	61	Netherlands Antilles
14	Botswana	62	New Caledonia
15	Brazil	63	New Zealand
16	Brunei	64	Nicaragua
17	Canada	65	Nigeria
18	Chile	66	Norway
19	Colombia	67	Oman
20	Costa Rica	68	Panama
21	Croatia	69	Paraguay
22	Cyprus	70	Peru
23	Czech Republic	71	Poland
24	Denmark	72	Portugal
25	Dominica	73	Qatar
26	Dominican Republic	74	Saint Kitts and Nevis
27	Ecuador	75	Saint Lucia
28	Egypt	76	Saint Vincent and the Grenadines
29	El Salvador	77	Saudi Arabia
30	Fiji	78	Singapore
31	Finland	79	Slovakia
32	France	80	Slovenia
33	Gambia, The	81	South Africa
34	Germany	82	Spain
35	Ghana	83	Suriname
36	Greece	84	Sweden
37	Grenada	85	Switzerland
38	Guatemala	86	Taiwan
39	Guinea	87	Thailand
40	Guyana	88	Trinidad and Tobago
41	Hong Kong	89	Tunisia
42	Hungary	90	Turkey
43	Iceland	91	United Arab Emirates
44	Indonesia	92	United Kingdom
45	Ireland	93	Uruguay
46	Israel	94	Venezuela
47	Italy	95	Zambia
48	Jamaica	96	Zimbabwe

APPENDIX E

Other Benchmark-Compliant Routes

No.	Country	No.	Country
1	Albania	40	Lesotho
2	Angola	41	Liberia
3	Anguilla	42	Libya
4	Armenia	43	Liechtenstein
5	Aruba	44	Lithuania
6	Azerbaijan	45	Macedonia FDR (included in Serbia)
7	Bahamas, The	46	Madagascar
8	Belarus	47	Malawi
9	Benin	48	Mali
10	Bhutan	49	Malta
11	Bulgaria	50	Mayotte (included in Comoros)
12	Burkina	51	Mexico
13	Burundi	52	Moldova
14	Cameroon	53	Montserrat
15	Cape Verde	54	Mozambique
16	Cayman Islands	55	Namibia
17	China	56	Nepal
18	Congo	57	Niger
19	Cote d'Ivoire	58	Pakistan
20	Djibouti	59	Papua New Guinea
21	Equatorial Guinea	60	Philippines
22	Eritrea (included in Ethiopia)	61	Reunion
23	Estonia	62	Romania
24	Ethiopia	63	Russia
25	Faroe Islands (included in Denmark)	64	Senegal
26	French Guiana	65	Serbia
27	French Overseas Dept. (Martinique)	66	Seychelles
28	French Polynesia	67	Sri Lanka
29	Gabon	68	Sudan
30	Georgia	69	Swaziland
31	Guadeloupe	70	Tanzania
32	Haiti	71	Tonga
33	Honduras	72	Turks and Caicos Islands
34	Iran	73	Uganda
35	Kazakhstan	74	Ukraine
36	Kyrgyzstan	75	Uzbekistan
37	Laos	76	Virgin Islands, British
38	Latvia	77	Yemen
39	Lebanon		

APPENDIX F**Routes Not in Compliance with Benchmarks**

No.	Country	No.	Country
1	Afghanistan	16	Maldives
2	Andorra	17	Mauritania
3	Burma (Myanmar)	18	Micronesia, Federated States of
4	Cambodia	19	Rwanda
5	Central African Republic	20	Sao Tome and Principe
6	Chad	21	Sierra Leone
7	Comoros	22	Somalia
8	Cuba	23	Syria
9	Greenland	24	Tajikistan
10	Guinea-Bissau	25	Togo
11	India	26	Turkmenistan
12	Iraq	27	Vanuatu
13	Kenya	28	Vietnam
14	Kiribati	29	Western Samoa
15	Korea, North	30	Zaire

APPENDIX G
International Switched Traffic and Settlement Data for Facilities-Based Carriers
1985 - 2002

Year	Payout (\$ Mil) (a)	Outbound Minutes (MI) (b)	Payout / Minute (c) = (a) / (b)	Pay-In (\$ Mil) (d)	Net Payout (\$ Mil) (e) = (a) - (d)	Net Payout / Minute (f) = (e) / (b)	U.S. Revenues (\$ Mil) (g)	U.S. Calling Price (h) = (g) / (b)
1985	\$2,487	3,650	\$0 681	\$1,293	\$1,195	\$0 327	\$3,595	\$0 985
1986	\$2,884	4,141	\$0 696	\$1,412	\$1,472	\$0 355	\$4,037	\$0 975
1987	\$3,440	4,833	\$0 712	\$1,891	\$1,749	\$0 362	\$4,782	\$0 989
1988	\$4,051	5,691	\$0 712	\$1,923	\$2,128	\$0 374	\$5,822	\$1 023
1989	\$4,748	6,764	\$0 702	\$2,224	\$2,524	\$0 373	\$6,923	\$1 024
1990	\$5,297	8,030	\$0 660	\$2,443	\$2,854	\$0 355	\$8,042	\$1 002
1991	\$5,852	9,072	\$0 645	\$2,410	\$3,442	\$0 379	\$9,219	\$1 016
1992	\$6,008	10,294	\$0 584	\$2,481	\$3,527	\$0 343	\$10,331	\$1 004
1993	\$6,372	11,513	\$0 553	\$2,477	\$3,895	\$0 338	\$11,505	\$0 999
1994	\$7,010	13,618	\$0 515	\$2,502	\$4,508	\$0 331	\$12,431	\$0 913
1995	\$7,604	16,057	\$0 474	\$2,494	\$5,110	\$0 318	\$14,160	\$0 882
1996	\$8,252	19,269	\$0 428	\$2,451	\$5,801	\$0 301	\$14,234	\$0 739
1997	\$8,056	22,812	\$0 353	\$2,460	\$5,596	\$0 245	\$15,268	\$0 669
1998	\$7,022	24,250	\$0 290	\$2,158	\$4,864	\$0 201	\$14,246	\$0 587
1999	\$6,361	28,363	\$0 224	\$1,576	\$4,785	\$0 169	\$14,505	\$0 511
2000	\$5,530	30,114	\$0 184	\$1,448	\$4,083	\$0 136	\$14,164	\$0 470
2001	\$4,526	33,280	\$0 138	\$1,118	\$3,408	\$0 102	\$10,844	\$0 326
2002	\$3,733	35,063	\$0 106	\$738	\$2,995	\$0 085	\$9,286	\$0 265
Change Over Period			(\$0 575)			(\$0 242)		(\$0 720)

Sources: Annual Section 43.61 International Traffic Report (Table 2 for 1985 - 1990 and Table A1 for 1991 - 2002).

Because Canada and Mexico were not included in section 43.61 International Traffic Report prior to 1991, we added data for Canada and Mexico from the International Trend Report (1998, Appendices B and C, pp 43 - 43) for these years. These data do not include international voice or data

Traffic originated through Internet Service Providers

Notes

- (a) Payout Total fees paid by U.S. carriers for termination of U.S. international minutes in foreign countries
- (b) Outbound Minutes Total U.S. international minutes terminated in a foreign country
- (c) Payout / Minute Approximate settlement rate Weighted average of settlement rates plus any surcharges, for all international routes combined
- (d) Pay-in Total fees paid by foreign carriers to U.S. carriers for terminating international minutes in the United States
- (e) Net Payout The difference between payout and pay-in
- (f) Net Payout / Minute Approximate net settlement rate Weighted average of net settlement rates plus any surcharges, for all international routes combined
- (g) U.S. Revenue Total revenue collected by facilities-based U.S. carriers from U.S. customers for calling foreign points Revenue may exclude some monthly flat charges from calling plans that are not route-specific Revenue represents receipts of facilities-based carriers only (including sales to resellers), but excludes reseller's receipts
- (h) U.S. Calling Price Weighted average of U.S. calling prices for all international routes combined

**SEPARATE STATEMENT OF
CHAIRMAN MICHAEL K. POWELL**

*Re: In the Matter of International Settlements Policies Reform, IB Docket No. 02-324;
International Settlements Rates, IB Docket No. 96-261 (Adopted March 11, 2004)*

Today's decision reforms longstanding Commission policies in light of the changes that have taken place in the U.S. market for international calling services. The Commission's policies in this area have been successful in contributing to lower calling prices for consumers in the U.S. and worldwide and increasing competition and the promotion of innovative services.

I believe that, now, more market-oriented policies will benefit consumers, as well as competition. This item reaches the right balance in permitting flexibility for U.S. international service providers, while protecting U.S. consumers from high rates and anticompetitive practices.

We will continue to be vigilant, with regard to both fixed and mobile termination rates, to ensure that U.S. consumers are not harmed when placing calls to foreign countries. In addition, we intend to inquire further about the possible effect of high foreign mobile termination rates on U.S. consumers and competition.

I look forward to continuing a dialogue with my colleagues throughout the world on these important issues.

**STATEMENT OF COMMISSIONER
MICHAEL J. COPPS**

RE: International Settlements Policy Reform, International Settlement Rates (First R&O).

First of all, I would say that the Commission's International Settlements Policy has been a good success for U.S. consumers. When we saw a market failure that allowed foreign carriers to charge our consumers rates that were way above cost, we stepped in and the result is that today rates are lower. We used our regulatory power wisely and well.

I think that the decision to initiate an NOI on mobile termination rates strikes the right balance for this difficult issue. We do not understand mobile termination rates well enough to compel action today. We do know, however, that in many cases they are far from being cost-based and that they cause large and often unexpected charges for American consumers. So the right thing to do is to seek more information, and then determine the right course of action, which is what we announce we will do today. Several of our peer regulators are conscientiously working to reduce these rates, so I hope that they will share their expertise with us, and will help us understand better how their domestic mobile regulatory systems would be affected by our decisions.

I also will accept the decision not to begin a new proceeding to reduce our benchmark rates further at this time. But we need to recognize that the benchmark rates are now quite out-of-date and that they are set substantially above cost. As long as competition allows U.S. consumers to enjoy rates below the benchmark rates in most cases, this is not adverse to our consumers. But if we see countries begin to use the out-of-date rates as excuses for increasing rates, we may have to revisit this issue.

**STATEMENT OF
COMMISSIONER JONATHAN S. ADELSTEIN**

Re: International Settlements Policy Reform; International Settlement Rates; IB Dockets No. 02-234 and 96-261

Today's decision is another important stage in the evolution of our policy towards international settlement rates. In 1997, the Commission took the noteworthy step of adopting a benchmarks policy that has helped to significantly reduce U.S.-international calling prices – a big win for U.S. consumers, particularly those who recently have moved to this country. Seven years later, the international termination rates for a large number of routes are closer to cost-based than ever before. Consequently, we now are able to modify our International Settlements Policy (ISP) to exempt a significant number of routes from the ISP and to allow U.S. carriers to more easily negotiate rates for those routes on a commercial basis.

I fully support this effort to lift the ISP from competitive routes. This is such a positive development, and one that justifies the Commission's 1997 decision to spur competition through policy making. I have said before that where competition takes hold and becomes stable, the Commission is charged with taking the next step: deregulation. But they are two sides of the same coin. Without one, you cannot have the other.

Once the presence of meaningful competition allows us to modify or repeal rules and regulations, we cannot walk away from consumers. In this case, we rightly keep in place a number of safeguards for all routes such as maintaining the existing benchmarks and preserving the "no special concessions" rule. Given the market power exerted by a number of foreign carriers, these safeguards provide a necessary backstop to protect U.S. consumers and carriers.

Finally, I fully support our announcement today to launch later this year a Notice of Inquiry (NOI) into the status of foreign mobile termination rates. I recognize that this announcement may not be welcomed by everyone, but I think we do a disservice to American consumers if we do not continue to keep a close eye on developments in this important segment of our international telecommunications marketplace. There simply is too much at stake for our consumers as more and more international calls are made to relatives, friends, and colleagues who are using wireless phones.

An NOI is the best way the Commission has to gather information in the most transparent and open process possible. And I cannot emphasize enough that this NOI into foreign mobile termination rates is simply just that – an inquiry. I have not prejudged an outcome and, indeed, my preferred outcome would be that the market resolves itself. I hope the record ultimately bears this out, but want to make sure we keep an eye on it in the meantime.