APPENDIX C

STAFF RECOMMENDATION FOR CHANGES TO THE ANNUAL TRAFFIC AND REVENUE AND CIRCUIT-STATUS REPORTING REQUIREMENTS

1 The Commission delegates to the staff authority to prepare and issue filing manuals setting out the instructions and reporting requirements for filing the annual traffic and revenue reports[1] and the annual circuit-status reports.[2] These filing manuals, as supplemented by Public Notices, set out the specific information that carriers are required to provide pursuant to sections 43 61 and 43.82 and the format in which it must be provided to the Commission.[3]

2 As part of the Commission's comprehensive review of the reporting requirements for providers of international telecommunication services,[4] we – the staff of the International Bureau and the Wireline Competition Bureau – have reviewed the instructions and reporting requirements that carriers follow in filing their traffic and revenue data and circuit status data. Based on our review, we have developed a number of proposals to simplify and clarify the reporting requirements. These proposed changes are designed to improve the usefulness of the information obtained in the reporting process and to lessen the burdens placed on both the carriers and the Commission. These proposed changes are consistent with the Commission's proposal to consolidate the annual traffic and revenue reports and circuit status reports into one rule and to have one filing manual for both reports.[5] In the *Notice of Proposed Rulemaking* (*NPRM*), the Commission seeks comment on the proposed schedules developed by the staff and other changes to the reporting requirements proposed by the staff[6] The staff will use the comments received on these recommendations to develop the proposed new consolidated filing manual for the annual traffic and revenue reports and the circuit-status reports[7]

---

[1] 47 C F R § 43 61(a)(3)

[2] 47 C F R § 43 82(c), (d)

[3] *See* Manual for Filing Section 43 61 Data in Accordance with the FCC's Rules and Regulations (rel. June 8, 1995) (*Section 43 61 Filing Manual*), Clarification of Section 43 61 International Traffic Data Reporting Requirements, Public Notice (rel. July 15, 1997) (*1997 43 61 PN*), Clarification of Section 43 61 International Traffic Data Reporting Requirements, Public Notice, DA 98-1369 (rel July 9, 1998) (*1998 43 61 PN*), Further Clarification of Section 43 61 International Traffic Data Reporting Requirements, Public Notice, DA 99-1332 (rel. July 7, 1999) (*1999 43 61 PN*), Annual Section 43 61(a) International Telecommunications Traffic Reports Due by July 31, 2000, Public Notice, DA 00-1526 (rel July 7, 2000) (*2000 43 61 PN*), Manual for Filing Section 43.82 Circuit Status Data in Accordance with the FCC's Rules and Regulations (rel Mar. 5, 1996) (*Section 43 82 Filing Manual*) The *Section 43 61 Filing Manual* and the Public Notices, as well as the reports, are available on the FCC website at http //www fcc.gov/wcb/iatd/intl html The *Section 43 82 Filing Manual,* as well as the reports, are available on the FCC website at http //www fcc gov/ib/pd/pf/csmanual html

[4] *See Reporting Requirements for U S Providers of International Telecommunications Services, Amendment of Part 43 of the Commission's Rules*, IB Docket 04-112, Notice of Proposed Rulemaking, FCC 04-70 (rel. xx xx, xxx) (*NPRM*)

[5] *NPRM*, Section III F

[6] *Id* at ¶¶ 43-45

[7] A draft of any updated filing manual will be released for public comment before it is adopted.

BACKGROUND

3. Carriers are currently required to file their international traffic and revenue and circuit status information according to the instructions set out in the two manuals developed by the staff. The "Manual for Filing Section 43.61 Data" (*Section 43.61 Filing Manual*) was first adopted in 1992,[8] and last revised in 1995.[9] The *Section 43.61 Filing Manual* was supplemented by a number of Public Notices starting in 1997.[10] The "Manual for Filing Section 43.82 Circuit Status Data" (*Section 43.82 Filing Manual*) was adopted in 1995.[11]

4. Under the *Section 43.61 Filing Manual*, a carrier must provide, by July 31 of each year, information on the number of messages, the number of minutes, and the amount of revenues for the international services that it provided the previous year. A carrier providing facilities-based[12] and facilities-resale services[13] must provide that information on a country-by-country basis, except that it may provide information on its miscellaneous services on a region-by-region basis.[14] Within a service, traffic is categorized according to various factors including the ownership of the facilities used to provide the service, how the traffic was exchanged with the foreign telecommunications carrier, and how the traffic was billed. To do this, a carrier must use one of 12 different billing codes for reporting their traffic and revenues.[15] A pure resale carrier[16] must provide its traffic and revenue information on a global basis and must provide a

---

8 Manual for Filing International Traffic Statistics under Section 43.61 of the Commission's Rules, DA 92-968 (CCB rel. July 22, 1992)

9 Manual for Filing International Traffic Statistics pursuant to Section 43 61 of the Commission's Rules, Order, DA 95-1248 (rel. June 8, 1995)

10 *See Clarification of Section 43 61 International Traffic Data Reporting Requirements*, Public Notice (rel July 15, 1997) (*1997 43 61 PN*); *Clarification of Section 43 61 International Traffic Data Reporting Requirements*, Public Notice, DA 98-1369 (rel July 9, 1998) (*1998 43 61 PN*), *Further Clarification of Section 43 61 International Traffic Data Reporting Requirements*, Public Notice, DA 99-1332 (rel. July 7, 1999) (*1999 43.61 PN*), *Annual Section 43 61(a) International Telecommunications Traffic Reports Due by July 31, 2000*, Public Notice, DA 00-1526 (rel July 7, 2000) (*2000 43 61 PN*)

11 *See* Public Notice, DA-96-293 (rel March 5, 1996)

12 "**Facilities-based** services are those services provided using international transmission facilities owned in whole or in part by the carrier providing service. Facilities-based carriers use one or more international channels of communications to provide international telecommunications service An international channel is a wire or radio link that facilitates electronic communications between a United States point and another world point. A facilities-based carrier either owns international channels, has an ownership interest in the channel such as an indefeasible right of use (IRU), or leases the channel from an entity that does not report [those circuits in its own Section 43 61 reports]. Carriers must provide detailed data for the facilities-based services that they provide " *Section 43 61 Filing Manual* at 15 (emphasis in original). *See also* Manual for Filing International Traffic Statistics pursuant to Section 43.61 of the Commission's Rules, Order, DA 95-1248, 10 FCC Rcd 13418, 13420, ¶ 9 (IAD/CCB, 1995) (*1995 Manual Revision*).

13 "**Facilities Resale** services are provided by a carrier utilizing non-switched international circuits leased from other reporting international carriers. A facilities resale service is provided over international channels which are subject to Section 43.61 reporting by the underlying carrier Carriers must provide detailed data for the facilities resale services that they provide." *Section 43 61 Filing Manual* at 15 (emphasis in original).

14 *Section 43 61 Filing Manual* at 13

15 *See 2000 43.61 PN*

16 "Pure resale services are switched services that are provided by reselling the international switched services of other carriers. Pure resale services are not provided to the public over the reseller's international channels of

(continued. .)

checklist of the countries that it serves Facilities-based and facilities-resale carriers must file their submissions on paper and on diskette [17] A pure resale carrier need only file paper copies of its submissions.[18]

5 Under the *Section 43.82 Filing Manual,* facilities-based carriers must report by March 31 of each year the status of their circuits as of December 31 of the preceding calendar year A carrier is required to report active and idle circuits on a country-by-country basis according to type of facility used/operated (satellite, submarine cable, terrestrial), using six different facility codes.[19] The carrier must file its submission on paper and on diskette.[20]

GENERAL PROPOSALS

6 In the *NPRM*, the Commission makes a number of proposals and seeks comments on possible changes to the reporting requirements. Specifically, the Commission seeks comment on whether to·

- eliminate the requirement that carriers report the number of messages they carried during the preceding year,
- eliminate the requirement to file a traffic and revenue report or circuit-status report for traffic between the continental United States and U.S. off-shore points or between off-shore U.S. points;
- establish a \$5 million revenue threshold for a carrier to file annual traffic and revenue reports for pure resale services;
- establish a \$5 million annual revenue threshold for which miscellaneous services a carrier must report,
- require that carriers annually file a one-page summary report;
- require that all carriers file annual circuit status reports;
- have a consolidated filing manual for both the traffic and revenue reports and the circuit status reports; and
- change the filing date from March 31st for the circuit status report and July 31st for the traffic and revenue report to May 1st for both reports

(continued from previous page)

communications. Pure resale carriers may own domestic switches and circuits, but rely on other carriers to carry switched traffic between the United States and foreign points." *Section 43 61 Filing Manual* at 16.

17 *Section 43 61 Filing Manual* at 26-28 The diskette format and coding instructions are set out in Section 2 of the manual

18 *Section 43 61Filing Manual* at 26

19 *Section 43 82 Filing Manual* at 17

20 *Section 43 82 Filing Manual* at 19-21 The diskette format and coding instructions are set out in Section 2 of the manual

7 In addition to the changes the Commission proposes in the *NPRM*, the staff recommends the elimination of the billing codes set out in the *Section 43 61 Filing Manual* and associated Public Notices Originally, the section 43.61(a) report asked carriers to report on traffic that "originates" in the United States, traffic that "originates" in a foreign country, and traffic that "transits" the United States.[21] In practice, this simple categorization proved unworkable, because it did not account for all services, such as collect international calls that originate in a foreign country but are billed to the U.S. customer. For this reason, the Common Carrier Bureau altered the definition of traffic to be reported to "traffic billed in the United States" and "traffic billed in a foreign country."[22] To assist the carriers in filing their traffic and revenue reports, the Common Carrier Bureau developed billing codes to describe telephone traffic that "originates in the United States" (billing code 1) and traffic that "originates in a foreign country" (billing code 2). More recently, however, the international telephone market has become more complex due to the introduction of a variety of new methods of handling traffic outside the traditional international settlements process. The Commission now has 12 different billing codes to account for the various ways traffic is handled[23] Each of these new traffic handling methods have complicated the reporting process and required changes to the section 43 61 requirements and the billing codes used to account for them Use of the proposed schedules discussed in this Appendix would eliminate the use of billing codes and should simplify the reporting of traffic and revenue information.

Proposed Schedules

8. Attached are eight proposed schedules that set out the staff proposals to simplify and clarify reporting under the revised annual traffic and revenue report and the revised circuit-status report. The proposed schedules are not the actual schedules that carriers would file, but rather the conceptual framework of what would be filed. The actual reporting formats would be developed as part of the new manual.

9. Schedule 1 applies to all entities subject to the reporting requirements. Schedules 2, 3, 4, and 5 apply to international message telephone service (IMTS). Schedule 6 applies to international private-line service. Schedule 7 applies to all other international telecommunications services Schedule 8 applies to all facilities-based carriers that are required

[21] Transit traffic refers to traffic that originates and terminates outside the United States but is carried through the country.

[22] Under this categorization, collect calls placed to the United States from an overseas point are classified with traffic billed in the United States and collect calls from the United States to another country are classified with traffic billed outside the United States

[23] *2002 International Telecommunications Data* at 12 (The report is available on the FCC web-site at http.//www.fcc gov/wcb/iatd/intl html) Billing codes 1 and 11 account for calls billed in the United States (code 1 for calls settled under traditional settlement arrangements and code 11 for calls settled under other methods) Billing codes 2 and 12 account for calls billed in foreign countries (code 2 for traditional settlements and code 12 for other methods) Billing code 3 accounts for traditional transiting calls Billing codes 4 and 14 account for U S -billed country-direct and country-beyond calls (code 4 for traditional settlements and code 14 for other methods) Billing codes 5 and 15 account for the terminating (inbound) leg of calls reoriginated by U S carriers (code 5 for traditional settlements and code 15 for other methods) Billing code 35 accounts for the terminating leg of U.S-carrier reoriginated calls that were terminated overseas by pure resale. Billing codes 6 and 16 account for originating (outbound) leg of calls reoriginated by U S carriers (code 6 for traditional settlements and code 16 for other methods)

to file circuit-status reports We have also ncluded with the proposed schedules a reporting example for five carriers. The example shows the different source of traffic and method of termination for each carrier. It also shows how the carriers' minutes and revenues/payouts would be reported on schedules 2, 4, and 5.

10 The proposed schedules are discussed in detail below. Comments are requested on the proposed schedules.

A. Proposed Schedule 1: Summary Report

11 In the *NPRM*, the Commission seeks comment on whether section 214 authorization holders should file a summary report indicating whether they provided international service during the preceding year and updating their contact information. "Schedule 1 Summary Report" is a one-page summary schedule that could be used if the Commission adopts such a requirement.[24] All holders of international section 214 authorizations would be required to file this schedule by May 1 each year.[25]

12 Schedule 1 would require the carrier to provide basic information about its international section 214 authorization The carrier would be required to provide its name, its Form 499-A identification number,[26] its CORES identification number,[27] and a list of the international section 214 authorizations that it holds. The proposed schedule also would require the carrier to provide basic information about the services that it provided the preceding year. Based on the services the responding carrier reported, the schedule would inform the carrier which other schedules, if any, the carrier would be required to complete.[28] For example, if the carrier provided facilities-based or facilities-resale U.S.-billed services, the schedule would direct the carrier to complete Schedules 2 and 4. If the carrier provided no international telecommunications the previous year, the schedule would indicate that the carrier need not file any additional information

13. Schedule 1 would also provide to the filer information on which entities are required to file, including subsidiaries of the authorization holder that might need to file

---

24 *See NPRM* at ¶¶ 36-38

25 In the *NPRM*, the Commission proposes to require carriers to file their annual traffic and revenue and circuit-status information by May 1 each year *See NPRM* at Section III F 2 Currently, carriers are required to file their annual traffic and revenue information by July 31, and their circuit status information by March 31 *See* 47 C F R §§ 43 61(a), 43 82(a)

26 The administrators of the universal service fund use the FCC Filer 499 ID to track universal service, telecommunications relay service, number portability, and number administration filings and contributions. Administrators also use this code to track some regulatory fee payments The Commission's Data Collection Agent assigns the code after a company files its first FCC Form 499. One can find Filer 499 IDs for current 499 filers at http //www gullfoss2 fcc gov/cib/form499/499a cfm or in the FCC report Telecommunications Provider Locator, which is available on the Commission's website at http://fcc gov/wcb/iatd/stats html

27 The FCC Registration Number (FRN) is used to identify an entity within all Commission Licensing/Filing systems and RAMIS (the Commission's Revenue Accounting Management Information System). This number is assigned by CORES (the Commission Registration System) and can be obtained at https //gullfoss2 fcc gov/cores/CoresHome html

28 When filing is available through the FCC website, Schedule 1 will be able to provide direct links to the other schedules based on which service categories the carrier checks

separately Regarding entities that hold authorizations through various subsidiaries or affiliates, the question arises as to which of those subsidiaries or affiliates should file Schedule 1 The staff recommends that each entity that files a separate annual FCC Form 499-A should file separately a Schedule 1 Comments are requested on the appropriate determination as to which entities in a corporate structure should file

B. Proposed Schedule 2: U.S. Billed Traffic – Country-by-Country Data

14. Proposed Schedule 2 and proposed Schedule 3 apply to IMTS and seek country-by-country traffic and revenue information The two proposed schedules are related in that Schedule 2 seeks information on "outbound" IMTS traffic and Schedule 3 seeks information on "inbound" IMTS traffic. The two schedules are a simplified version of the information carriers now file under section 43.61(a) for "U.S.-Billed" and "Foreign-Billed" IMTS traffic and revenues. Under schedule 2 a carrier would report minutes and revenues/payout if the "source of traffic" is from (1) end users or (2) another U S. carrier and the carrier terminates those minutes with (1) a foreign carrier, (2) on the spot market, or (3) self terminates in the foreign country.

15. Schedule 2 simplifies the information carriers must report for U.S -billed facilities-based IMTS traffic in a number of ways The schedule would eliminate the current requirement that carriers report: (1) IMTS traffic under various "billing codes"; (2) for each country the number of "calls"; (3) traffic between and among the United States mainland and "Off-Shore U.S. Points," consistent with the Commission's proposal in the *NPRM*;[29] (4) "service codes"; (5) separately for each country their "retained revenues"; (6) country-by-country their "country direct" and "country beyond" traffic, their ISR/Hubbed traffic, and their reoriginated traffic; (7) regional totals for their traffic; and, (8) transiting traffic.

16. Schedule 2 would require carriers to continue to report on country-by-country basis the minutes of outbound IMTS, revenues, and payouts to their correspondents for terminating outbound traffic. Column 1 – U.S Traffic by Source -- would require carriers to divide the total minutes of IMTS traffic they report between traffic they receive from U.S. end user customers (subcolumns (a) and (b)) and traffic they receive from another U.S. carrier (subcolumns (c) and (d)) The carriers would not report traffic taken from the spot market, traffic reoriginated for foreign carriers or traffic they hand to another U.S. carrier to terminate. Resale carriers would report their traffic on Schedule 5 and not on Schedule 2. Revenues reported should be consistent with revenues in the filer's closed books of account. Unless recognized in the books of account for the prior period, revenues associated with out of period adjustments should be recognized in the accounting period in which they occur

17. Given the difficulties of assigning an exact price for each call, we recommend that carriers classify revenues as either "route specific revenues" or "non-route specific revenues." Route specific revenue would consist of all revenues that are directly associated with individual calls in the billing process based on per-minute or per-call charges. These revenues would consist of the after-discount rates actually billed to the customer, including any surcharges that are accounted for as company revenues, special operator charges, and payphone compensation recovery charges. Non-route specific revenue, on the other hand, would consist of revenues associated with international services, but not directly associated with individual calls. Other

[29] *See NPRM* at ¶¶ 29-31

revenues would include flat monthly charges, amounts billed where the customer's calls fell short of contracted minimum volume levels, and one-time connection, termination, and service order charges

18. We recommend that carriers report only route specific revenues on a country-by-country basis. This would eliminate the obligation of carriers to allocate other revenues to individual calls Carriers have no business purposes for making such assignments and making such assignments is both burdensome and problematic. Consequently, we propose to have carriers file non-route specific revenues as a total for all points, and not on a country-by-country basis The non-route specific revenues would be added to the route specific revenues to obtain the total revenues to all points for a carrier.

19. Column 2 -- U S. Traffic by Method of Termination -- would require the carriers to divide the minutes of IMTS traffic they report between that which they settle under traditional settlements (subcolumn (e)) and that which they handle under any other arrangement such as ISR, hubbing, etc. (subcolumn (g)). Subcolumns (f) and (h) would require carriers to provide the dollar amounts that they pay out to their overseas correspondents for terminating the minutes they report in subcolumns (e) and (g). Payouts should be net of any volume discounts. Out-of-period adjustments to payments should be included in the year in which the adjustments are paid or received, not as revisions to the year for which the adjustments are made.

20. The information in column 2 would allow the Commission to determine the percentage of U S customer traffic on a particular route that is terminated under the traditional international settlements process and the percentage that is being terminated under hubbing and other non-traditional arrangements. This would allow the Commission to determine how successful U S carriers have been in reducing the amount they pay for termination of outbound IMTS traffic. If termination costs on such routes are not declining, the information in column 2 would alert the Commission that it may need to determine the cause Over time, this information should allow the Commission to determine the true cost of terminating outbound IMTS traffic and may assist in spotting possible anti-competitive behavior on a route

21 Column 3 is "Total U S Traffic." The totals in this column should match the totals in column 1 and column 2 since the source minutes and revenues and termination minutes and revenues for a call are reported by the same carrier Thus, subcolumn (i) should equal the sum of subcolumns (a) and (c) as well as the total of subcolumns (e) and (g). Similarly subcolumn (j) should equal the total of subcolumns (b) and (d) and subcolumn (k) should equal the total of subcolumns (f) and (h).

C. Proposed Schedule 3: Country-by-Country Data for Inbound IMTS Traffic

22. Proposed Schedule 3 would report the information about inbound traffic that is analogous to the information on outbound traffic reported in Schedule 2. Schedule 3 is similar to, but simpler than, the carriers' existing reporting requirement under section 43 61. The proposed schedule would require carriers to continue to report, on a country-by-country basis, the number of inbound minutes of IMTS carriers receive from their overseas correspondents and the dollar amounts they receive for terminating that traffic. The proposed schedule would also require the carriers to continue to separate the inbound traffic they receive under the traditional settlement arrangements from inbound traffic they receive under all other arrangements such as ISR, hubbing, etc.

23 As in the case of Schedule 2, Schedule 3 would simplify the reporting of inbound traffic in several respects The proposed schedule would eliminate the current requirement that the carriers report (1) the number of inbound calls; it requires them to report only the number of minutes they handle; (2) separately inbound traffic destined to off-Shore U.S. points, consistent with the Commission's proposal in the *NPRM*;[30] and (3) regional totals for inbound traffic.

24. Column 1 – Traditional Settlement -- would require carriers to report separately the total inbound minutes and receipts for IMTS they receive under the traditional settlement arrangements (subcolumns (a) and (b)). Column 2 – Total Traffic – would require carriers to report their total minutes and receipts for inbound traffic. This would include traffic terminated through traditional settlements as well as through alternative settlement arrangements, ISR and traffic from spot markets. This information would allow the Commission to monitor the percentage of traffic from a particular destination that is settled under the traditional international settlements process and the percentage that is terminated under other arrangements. This information complements the information the Commission would receive under Schedule 2 and assists the Commission in determining whether the cost of handling traffic is increasing or decreasing. The inbound routing information would also allow the Commission to monitor the arrangements U.S. carriers have with their correspondents to ensure that U.S. carriers continue to receive a fair portion of the traffic inbound to the United States. We seek comment on proposed Schedule 3.

D. Proposed Schedule 4: World Total Data for U.S.-Billed Facilities-Based IMTS

25. Proposed Schedule 4 would require carriers to provide additional detail on a world total basis for the IMTS minutes and revenues for traffic billed to U.S. customers and for traffic billed to others. Schedule 4 would require carriers to report the minutes of collect calls, international toll-free calls, country-beyond calls, and country-direct calls they handle. The proposed schedule would also require carriers to report some information on traffic they handle on behalf of foreign carriers and spot markets. Specifically, the proposed schedule requires carriers to report separately the minutes and revenues they receive from foreign carriers for traditional IMTS transit traffic, refiled traffic, and traffic received from spot markets

26. Schedule 4 would simplify the current reporting requirements by eliminating the current requirement that carriers report country-by-country data for transiting traffic. The proposed schedule also would eliminate the current requirement to report separate country-beyond and country-direct traffic from other types of U.S. billed traffic on a country-by-country basis. The Commission can use the country-by-country data filed under Schedule 2 broadly to monitor pricing trends and levels of traffic for particular countries. The proposed schedule also would eliminate the current requirement that carriers include in their country-by-country filings any reoriginated traffic or traffic taken from spot markets We request comment on the proposed schedule.

[30] *See NPRM* at ¶¶ 29-31

E. Proposed Schedule 5: World Total Data for U.S.-Billed Pure Resale IMTS

27 Proposed Schedule 5 combines the report carriers providing pure resale services currently submit under section 43 61(a) with some new customer information. If the Commission adopts the revenue threshold proposed in the *NPRM*, only carriers with $5 million or more in revenue from pure resale of international services the preceding year would be required to file this schedule Also, if the Commission decides to require carriers to file consumer information on a regular basis, Schedule 5 would require a pure resale carrier also to report its U.S customer minutes and revenues separately for (1) U.S. end-user traffic; (2) traffic handled for other U S carriers, and (3) traffic re-originated for foreign carriers.

28 Schedule 5 would simplify current reporting requirements under section 43.61 by eliminating the need for a carrier to report the number of IMTS calls it resells. The proposed schedule would also eliminate the requirement to report separately resale IMTS traffic between and among Off-Shore U S Points.

29. The information requested in Schedule 5 is necessary to monitor the development of the IMTS market and to assess the effect of market changes on U.S. consumer prices for IMTS. This information would also be valuable in assessing the effect of our international telecommunications policies and the need for changes to those policies as the market changes and develops Changes in the IMTS market are likely to affect small and large users quite differently. Large users have considerably more bargaining power in dealing with telecommunications carriers than do small users. It is important for us to see the differential effects of market changes on small and large users to determine whether we need to refine our policies to ensure that small users receive the benefits of the emerging competitive IMTS market The information we seek separately on the traffic that U S resale carriers sell to other carriers (carrier's carrier traffic) is important because the growth in the pure resale IMTS market has already changed the business of facilities-based carriers FCC Form 499-A filers reported that they provided nearly $8 billion of international toll service on a carrier's carrier basis in 2001, compared with $5 billion for 1999.[31] However, we do not know how much pure resale traffic is also carrier's carrier traffic Similarly, facilities-based carriers are themselves becoming resellers through subsidiaries that buy minutes of IMTS from their affiliates and resell them to end users. Separating end-user traffic from traffic carried for resellers and foreign carriers would enable the Commission to eliminate the double-counting that exists in our current statistics

30 The proposed schedules are designed to provide the minimum information necessary to monitor the IMTS market and to ensure compliance with the Commission's international telecommunications policies. We have attempted also to make it as easy as possible for both facilities-based and resale carriers to gather and submit the information. Many carriers will be able to supply the requested information with no additional burden because they serve only one of the broad classes of customers For other carriers, much of the information the schedule would require can be derived from the bills carriers present to their customers and, in the case of pure resale carriers, from the bill they pay to the carriers from whom they buy IMTS for resale. Similarly, with respect to the breakdown between small residential and business

[31] Industry Analysis and Technology Division, Wireline Competition Bureau, Telecommunications Industry Revenues, (March 2003) and Industry Analysis Division, Common Carrier Bureau, Telecommunications Industry Revenues (September 2001)

users, carriers should be able to derive much of the information from customer billings. The rest of the information should be available from the carriers' general books of account. Should carriers have any difficulty in separating the data for smaller and larger users, this burden could potentially be reduced if the carriers were to undertake periodic statistical studies to determine the relative percentage of total IMTS traffic that small and large users represent and then to apply those percentages to their total IMTS traffic and revenues. Application of the proposed $5 million revenue threshold should further reduce the burden imposed by the requirement to report consumer pricing information.

31 We seek comment on the proposed schedule. Comments are also requested on whether pure resale traffic should be reported on Schedule 2. Under the current filing manual and the proposed schedules, carriers would be required to separate U.S. customer traffic between facilities-based and facilities-resale traffic, on the one hand, and pure resale traffic on the other. The pure-resale traffic would not be reported on a country-by-country basis. Filers are asked to comment whether it would be easier to report all U.S. customer traffic on a country-by-country basis in the first column of schedule 2 rather than dividing the traffic between the two schedules.

F. Proposed Schedule 6: Country-by-Country Data for Private-Line and Data Services

32. Proposed Schedule 6 sets out a revised annual traffic and revenue report for international private-line services. The proposed schedule would continue to require carriers to provide country-by-country information on their international private-line services, as they currently do under section 43.61(a). The schedule would also require carriers to report separately service provided over facilities they own and service provided over resold circuits.

33. Schedule 6 would simplify the information that carriers are required to report for private-line service compared to the existing section 43.61 report in several respects. The proposed schedule would eliminate: (1) the six classes of private lines for which section 43.61 requires the carriers to report (carriers would report one total figure for all classes of private lines), (2) the requirement for carriers to report separate billing and service codes for private lines; (3) the requirement to report the number of circuits and 64 Kbps circuits carriers lease to customers, and (4) the requirement to report regional totals for private lines leased to customers.

34 International private-line services represent a significant and growing part of the international carriers' overall business. Besides their own internal communications, customers also lease international private lines for use in providing services to end users. For example, providers of enhanced services use private lines to provide their computer-based services. Many of the uses for international private lines are potential substitutes for IMTS or other international common-carrier services.

35. Schedule 6 includes a new category called "Data Services." This category has been added to ensure the proper reporting of several new services, such as virtual private-line service (VPL), that carriers have begun to offer in recent years From the customer's point of view, these services provide the same function as international private-line services. That is, the customer may use them to move information from one of its locations to another. The difference is that, unlike private-line service, where there is a dedicated circuit between the customer's premises that is available solely for the use of the customer, these data services rely on packet-switched transmission technology without use of a dedicated circuit. These services do not fit

neatly into the format of the existing section 43.61(a) report, which has led to confusion on how to classify them for reporting purposes. The new category in the proposed Schedule 6 is intended to simplify the carriers' response to the revised annual traffic and revenue report by clarifying where they should report such data services.

36. The proposed schedule would require carriers to report in subcolumn (c) the revenues they derive from providing the data services over facilities they own The carriers would report in subcolumn (d) the revenues they derive from providing such data services over facilities they lease from another carrier (facilities-resale). Schedule 6 would not require carriers to submit any information as to the volumes of these services they carry.

37 Comments are requested on a number of specific issues. Should private-line service provided over resold circuits be reported under the Miscellaneous Service category (see proposed Schedule 7), rather than the private-line category (proposed schedule 6)? Should we require additional breakouts of revenues by service and, if so, on a country-by-country basis or on a world total basis? Should we require carriers to separate the revenues they receive for private lines provided to end users for their internal communications from the revenues they receive for private lines provided to other carriers for resale? Should carriers report as private line or miscellaneous service revenues from providing bare transponder capacity? Should carriers be required to separate revenues from dedicated private-line services and revenues from virtual private-line services, such as the provision of capacity between two points measured in frames?

G. Proposed Schedule 7: World Total Data for Facilities-Based Miscellaneous Services

38 The proposed Schedule 7 sets out the information that carriers would be required to provide regarding miscellaneous services. Services other than IMTS and private-line service are reported under the category "Miscellaneous Services." In 2001, carriers provided information on four services under the miscellaneous category. It is through this reporting category that the Commission has become aware of new international services as they were introduced. That category should continue to be useful as the international telecommunications market evolves in the future

39 Schedule 7 is similar to the report carriers currently file for miscellaneous services under section 43.61. The proposed schedule would continue to require carriers to report minimal information about services that would not be specifically enumerated in the revised filing manual — the name of each service and the total annual revenues the carriers derive from the service. The proposed schedule would, however, simplify the existing reporting requirement by eliminating the current requirement to measure the quantity of the service (e.g., minutes, messages, lines, etc.). The proposed schedule also would eliminate the requirement to report information separately for each region of the world. Any revenue threshold that is adopted for reporting miscellaneous services would apply [32]

40 The proposed schedule would replace the existing section 43.61 reporting requirement and would not add any additional reporting burden. Also, the elimination of

[32] *See NPRM* at ¶¶ 38-42

reporting regional totals would reduce the current burden. Furthermore, because any revenue threshold that may be adopted would apply to each service reported in the miscellaneous services category, the schedule would reduce or eliminate the reporting burden for providers of many emerging services. Comments are requested on the proposed schedule. Comments are also requested on whether carriers should report separately revenues for services provided over owned and resold circuits Similarly, should carriers separate revenues for services provided on a pure resale basis?

H. Proposed Schedule 8: Country-by-Country Capacity Data

41. Proposed Schedule 8 would replace the current section 43.82 report. Like the existing section 43.82 report, Schedule 8 would require carriers to provide a snapshot of their active and idle circuits as of December 31st of each year Schedule 8 would also retain the basic structure of the existing section 43 82 report, under which carriers report their circuit capacity on the basis of the type of facilities they use to provide service -- submarine cables, satellites, and terrestrial links

42. The proposed schedule would also require carriers to continue to report their circuit use in units of 64 Kbps-equivalent circuits. Modern transmission facilities have very large capacities, such as a STM-1, which has a capacity of 1,890 64 Kbps circuits, complicating the accounting for individual 64 Kbps circuits in such facilities. Comments are requested on whether to continue to require capacity information to be reported on the basis of 64 Kbps circuits. One of the purposes for the circuit-status report is to verify that carriers have paid their statutory regulatory fees, and section 9 of the Communications Act mandates that regulatory fees be calculated on the basis of 64 Kbps circuits.[33] Commenters should address the advantages and disadvantages of using a different capacity unit for the circuit-status report and how it would affect for the collection of regulatory fees.

43. The proposed schedule makes a number of changes to the circuit-status report that should simplify the information the carriers must submit and the format in which they submit it. First, the proposed schedule would eliminate the requirement that carriers report the extra circuits they derive from their 64 Kbps circuits through use of circuit-multiplication equipment. Second, the proposed schedule would include a new service category called "Data Services" that simplifies the carriers' reporting of switched data services discussed above with respect to proposed Schedule 6[34] Currently, under section 43.61(a), carriers report circuits used for these services in the "Other Services" category, along with various, unrelated services. Proposed Schedule 8 simplifies the reporting of these services by providing a place -- subcolumns (d), (j) and (m) for cable, satellite, and terrestrial, respectively — where carriers would report the number of circuits they employ on December 31st for the provision of such data services. Proposed Schedule 8 would retain the category of "Other Services," for reporting of other services, including new services, not otherwise provided for in the listed categories

[33] 47 U S C § 159

[34] These are the packet-switched services that carriers have introduced as a substitute for traditional international private-line service

44 The staff believes that the information reported in the revised circuit-status report is essential for understanding the status of a vital component of the telecommunications industry. The schedule would give the Commission information on both the availability of new circuits and the amount of currently unused circuit capacity Both can adversely affect service to users The Commission has gathered annual circuit-use information under section 43.82 since 1995 During that period, the reported number of activated 64 Kbps circuits has increased from 164,418 in 1995 to 2,844,862 in 2002, a compounded annual growth rate of 50 percent. The number of reported idle 64 Kbps circuits has grown during the same period from 100,582 to 3,900,202 circuits in 2002, a compounded growth rate of 59 percent.[35] The combined total number of 64 Kbps for all countries has shown a compounded annual growth rate of 66 percent. These figures indicate that the international telecommunications market is substantial and growing. It also indicates that there is at present a substantial amount of idle transmission facility capacity

45 The information from this circuit-status report has provided the Commission staff, the industry, and the general public with important information on the use of international circuit capacity. The Commission has used this information in many Commission proceedings, including, for example, the Commission's analyses of proposed mergers and the Commission's satellite thin-route market study Without the information from the revised circuit-status report, it would be more difficult for the Commission to perform these functions. However, because only common carriers currently file the circuit-status report, the Commission does not have a complete and accurate picture of available circuit capacity.

46. We also seek comment on whether a U.S.-authorized international carrier that provides only intercity and local termination services to a foreign-authorized carrier for termination of foreign originating traffic should be required to report the international circuits used to transport that traffic regardless of whether the US.-authorized carrier has executed a lease arrangement with the foreign carrier for use of the circuits. We believe that, in many instances, foreign-authorized carriers are purchasing whole circuits in international transport facilities that land in the United States and may be obtaining from U S.-authorized international carriers only intercity and local termination services. In such circumstances, we are concerned that the international transport circuits do not get reported under our current manual. We tentatively conclude that we should revise our current manual specifically to require that U.S - authorized international carriers include those circuits in their circuit status reports. We also caution all carriers that the termination of foreign telecommunications traffic in the United States constitutes the provision of a telecommunications service under section 214 of the Communications Act A telecommunications carrier that connects its facilities to those operated by a foreign-authorized carrier for the purpose of terminating foreign-originating traffic in the United States must be authorized to operate as an international carrier pursuant to section 214 of the Act and section 63 18 of the Commission's rules.

47. Comments are requested on several specific issues regarding the reporting of circuit capacity. Should we continue to use the existing definitions of "facilities-based circuits," including the definition of "ownership interests," and "resold circuits"? If not, how should they be defined? Should we have a separate line category for Video service circuits, or is it adequate

[35] *1996 Circuit Status Report* (rel Dec 2, 1997), at 27 and *2002 Circuit Status Report* (rel Dec 24, 2003), at 30 The reports are available on the FCC website at www fcc gov/ib/pd/pf/csmanual html

to include these services in the "other" services category? Should we retain the existing conversion ratio used to calculate 64 Kbps equivalents for video circuits? Should bare transponder capacity be included with facilities-based capacity reported in Schedule 8? If, so, should all bare transponder capacity be reported, only in instances where it is provided to non-carriers, such as when it is provided to end-users who carry their own video traffic? Should point-to-multi-point satellite capacity be allocated to the countries in which circuits are accessed or instead should they be reported on a regional or world total basis? Should idle satellite capacity be reported by country? If so, how would it be allocated? Or should it be reported on a regional or world total basis? Should mobile satellite services (charged by time, not by circuit) be reported? If so, how should they be converted to circuit units? If we require that U.S. carriers report circuits owned wholly by their foreign carrier correspondents, but for which the U.S. carrier provides only inter-city and local termination services, should we require the U.S. carrier to specify that it neither owns nor leases the whole circuit?

CHANGES IN FILING FORMAT

48. In addition to the changes in the information that carriers report regarding international traffic and revenue and circuit status, changing the format under which the carriers file the reports would benefit the carriers. Currently, the computer program that the Commission staff uses to prepare the traffic and revenue reports and the circuit status reports requires carriers to file country-by-country traffic and circuit data using ASCII-based record format fields. The files consist of individual records, each defined as 131 characters divided into 14 fields for the section 43.61 filings and 10 fields for the section 43.82 filings Carriers must prepare multiple records to provide all of the required information for an individual route The records are then validated and processed using a DOS-based program. This program includes a report generator that produces summaries that the staff imports into current spreadsheets and database programs for further analysis and to create tables for publication. Carriers have complained that this process is cumbersome and have asked for permission to file their data in a simpler format.

49 The staff recommends replacement of the current DOS-based filing procedures with spreadsheet-based reporting for country-by-country data, and internet-form-based reporting for other schedules. This change would allow carriers to file their data using a commercial spreadsheet program. With a spreadsheet-based system, the carriers could enter all data associated with a particular country on a single row. The columns would be predefined and would include information such as the year, the country code, total minutes, etc. Filed spreadsheets could be loaded into database programs such as Access® and special queries could be used to validate data and prepare summary reports. This should substantially reduce the burden on carriers in preparing their data submissions. The schedules that do not require country-by-country data are far simpler carriers could easily prepare and submit such information online. This, too, would substantially reduce the burden on the filing carrier, facilitate interactive edit checks, and allow data to be automatically loaded into Commission database programs. Comments are requested on this proposal.

Schedule 1: Summary Report

1		Filer Name
2		Filer 499-A ID
3		CORES ID
4		214 Authorization Numbers (Use additional sheets if necessary)
5		
6		
7		

Check all of the following boxes that apply for the prior calendar year

8 ☐ Provided no international telecommunications services and owned no international circuits

9 ☐ Provided facilities based or facilities resale U S Billed IMTS services to U S end users or carriers
If checked, include Schedule 2 and Schedule 4

10 ☐ Provided facilities based or facilities resale Foreign Billed IMTS services
If checked, include Schedule 3

11 ☐ Provided transiting service to foreign carriers, or provided facilities based or facilities resale reorigination service for foreign carriers or spot market customers
If checked, include Schedule 4

12 ☐ Provided IMTS on a pure resale basis, and billed $5,000,000 or more for such services
If checked, include Schedule 5

13 ☐ Provided facilities-based or facilities resale private line or data services
If checked, include Schedule 6

14 ☐ Provided other international services
If checked, include Schedule 7 for each service for which billings were $5,000,000 or more

15 ☐ Owned international circuits or provided telecommunications over resold international circuits
If checked, include Schedule 8 [See Schedule 8 for definition of owned circuits]

16 ☐ Check if a foreign governmental body, a foreign company, or a citizen of a foreign country directly or indirectly owns at least ten percent of the equity of the filer.

All entities holding international 214 licenses must file
Entities that make consolidated FCC Form 499 filings should make consolidated international traffic and revenue, and circuit data filings

Entities that do not file an Annual FCC Form 499-A and that do not have a current CORES-ID should provide contact information, including a contact name, address, telephone number and e-mail address, if available.

Schedule 2: U.S. Billed Traffic - Country-by-Country Data

Note no distinction made between facilities based traffic, facilities resale traffic, or traffic that is terminated via a spot market. Excludes traditional transit traffic, traffic reoriginated for foreign carriers, traffic taken from spot markets, and traffic terminated via pure resale.

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
	U.S Traffic by Source				U.S. Traffic by method of termination				Total U S Traffic		
	U S End User Customers		Another U S Carrier (excludes traffic taken from spot markets or reoriginated for foreign carriers)		Traditional Settlement (including traditional transit through a third country)		All Other (including traffic terminated via a spot market or hubbed through a third country)				
By Country of Termination	Minutes	Route Specific Revenue	Minutes	Route Specific Revenue	Minutes	Payout	Minutes	Payout	Minutes	Route Specific Revenue	Payout
Afghanistan											
Albania											
Algeria											
Andorra											
Angola											
......											
Zimbabwe											
		Non-Route Specific Revenue		Non-Route Specific Revenue						Non-Route Specific Revenue	
Total all points											
	Minutes	Total Revenue	Minutes	Total Revenue	Minutes	Payout	Minutes	Payout	Minutes	Total Revenue	Payout
Total all points											

another foreign carrier; and (3) some traffic taken from spot market switches for termination in foreign points (*i e* , spot market traffic that originated with a foreign carrier Note that traffic taken *from* spot market switches is reported in Schedule 4, not Schedule 2. Schedule 4 does not require that carriers distinguish between spot market traffic that originated with a foreign carrier and traffic that originated with a U S carrier)

United States, for purposes of filing section 43.61 data, is defined as the contiguous United States, Alaska, Hawaii, American Samoa, Baker Island, Guam, Howland Island, Jarvis Island, Johnston Atoll, Kingman Reef, Midway Island, Navassa Island, the Northern Mariana Islands, Palmyra, Puerto Rico, the U.S Virgin Islands, and Wake Island No distinction is made based on where traffic originates, terminates, or transits in the United States.

U.S Billed Traffic consists of (1) residential and business (non-residential) direct dial distance (DDD) calls; (2) operator-handled calls, (3) prepaid calling card calls; (4) payphone calls; (5) minutes sold to U S. resellers (carriers' carrier traffic), (6) collect calls from foreign points; (7) international toll-free calls from foreign points to the United States; (8) "country direct" calls (calls originating in foreign points by customers of a U.S. carrier and terminating in the United States); and (9) "country-beyond" calls (calls originating in foreign points by customers of a U.S. carrier, handled by a U S carrier through facilities in the United States, and then terminating in foreign points. Note that collect calls placed in the United States to foreign points are treated as foreign billed calls while collect calls placed in foreign points to the United States are treated as U.S. billed calls Calls that carriers reoriginate or hub for foreign carriers or for spot market customers are referred to and reported in Schedule 4 as transit traffic.

U.S. customers are U.S end users and U.S. carriers.

U S Traffic is the sub-set of U.S.-billed traffic that is taken directly from U.S. customers (end users or U S. carriers) and that is completed over owned or resold lines (facilities-based or facilities-resale). *For purposes of Schedule 2*, U.S. Traffic does not include traffic that the filing carrier terminated via pure resale. It also does not include the filing carrier's transit traffic. In addition, it does not include traffic that the filing carrier's end user or carrier customers route over international private lines provided to them by the filer. (The filing carrier would report its provision of private line service on Schedule 6, its carrier customers would report any traffic and revenues associated with their resale of the private line circuits in either Schedule 2 (for IMTS) or Schedule 6 (for private line service)) transmitter located in the United States. Such traffic is considered to be domestic and not international.

International channel: An international channel is a wire or radio link that facilitates electronic communications between a U.S. point and a point outside the United States.

Pure resale refers to switched services provided by reselling the switched services of an underlying facilities-based or facilities-resale carrier. Some pure resellers resell the services of other pure resellers. In either case, the underlying facilities-based or facilities-resale carrier routes the pure reseller's traffic to the international point, arranges for termination of the traffic, and reports the traffic on a country-by-country basis in its own 43.61 reports. Note that facilities-based and facilities-resale carriers do not report in Schedule 2 any traffic that they handle as pure resellers.

Note that carriers do not report in Schedule 2 any traffic originating in a foreign country that they bring into the U.S. over owned, leased or resold circuits and that they route to a third country on a pure-resale basis. (The underlying U.S carrier whose switched service is being resold, however, will report these minutes in Schedule 2 by country of termination.) The filer will separately identify such traffic in Schedule 5 if total pure resale revenues surpass the filing threshold for pure-resale traffic.

Reorigination traffic is billed by a foreign carrier, transits a U.S. carrier's facilities and terminates in a foreign point. Unlike traditional transiting arrangements, reorigination traffic is not settled pursuant to an accounting rate agreement between the originating and terminating carriers. Reorigination allows the foreign carrier to take advantage of the U.S. carrier's accounting rate or other termination arrangement with the carrier in the terminating country. The U.S. carrier treats reorigination traffic like U.S.-billed traffic when it settles with the carrier in the country of termination, and it reports this traffic in Schedule 4, not Schedule 2 Reorigination service also is referred to as "hubbing" service.

Spot Market is an organized market in which carriers contract for the ability to terminate a specified amount of traffic in the public switched network for an international point. The buyer may not know the identity of the seller and the traffic typically is exchanged via a switch that is controlled by the spot market. U.S. carriers that terminate traffic by routing their minutes *to* a spot market report these minutes on Schedule 2. U.S. carriers that take traffic *from* a spot market for termination in foreign points are considered to be providing a transit service (reported on Schedule 4.) U.S. carriers that take traffic from a spot market for termination in a U.S. point are considered to be providing foreign billed service (reported on Schedule 3.)

Transiting traffic consists of calls that originate with a foreign carrier, are handled by a U.S. carrier through facilities in the United States, and then terminate in an international point. These minutes include (1) traditional transit traffic where the originating carrier owes the terminating carrier a payment based on the settlement agreement between the two foreign carriers; (2) traffic originating from, and terminating in, foreign points, and either terminated directly with foreign carriers based on a traditional accounting rate arrangement between the U.S. carrier and the terminating foreign carrier pursuant to the Commission's ISP, or based on a non-ISP termination arrangement negotiated between the U S. carrier and the terminating foreign carrier, or indirectly through

Column (j) – Total revenues reported in Column (j) should equal the sum of revenues reported in Columns (b) and (d).

Column (k) – Total payouts reported in Column (k) should equal the sum of payouts reported in Columns (f) and (h)

IV. Definitions

Country-direct and country-beyond services are U.S. carrier offerings that allow the U.S. carrier's customers in foreign locations to route calls through U.S. carrier facilities to reach the United States (country-direct) or any world point (country-beyond). Country-direct and country-beyond services rely on alternative billing arrangements, such as credit cards, and enable the customer at a foreign point to be served by a U.S carrier rather than by a foreign carrier Note that U.S. carriers or their affiliates may operate in foreign countries as foreign carriers They do not report traffic on calls that they carry as a foreign carrier.

Country of Termination: For calls that originate or terminate in a U.S. point, the country of termination is the foreign point associated with each IMTS call. For country-beyond calls, the country of termination is the foreign point in which the call originates.

Facilities-based refers to service provided using international transmission facilities owned in whole or in part, or leased (other than a lease of private line capacity), by the carrier providing the service. A facilities-based carrier either owns international channels, has an ownership interest in international channels such as an indefeasible right of use (IRU), or leases the channel from another common carrier or from a non-common carrier In such instances, the underlying provider would not be reporting circuits or capacity in Schedule 8.

Facilities-resale refers to service provided by reselling an international private line service provided to the reseller by another common carrier For purposes of filing section 43.61 traffic and revenue data, no distinction is made between traffic handled on a facilities-based and facilities-resale basis. Both types of traffic are reported in Schedule 2

IMTS is an acronym for International Message Telephone Service, i.e., international telecommunications services provided over the public switched network IMTS includes collect calls and subscriber toll-free calls. For this purpose, international refers to calls that either:

- originate in a U S point and terminate in a foreign point;
- originate in a foreign point, and terminate in a U.S. point, or
- originate in a foreign point, transit a U.S. point, and terminate in a foreign point.

Calls that both originate and terminate in a U.S. point are not reportable as IMTS and normally would not be included in a 43 61 report.

Incidental international traffic is traffic that originates or terminates on mobile units such as wireless telephones that are provisioned as U S domestic service and billed as domestic service and that arises when a wireless unit is in Canada or Mexico but is communicating directly with a accounting rate arrangement; 2) traffic that originates from U.S. customers, transits a third country, and that terminates under a traditional accounting rate arrangement between the U.S carrier and the foreign carrier in the country of termination, 3) collect or international toll free traffic that U.S. carriers terminate for foreign carriers under a traditional accounting rate arrangement This category excludes traffic that U S carriers handle for third countries under traditional transit arrangements between the originating and the terminating carriers This category also excludes traffic that U S carriers handle for third countries by arranging for transit through foreign points and that terminates under traditional accounting rate or other termination arrangements with foreign carriers Minutes in column (e) should be the number of minutes used for intercarrier compensation.

Column (f) – Traditional settlement payouts consist of payouts due to foreign carriers for traffic reported in Column (e) pursuant to the Commission's ISP. Payout includes any surcharges owed to foreign carriers for collect calls terminated in the United States Where U.S carriers employ traditional transit arrangements, payouts include both the amounts due to the country of termination as well as any transit fees.

Column (g) – All other U S traffic minutes consist of all other minutes that are handled for either U S. end users or other U S carriers and that are terminated through one or more foreign carriers or terminated via a spot market. Minutes in column (e) should be the number of minutes used for intercarrier compensation

Column (h) – All other traffic payout consist of all compensation paid to foreign carriers or spot markets as compensation for handling or terminating traffic reported in Column (g). This includes termination charges for non-ISP traffic, including payments for traffic terminated via spot markets.

Out-of-period adjustments to payments should be included in the year in which the adjustments are paid or received, not as revisions to the year for which the adjustments are made

Note that carriers do not include in Columns (e) – (h) traffic that they reoriginated for foreign carriers or traffic taken from spot markets, even if such traffic was terminated under traditional settlement arrangements. Carriers that take traffic from multiple sources and that terminate this traffic using multiple arrangements may not be able to associate specifically sourced calls with specific termination arrangements In such cases, carriers should assume that proportionate amounts of traffic by source use each termination arrangement. Carrier 5 in the attached examples illustrates reporting where the carrier knows the termination arrangement for each source of traffic. Carrier 3 in the examples illustrates reporting where the carrier cannot link the termination arrangement to traffic by source.

Columns (i) – (k): Total U.S. Traffic

Column (i) -- Total minutes reported in Column (i) should equal the sum of the minutes reported in Columns (a) and (c) and also should equal the sum of the minutes reported in columns (e) and Column (g) point Country-direct and country-beyond traffic is reported by the country in which the traffic originates

III Explanation of columns

Columns (a) – (d): U.S. Traffic by source of traffic

Column (a) -- Minutes handled for U.S. end-user customers should be based on the quantity of minutes billed to end-user customers as measured for the purposes of intercarrier compensation, if known If this amount is not known, then minutes should be based on the number of minutes actually billed to end-user customers

Column (b) – Route specific revenues for U.S end-user customers include charges billed for individual calls based on per call or per minute charges, including any surcharges accounted as revenue Route specific revenues would include operator handling charges, call set up charges, surcharge amounts added for collect calls, and the value of associated minutes or units charged to prepaid calling cards based on the face value of the cards. Non-route specific revenues include plan charges, amounts billed where customers do not satisfy monthly minimum charges, service connection and disconnect charges or other charges that cannot be identified with a particular country of termination Report the world total of non-route specific revenues on the line provided

Column (c) -- Minutes handled for other U.S carriers should be based on the quantity of minutes billed to other U.S carriers. The number of minutes should be those used for purposes of intercarrier compensation, if known. If this amount is not known, then minutes should be based on the number of minutes actually billed to the carriers.

Column (d) – Revenues from other U.S carriers includes all charges billed to other U S. carriers for carrying their IMTS traffic to foreign points or for routing their IMTS traffic via a spot market. See Column (a) instructions for explanations of route specific and non-route specific revenues.

Revenues reported should be consistent with revenues in the filer's closed books of account. Unless recognized in the books of account for the prior period, revenues associated with out of period adjustments should be recognized in the accounting period in which they occur. Both route-specific and non-route specific revenues should be reported net of discounts applied to or calculated based on those charges.

Note that all revenues from U.S. Traffic should be reported in FCC Form 499-A filings on Lines 310, 311, 411, 412, 413 or 414, as appropriate.

Columns (e) -- (h): U.S. Traffic by method of termination

Column (e) – Traditional Settlement minutes include all U.S. traffic, including country-direct and country-beyond traffic, terminated under settlement agreements between the filer and a foreign carrier pursuant to the Commission's International Settlements Policy ("ISP"). (The ISP and exemptions to the ISP are described in Part 43 of the Commission's rules.) This includes 1) traffic that originates from U.S. customers and terminates with a foreign carrier under a traditional

Schedule 5: World Total data for U.S. Billed Pure-resale IMTS Traffic

See Schedule 2 for additional definitions. Schedule 5 would be completed only by filers who billed $5 million or more for pure-resale IMTS.

World Totals

U S Billed Traffic

End-User traffic

1 [ ]	Minutes
2 [ ]	Billed revenue

Carrier's Carrier service for other U S. carriers

3 [ ]	Minutes
4 [ ]	Billed revenue

Other Traffic (Traffic reoriginated for foreign carriers or taken from a spot market)

Traffic reoriginated for foreign carriers but terminated via pure resale

5 [ ]	Minutes
6 [ ]	Receipts from foreign carriers

Definitions: Pure resale consists of calls for which the carrier does not make termination arrangements Instead, the carrier contracts with another U S. carrier to haul the traffic to the destination country and make arrangements Termination via the spot market would not constitute pure resale

Schedule 6: Country-by-Country data for private line and data services.

	(a)	(b)	(c)	(d)
	Private Line Services		Data Services	
By Foreign Point	Service Provided Over Owned Facilities	Service Provided Over Resold Circuits	Service Provided Over Owned Facilities	Service Provided Over Resold Circuits
	Revenue	Revenue	Revenue	Revenue
Afghanistan				
Albania				
Algeria				
Andorra				
Angola				
......				
Zimbabwe				
Total all points				

Definitions:

Private line services include the provision of dedicated circuits between two points.
Data services include: packet switching, frame relay/ATM and similar services whether provided as switched service or as a dedicated amount of capacity between two points. For switched data services, filers that do not price based on destination should assign revenues in proportion to the capacity used for switched data services.

Schedule 7: World total data for facilities-based miscellaneous services

Schedule 7 would be completed for each miscellaneous service for which the filer billed $5 million or more

World Totals

1		Type of service
2		Revenue for calendar year

Definitions:

Miscellaneous services include: telegraph; exchange telex service; switched video, occasional television, point-to-multi-point satellite services, and other telecommunications services not properly classified as IMTS, private line or data. Miscellaneous services do not include data services such as packet switching and frame relay/ATM

Schedule 8: Country-by-Country capacity data (Replaces 43.82 reports)

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)
	Cable						Satellite						Terrestrial					
By Foreign Point	Total Circuits	IMTS	Private Line	Data	Other Services	Idle	Total Circuits	IMTS	Private Line	Data	Other Services	Idle	Total Circuits	IMTS	Private Line	Data	Other Services	Idle
	64 kbps equivalents	64 kbps equivalents	64 kbps equivalents	64 kbps equivalents	64 kbps equivalents	64 kbps equivalents	64 kbps equivalents	64 kbps equivalents	64 kbps equivalents	64 kbps equivalents	64 kbps equivalents	64 kbps equivalents	64 kbps equivalents	64 kbps equivalents	64 kbps equivalents	64 kbps equivalents	64 kbps equivalents	64 kbps equivalents
Owned Circuits																		
Afghanistan																		
Albania																		
Algeria																		
Andorra																		
Angola																		
...																		
Zimbabwe																		
Total all points																		
Resold Circuits																		
Afghanistan																		
Albania																		
Algeria																		
Andorra																		
Angola																		
....																		
Zimbabwe																		
Total all points																		

Definitions Circuits used for switched services should be associated with the country to which the circuit connects, even if switching in the foreign point is then used so that traffic over the circuit is routed to other foreign points

A circuit is a path for electronic transmission of information between two or more points, including transmission by cable, wire, radio, visual or other electromagnetic or fiber optic systems

Owned Circuits A facilities-based carrier is any entity that is authorized as such Facilities-based carriers either have an ownership interest, and IRU interest, or a leasehold interest in bare capacity in an international facility, regardless of whether the underlying facility is a common or non-common carrier submarine cable, terrestrial facility, or satellite system Leased satellite circuits are reported by the carriers that lease the circuits, rather than by the underlying satellite provider

Resold Circuits Resold circuits are circuits leased from other reporting international carriers and consist of any circuits that do not meet the definition of owned circuits Resold circuits include dedicated amount of capacity obtained between two points, regardless of underlying technology
Note that carriers that provide only switched services, and that do so only by reselling the international switched message services of other carriers, do not have circuits

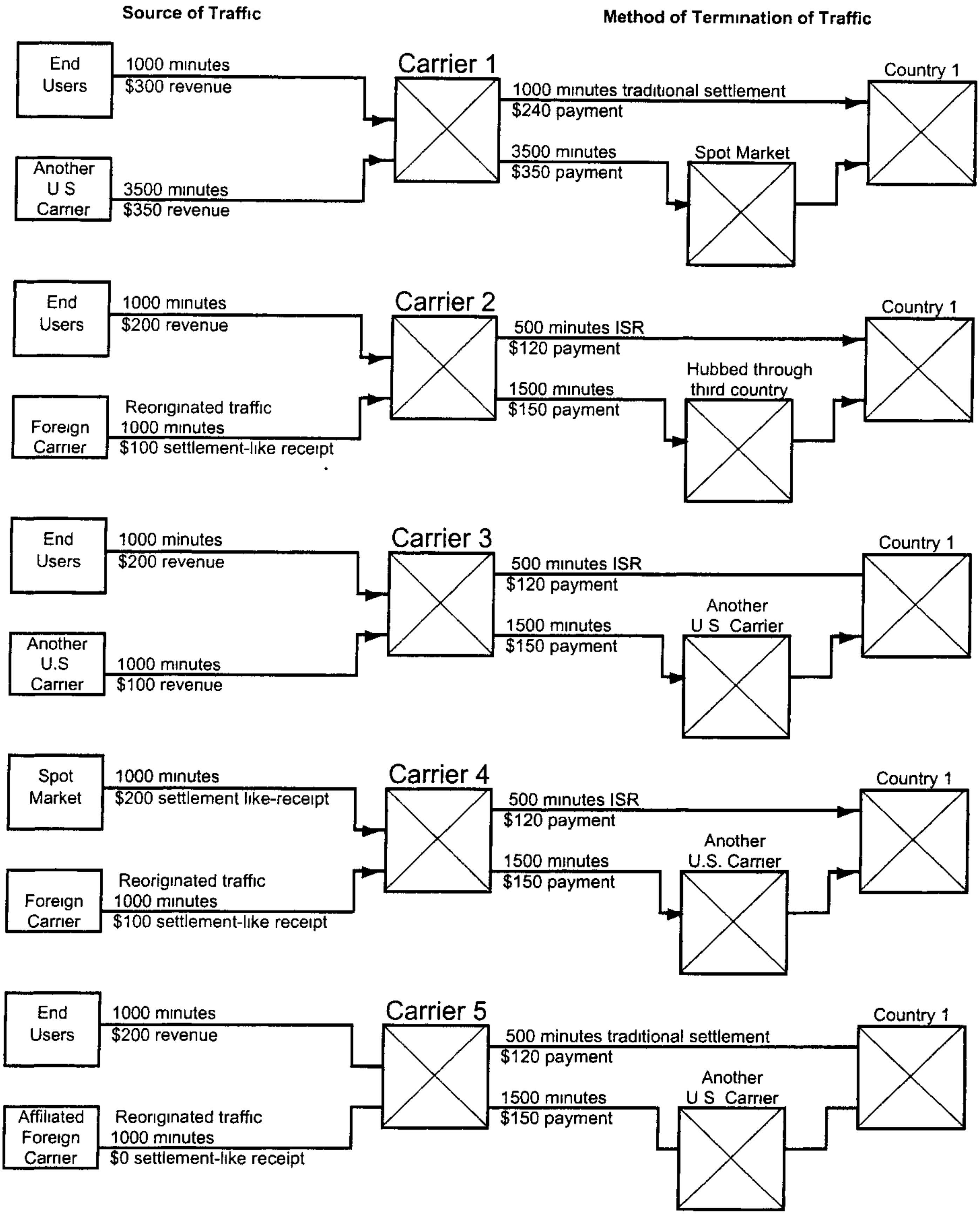
Private line services include the provision of dedicated circuits between two points

Data services include packet switching, frame relay/ATM and similar services whether provided as switched service or as a dedicated amount of capacity between two points

Other services include miscellaneous services such as telegraph, exchange telex service, switched video, occasional television, point-to-multi-point satellite services, and any other telecommunications services not properly classified as IMTS, private line or data services Other services also include circuits that are used to provide enhanced services

Note Amounts reported in column (a) should equal the total of amounts reported in (b) + (c) + (d) + (e) + (f)

Reporting Example



Schedule 2: U.S. Billed Traffic - Country-by-Country Data

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)		(j)
	Source of Traffic				Traffic by method of termination				Total U S. Traffic		
	U S End User Customers		Another U S Carrier (excludes traffic taken from Spot Markets or reoriginated for Foreign Carriers)		Traditional Settlement (including traditional transit through a third country)		All Other (including traffic terminated via a spot market or hubbed through a third country)				
By Country of Termination	Minutes	Route Specific Revenue	Minutes	Route Specific Revenue	Minutes	Payout	Minutes	Payout	Minutes	Route Specific Revenue	Payout
Carrier 1 Country 1	1000	$300	3500	$350	1000	$240	3500	$350	4500	$650	$590
Carrier 2 Country 1	1000	$200					1000	$135	1000	$200	$135
Carrier 3 Country 1	250	$50	250	$25			500	$120	500	$75	$120
Carrier 4 Country 1											
Carrier 5 Country 1	500	$100			500	$120			500	$100	$120
Total all filers for Country 1	2750	$650	3750	$375	1500	$360	5000	$605	6500	$1,025	$965

Schedule 4: World Total data for Selected Types of Facilities-based IMTS Traffic *

	(a)	(b)	(c)	(d)	(e)	(f)
	Line 5 Traditional Transit		Line 6 Reorigination		Line 7 Spot Market	
	Minutes	Receipts	Minutes	Receipts	Minutes	Receipts
Carrier 1 World Total						
Carrier 2 World Total			1000	$100		
Carrier 3 World Total						
Carrier 4 World Total			250	$50	250	$25
Carrier 5 World Total						
Total All Filers	0	$0	1250	$150	250	$25

* The examples do not assume any collect, international toll free, country-direct, or country-beyond traffic. Therefore Lines 1 through 4 are omitted from the example.

Schedule 5: World Total data for U.S. Billed Pure-resale IMTS Traffic

	Source of Traffic					
	U.S. End User Customers		Another U.S. Carrier (excludes traffic taken from Spot Markets)		for foreign carrier or taken from spot market)	
	Minutes	Revenue	Minutes	Revenue	Minutes	Receipts
Carrier 1 World Total						
Carrier 2 World Total						
Carrier 3 World Total	750	$150	750	$75		
Carrier 4 World Total					1500	$225
Carrier 5 World Total	500	$100			1000	$0
Total All Filers	1250	$250	750	$75	2500	$225