

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

In the Matter of )  
 )  
International Bureau Seeks Input on Review )  
of the International Telecommunications ) IB Docket No. 10-67  
Union’s International Telecommunication )  
Regulations )

**VERIZON AND VERIZON WIRELESS’ COMMENTS  
ON PUBLIC NOTICE SEEKING INPUT ON REVIEW OF  
THE INTERNATIONAL TELECOMMUNICATION UNION’S  
INTERNATIONAL TELECOMMUNICATION REGULATIONS**

The International Telecommunication Union’s (“ITU”) upcoming review of the International Telecommunication Regulations (“ITRs”) at the 2012 World Conference on International Telecommunications (“WCIT”) occurs at an important time in the development of information and communication technologies. As developing countries gain access to increasingly advanced technologies and enhanced communications infrastructures, the exchange of information facilitated by the ITU and the ITRs’ carefully balanced guidance have bolstered the rapid spread of these technologies. Such growth has transformed the international communications landscape by providing access to advanced services around the world. Critically, such expansion stems in part from the creation of “a climate for innovation and investment, and ... competition is a vital part of that strategy.”<sup>1</sup>

The United States should encourage the ITU to review the ITRs to determine the extent to which they remain relevant in this changed environment. The United States can work to

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<sup>1</sup> FCC Chairman Julius Genachowski, “ICT: Global Opportunities and Challenges,” Prepared Remarks to ITU Global Symposium for Regulators at 4 (November 10, 2009).

facilitate such a review through the upcoming World Telecommunication Development Conference (“WTDC”) and the ITU Plenipotentiary Conference, both of which will create opportunities to gather additional information and build support for the U.S. position prior to the WCIT. But in working with the ITU, the United States should oppose any efforts to expand the ITRs beyond their current scope or to increase the regulatory authority of the ITU. The United States should also support those revisions to the ITRs that encourage competition in the international communications marketplace and consider whether any provisions of the current ITRs that remain relevant should be placed in other, more appropriate, international instruments. Any revisions to the ITRs thus should be carefully formulated to ensure that while maintaining those provisions still relevant in the modern communications marketplace, they do not expand their scope or enlarge the regulatory authority of the ITU.

**I. The International Communications Environment Has Been Wholly Transformed Since the ITRs Were Enacted**

During the twenty-two years since the ITRs were enacted, there has been a radical transformation in the use and availability of communications technology throughout the world. Facilitated by pro-competitive policies in many countries worldwide, these changes have brought access to advanced services to virtually every corner of the globe, and rendered many aspects of the ITRs less relevant to the current global communications marketplace.

For example, the international wireline services that the ITRs were designed to cover have grown drastically during the past two decades. In 1988, international voice traffic into and out of the United States totaled just under 9 billion minutes per year.<sup>2</sup> By 2008, over 100 billion

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<sup>2</sup> See Federal Communications Commission, Common Carrier Bureau, Industry Analysis Division, *Trends in the U.S. International Telecommunications Industry*, Table 4 (Released August 1998).

minutes of international telephone traffic originated or terminated in the United States.<sup>3</sup>

However, even as the volume of international traffic into and out of the U.S. was growing, the amount of international telephone traffic billed in the U.S. that was settled according to the provisions in Article 6 of the ITRs decreased from 86% in 1998 to approximately 6% in 2008.<sup>4</sup>

At the same time, other technologies have grown exponentially. In 1988, there were only about 4.3 million mobile subscribers in the entire world and virtually all of them were located in the major developed countries. Today, there are almost 5 billion mobile phone subscribers worldwide, a significant and rapidly growing portion of whom live in the developing world.<sup>5</sup> In the same vein, the Internet was not a substantial presence in 1988 and, even in the most technically advanced areas of the world, users had to use dial up modems to access costly menu-based online services.<sup>6</sup> In contrast, in 2010, the Internet is a common and essential feature of everyday life for much of the world, high speed broadband is expanding across the globe, and there are 1.7 billion Internet users worldwide – with that number increasing dramatically every day.<sup>7</sup> Global internet traffic exploded from essentially nothing in 1988 to approximately 7,500-

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<sup>3</sup> See Federal Communications Commission, International Bureau, Strategic Analysis and Negotiations Div., Multilateral Negotiations and Industry Analysis Branch, *2008 International Telecommunications Data*, Table 1 (Released March 2010).

<sup>4</sup> See “United States Contribution to the Council Working Group to Prepare for the 2012 World Conference on International Telecommunications,” CWG-WCIT12/C-14 (March 5, 2010) (“U.S. Contribution to WCIT Working Group”).

<sup>5</sup> See International Telecommunication Union, *Measuring the Information Society*, at 1 (Released February 2010) at <http://www.itu.int/ITU-D/ict/publications/idi/2010/index.html> (“ITU Report”).

<sup>6</sup> See Becky Waring, “1988 vs. 2008: A Tech Retrospective,” P.C. World Magazine (February 22, 2008) at [http://www.pcworld.com/article/142550/1988\\_vs\\_2008\\_a\\_tech\\_retrospective.html](http://www.pcworld.com/article/142550/1988_vs_2008_a_tech_retrospective.html).

<sup>7</sup> See ITU Report at 2.

12,000 petabytes per month by the end of 2009, with an estimated annual growth rate of 40-50%.<sup>8</sup>

During the same period, the number and capacity of international submarine cables have expanded dramatically. For example, in 1988, the first trans-continental fiber optic cable (TAT-8) was constructed with a carrying capacity of 560 megabytes per second.<sup>9</sup> By the end of 2009, the trans-Atlantic undersea cable networks alone had an in-service capacity of over 12 terabytes per second.<sup>10</sup> Similarly, the recently completed Trans-Pacific Express cable linking the U.S., Mainland China, Taiwan, South Korea, and Japan, with an estimated initial capacity of 1.28 terabytes per second (a 60-fold increase in capacity over the prior link between the U.S. and China)<sup>11</sup> and a peak operating capacity of over 5 terabytes per second, has greatly increased data speeds and capacity across the Pacific. In fact, undersea cable routes throughout the world have experienced similar rapid growth during the past several years, even as many new routes (such as those to East Africa) have been newly established.<sup>12</sup>

The rapid development and exponential growth of broadband and advanced wireless networks since the adoption of the ITRs can be largely attributed to the deregulation of communications markets and the adoption of facilities-based pro-competitive policies by

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<sup>8</sup> See University of Minnesota, “Measuring Internet Traffic Studies (MINTS),” at <http://www.dtc.umn.edu/mints/home.php>.

<sup>9</sup> The TAT-8 cable consisted of two service fiber pairs with a capacity of 280 Mbps each and a back up fiber pair with similar capacity.

<sup>10</sup> Telegeography Research, “Global Bandwidth Research Service – Executive Summary,” Figure 2 at <http://www.telegeography.com/product-info/gb/download/gb10-executive-summary.pdf> (“GBRS Executive Summary”).

<sup>11</sup> See Organization for Economic Cooperation and Development, *Global Opportunities for Internet Access Development*, at 37 at <http://www.oecd.org/dataoecd/17/53/40596368.pdf> (February 4, 2008); and Verizon Business, Press Release, “Verizon Increases Capacity, Adds Network Diversity with New Trans-Pacific Express Submarine Cable Landing in Japan” (January 28, 2010).

<sup>12</sup> See GBRS Executive Summary.

countries worldwide. Creating an environment that is conducive to competition and investment has long been a cornerstone of U.S. policy. And such “[c]ompetition has been the ‘Holy Grail’ of market growth in the telecommunication sector over the past two decades.”<sup>13</sup> The ITU’s Telecommunication Development Bureau has pointed out that “[t]here is extensive evidence of a strong correlation between opening markets to competition and the increase of number of subscriptions to these services [broadband and mobile telephone] . . . .”<sup>14</sup>

For example, in the United States, as of the end of 1998, there were an estimated 650,000 homes with broadband access, with 600,000 of those homes served by cable modems and the remaining 50,000 by DSL.<sup>15</sup> According to the FCC’s most recent data, by year-end 2008, these numbers had increased to nearly 86 million homes with broadband access – including approximately 41 million attributable to cable modem, more than 26 million attributable to DSL, more than 2.7 million attributable to fiber, approximately 16 million attributable to mobile wireless, and more than one million attributable to satellite and fixed wireless.<sup>16</sup>

Wireless service has also grown dramatically and now provides a significant alternative to traditional telephony. There are more than 276 million wireless subscribers as of the end of 2009, a 160 percent increase over the approximately 110 million wireless subscribers as of the end of 2000.<sup>17</sup> At least 22.7 percent of U.S. households have “unplugged” their wireline phones,

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<sup>13</sup> See ITU Telecommunication Development Bureau, *Trends in Telecommunication Reform 2009: Hands on or Hands Off? Stimulating Growth through Effective ICT Regulation*, Summary at 8 (February 2010).

<sup>14</sup> *Id.* at 9.

<sup>15</sup> Frank J. Governali, *et al.*, *Goldman Sachs Investment Research, The Race To Build the Broadband Kingdom*, 37 (1999).

<sup>16</sup> See Ind. Anal. & Tech. Div., Wireline Competition Bureau, FCC, *High-Speed Services for Internet Access: Status as of December 31, 2008*, at 7 (February 2010).

<sup>17</sup> CTIA, *Wireless Quick Facts*, at [http://www.ctia.org/media/industry\\_info/index.cfm/AID/10323](http://www.ctia.org/media/industry_info/index.cfm/AID/10323) (285.6 million wireless subscribers as of year-end 2009, and 109.5 million wireless subscribers as of the end of 2000).

and according to the Centers for Disease Control and Prevention (CDC), “[t]he percentage of households that are wireless-only has been steadily increasing.”<sup>18</sup> And, by the end of 2009, annualized wireless minutes of use had risen to 2.3 trillion, an increase of more than 53 percent from 2005, and more than 788 percent since 2000.<sup>19</sup>

Such increased competition has driven the cost of communications services dramatically downward, also benefitting consumers. For example, in U.S. mobile phone industry in 1988, the average mobile phone bill in the U.S. was approximately \$95. By 2007, when over 95% of the U.S. population lived in areas with a choice of three or more wireless service providers,<sup>20</sup> the average monthly mobile phone bill in the U.S. had dropped to under \$50 and subscribers had gained access to a host of innovative new technologies beyond traditional telephone service.<sup>21</sup>

## **II. Expansion or Modification of the ITRs Should Be Carefully Considered So As Not to Broaden Them Beyond Their Current Scope**

Given these radical changes associated with the international communications industry, the communications landscape envisioned by the ITU in 1988 no longer exists in 2010. Revisions to the ITRs thus may be appropriate, but the United States should be mindful of expected efforts to expand the ITRs in a way that would limit the continued growth and increased availability of advanced communications services world wide. To facilitate continued

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<sup>18</sup> See Stephen J. Blumberg & Julian V. Luke, Div. of Health Interview Statistics, Nat’l Ctr. for Health Statistics, Centers for Disease Control and Prevention, *Wireless Substitution: Early Release of Estimates from the National Health Interview Survey, January - June 2009*, at 2 (<http://www.cdc.gov/nchs/data/nhis/earlyrelease/wireless200912.htm>) (Released December 16, 2009) (statistics as of June 2009).

<sup>19</sup> See CTIA, *Wireless Quick Facts: Mid-Year Figures*, (<http://www.ctia.org/advocacy/research/index.cfm/AID/10323>).

<sup>20</sup> See Federal Communications Commission, Wireless Telecommunications Bureau, *Annual Report and Analysis of Competitive Market Conditions with Respect to Commercial Mobile Services*, Thirteenth Report, WT Docket No. 08-27, DA 09-54 at 6 (Released January 16, 2009).

<sup>21</sup> See Federal Communications Commission, Wireline Competition Bureau Industry Analysis and Technical Division, *Trends in Telephone Service*, at Table 11.3 (August 2008).

liberalization of the international communications market, therefore, the United States should (1) oppose any effort to expand the ITRs beyond their current scope or to increase the regulatory authority of the ITU; (2) support those revisions to the ITRs that encourage competition in the international communications marketplace and that promote the growth of next generation networks in the developed and developing worlds (including, if necessary, a treaty covering the subject matter addressed by the existing ITRs); and (3) consider whether to place any provisions of the current ITRs that remain relevant, including matters currently covered by Articles 6 and 9, into other more appropriate international instruments. These recommendations are consistent with the longstanding policy objectives of the United States, including its recent contribution to the WCIT Council Working Group.<sup>22</sup>

The first tenet of these recommendations is especially important since some ITU Member States may seize the opportunity presented by the WCIT to propose an expansion of the ITRs and grant the ITU new regulatory powers over international communications networks. Such an expansion of the ITU's regulatory authority would be detrimental to the continued deployment of advanced communications networks and services throughout the developed and developing worlds, because it would hamper the competitive environment that has so successfully fostered the current spread of advanced technologies. The ITU has played an important role by helping the world's developing countries gain access to communications technology, build network infrastructure, and develop technological expertise to promote further growth and innovation, and by providing a venue for inter-governmental deliberation surrounding the development and deployment of advanced communications technologies. Continued focus on those core competencies will allow the ITU to capitalize on its valuable experience, while preventing

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<sup>22</sup> See U.S. Contribution to WCIT Working Group.

duplication of functions already performed by other organizations and avoiding expansion into areas where the ITU has neither history nor expertise.

Thus, the United States should support any revisions to the ITRs that encourage competition and promote growth just as it should oppose revisions that would expand the ITRs to give the ITU an Internet governance, registry, or other increased regulatory role. However, the ITRs will continue to play an important role. The United States should work to ensure that, if the ITRs are abolished or modified, any provisions of the ITRs still relevant and beneficial to the modern communications marketplace are addressed in another form of international instrument.

As indicated in previous comments, the upcoming WTDC and ITU Plenipotentiary Conference will provide unique opportunities for the United States to build support for its positions prior to the WCIT.<sup>23</sup> In a recent proposal to the WTDC, the United States outlined nine priorities that it believes the WTDC should focus on over the next four years.<sup>24</sup> Verizon has previously indicated its support for each of these nine priorities.<sup>25</sup> The outcome of the WTDC and the work of the ITU Development Sector may have an impact on efforts to revise the ITRs. As a result, the U.S. should use the WTDC both to analyze the need (if any) to maintain aspects of the ITRs and to discuss the importance of the upcoming ITR revisions with other Member States and stakeholders as a means of building support for the United States' WCIT Agenda.

The upcoming ITU Plenipotentiary Conference will also present an important opportunity for the U.S. to collect support among other Member States for its proposals related to the upcoming ITR revisions. At the Plenipotentiary Conference, ITU leadership will be elected and

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<sup>23</sup> See Comments of Verizon IB Docket No. 10-68 (Filed April 12, 2010) (“Verizon ITU Conference Comments”).

<sup>24</sup> See International Telecommunications Conference, Public Notice, IB Docket No. 10-68, DA 10-423 (Released March 16, 2010).

<sup>25</sup> See Verizon ITU Conference Comments at 4.

key ITU goals and policies will be determined. The ITU is faced with addressing numerous changes to the international communications landscape as the world gains access to next generation networks.<sup>26</sup> As the U.S. seeks to help the ITU deal with these changes, it should promote and encourage the types of pro-competitive, market-based policies that have allowed the Internet, broadband, and wireless technologies to flourish in recent years.

While both the WCIT's preparatory process and the WCIT itself may be long and complex, it vital that the United States help protect the competitive marketplace that has existed in the international communications industry for the past twenty two years. Verizon looks forward to supporting the Commission's preparatory process for the WCIT and becoming an active member of the U.S. delegation.

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<sup>26</sup> *Id.* at 7.