

APPENDIX C**Final Rules**

Parts 43 and 63 of the Commission's rules are amended as follows:

PART 43 – REPORTS OF COMMUNICATION COMMON CARRIERS, PROVIDERS OF INTERNATIONAL INTERCONNECTED VOICE OVER INTERNET PROTOCOL SERVICES AND CERTAIN AFFILIATES

1. The authority citation for Part 43 continues to read as follows:

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

2. Remove § 43.53.
3. Section 43.61(a) is amended to read as follows:

(a) Each common carrier engaged in providing international telecommunications service between the United States (as defined in the Communications Act, as amended, 47 U.S.C. § 153) and any country or point outside that area shall file a report with the Commission not later than July 31 of each year for service actually provided in the preceding calendar year.

4. Section 43.61 is amended by removing paragraph (b).
5. Section 43.61 is amended by removing paragraph (c).
6. Section 43.82(a) is amended to read as follows:

(a) Each facilities-based common carrier engaged in providing international telecommunications service between the United States (as defined in the Communications Act, as amended, 47 U.S.C. § 153) and any country or point outside that area shall file a circuit-status report with the Chief, International Bureau, not later than March 31 each year showing the status of its circuits used to provide international services as of December 31 of the preceding calendar year.

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

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

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

8. Section 63.23 is amended by removing paragraph (e) and redesignating paragraph (f) as paragraph (e).

APPENDIX D
Proposed Rules

It is proposed that Parts 0, 43 and 63 of the Commission's rules be amended as follows:

PART 0 – COMMISSION ORGANIZATION

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

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

2. Add Section 0.457(d)(1)(viii):

§ 0.457

(d)(1)

(viii) Disaggregated international revenue payout and traffic data filed under section 43.62 of this chapter.

PART 43 – REPORTS OF COMMUNICATION COMMON CARRIERS, PROVIDERS OF INTERNATIONAL INTERCONNECTED VOICE OVER INTERNET PROTOCOL SERVICES AND CERTAIN AFFILIATES

2. The authority citation for Part 43 is amended to read as follows:

Authority: 47 U.S.C. 154; Telecommunications Act of 1996; Pub. Law 104-104, sec. 402(b)(2)(B), (c), 110 Stat. 56 (1996) as amended unless otherwise noted. 47 U.S.C. 211, 219, 220, as amended; Cable Landing License Act of 1921, 47 U.S.C.35-39.

3. Remove § 43.61.
4. Add Section 43.62 to read as follows:

§ 43.62 Reporting requirements for holders of international Section 214 authorizations and providers of international services.

(a) Annual Reports.

Not later than May 1 of each year, any person or entity that holds an authorization pursuant to section 214 of the Communications Act to provide international telecommunications service; or any person or entity that provided interconnected Voice over Internet Protocol service between the United States (as defined in the Communications Act, as amended, 47 U.S.C. § 153) and a foreign point during the previous year; shall submit the following reports:

- (1) Any person or entity that holds an authorization pursuant to section 214 to provide international telecommunications service shall report whether it provided international telecommunications services or owned international circuits the preceding year.

(2) Each common carrier engaged in providing international telecommunications service, and each person or entity engaged in providing interconnected Voice over Internet Protocol service, between the United States (as defined in the Communications Act, as amended, 47 U.S.C. § 153) and any country or point outside that area shall file a report with the Commission showing revenues, payouts, and traffic for such international telecommunications service and interconnected Voice over Internet Protocol service provided during the preceding calendar year.

(3) Each person or entity owning international facilities between the United States (as defined in the Communications Act, as amended, 47 U.S.C. § 153) and any country or point outside that area shall file a circuit-status report with the Commission showing the status of its circuits as of December 31 of the preceding calendar year.

(b) Filing Manual.

The information required under this section shall be furnished in conformance with the instructions and reporting requirements prepared under the direction of the Chief, International Bureau, prepared and published as a filing manual.

5. Remove § 43.82

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

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

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

7. The following sections are amended to replace “§ 43.61” and “§ 43.82” with “43.62”:

Section 63.10(c)(2)
Section 63.10(c)(4)
Section 63.63.22(d)
Section 63.22(e)

APPENDIX E

Proposed Service Report And Filing Schedules

Circuit Status Report

Schedule 5

Circuit Capacity on Owned International Facilities

Filing Date:

Reporting Period:

Foreign Point	(a) Cable		(c) Satellite		(e) Terrestrial	
	(b) Idle Circuits	(d) Idle Circuits	(a) Active Circuits	(c) Active Circuits	(e) Active Circuits	(f) Idle Circuits
	64 kbps equivalents					
Andorra						
Austria						
Belgium						
Cyprus						
Denmark						
Finland						
France						
Germany						
Gibraltar						
Greece						
Greenland						
Iceland						
Ireland						
Italy						
Liechtenstein						
Luxembourg						
Malta						
Monaco						
Netherlands						
Norway						
Portugal						
San Marino						
Spain						
Sweden						
Switzerland						
Turkey						
United Kingdom						
Western Europe						

Circuit Status Report

Schedule 5

Circuit Capacity on Owned International Facilities

Filing Date:

Reporting Period:

Foreign Point	(a)		(b)		(c)		(d)		(e)		(f)	
	Cable				Satellite				Terrestrial			
	Active Circuits	Idle Circuits	Active Circuits	Idle Circuits								
	64 kbps equivalents											
Algeria												
Angola												
Benin												
Botswana												
Burkina Faso												
Burundi												
Cameroon												
Canary Island												
Cape Verde												
Central African Republic												
Chad												
Comoros												
Congo, Democratic Republic of the												
Congo, Republic of the												
Cote d'Ivoire												
Djibouti												
Egypt												
Equatorial Guinea												
Eritrea												
Ethiopia												
Gabon												
Gambia, The												
Ghana												
Guinea												
Guinea-Bissau												
Kenya												
Lesotho												
Liberia												
Libya												
Madagascar												

Circuit Status Report Schedule 5 Circuit Capacity on Owned International Facilities

Filing Date:

Reporting Period:

Foreign Point	(a)	(b)	(c)	(d)	(e)	(f)
	Cable		Satellite		Terrestrial	
	Active Circuits 64 kbps equivalents	Idle Circuits 64 kbps equivalents	Active Circuits 64 kbps equivalents	Idle Circuits 64 kbps equivalents	Active Circuits 64 kbps equivalents	Idle Circuits 64 kbps equivalents
Malawi						
Mali						
Mauritania						
Mauritius						
Mayotte						
Morocco						
Mozambique						
Namibia						
Niger						
Nigeria						
Reunion						
Rwanda						
Saint Helena						
Sao Tome and Principe						
Senegal						
Seychelles						
Sierra Leone						
Somalia						
South Africa						
Sudan						
Swaziland						
Tanzania						
Togo						
Tunisia						
Uganda						
Western Sahara						
Zambia						
Zimbabwe						
Africa						

Circuit Status Report Schedule 5 Circuit Capacity on Owned International Facilities

Filing Date:

Reporting Period:

Foreign Point	(a)		(b)		(c)		(d)		(e)		(f)	
	Cable				Satellite				Terrestrial			
	Active Circuits 64 kbps equivalents		Idle Circuits 64 kbps equivalents		Active Circuits 64 kbps equivalents		Idle Circuits 64 kbps equivalents		Active Circuits 64 kbps equivalents		Idle Circuits 64 kbps equivalents	
Bahrain												
Iran												
Iraq												
Israel												
Jordan												
Kuwait												
Lebanon												
Oman												
Qatar												
Saudi Arabia												
Syria												
United Arab Emirates												
Yemen												
Middle East												
Anguilla												
Antigua and Barbuda												
Aruba												
Bahamas, The												
Barbados												
Bermuda												
Cayman Islands												
Cuba												
Dominica												
Dominican Republic												
French Overseas Departments												
Grenada												
Guadeloupe												
Haiti												
Jamaica												
Montserrat												
Netherlands Antilles												
Saint Kitts and Nevis												
Saint Lucia												
Saint Vincent and the Grenadines												
Trinidad and Tobago												
Turks and Caicos Islands												
Virgin Islands, British												
Caribbean												

Circuit Status Report Schedule 5

Circuit Capacity on Owned International Facilities

Filing Date:

Reporting Period:

Foreign Point	(a)	(b)	(c)	(d)	(e)	(f)
	Cable		Satellite		Terrestrial	
	Active Circuits 64 kbps equivalents	Idle Circuits 64 kbps equivalents	Active Circuits 64 kbps equivalents	Idle Circuits 64 kbps equivalents	Active Circuits 64 kbps equivalents	Idle Circuits 64 kbps equivalents
Belize						
Canada						
Costa Rica						
El Salvador						
Guatemala						
Honduras						
Mexico						
Nicaragua						
Panama						
Saint Pierre and Miquelon						
North and Central America						
Argentina						
Bolivia						
Brazil						
Chile						
Colombia						
Ecuador						
Falkland Islands (Islas Malvinas)						
French Guiana						
Guyana						
Paraguay						
Peru						
Suriname						
Uruguay						
Venezuela						
South America						

Circuit Status Report Schedule 5 Circuit Capacity on Owned International Facilities

Filing Date:

Reporting Period:

Foreign Point	(a)	(b)	(c)	(d)	(e)	(f)
	Cable		Satellite		Terrestrial	
	Active Circuits <small>64 kbps equivalents</small>	Idle Circuits <small>64 kbps equivalents</small>	Active Circuits <small>64 kbps equivalents</small>	Idle Circuits <small>64 kbps equivalents</small>	Active Circuits <small>64 kbps equivalents</small>	Idle Circuits <small>64 kbps equivalents</small>
Afghanistan						
Bangladesh						
Bhutan						
Brunei						
Burma						
Cambodia						
Chagos Archipelago						
China						
French Southern and Antarctic Lands						
Hong Kong						
India						
Indonesia						
Japan						
Kazakhstan						
Korea, North						
Korea, South						
Kyrgyzstan						
Laos						
Macau						
Malaysia						
Maldives						
Mongolia						
Nepal						
Pakistan						
Philippines						
Singapore						
Sri Lanka						
Taiwan						
Tajikistan						
Thailand						
Timor-Leste						
Turkmenistan						
Uzbekistan						
Vietnam						
Asia						

Circuit Status Report Schedule 5 Circuit Capacity on Owned International Facilities

Filing Date:

Reporting Period:

Foreign Point	(a) Cable		(c) Satellite		(e) Terrestrial	
	Active Circuits	Idle Circuits	Active Circuits	Idle Circuits	Active Circuits	Idle Circuits
	64 kbps equivalents					
Australia						
Cook Islands						
Fiji						
French Polynesia						
Holy See						
Kiribati						
Marshall Islands						
Micronesia, Federated States of						
Nauru						
New Caledonia						
New Zealand						
Niue						
Norfolk Island						
Palau						
Papua New Guinea						
Samoa						
Solomon Islands						
Tonga						
Tuvalu						
Vanuatu						
Wallis and Futuna						
Oceania						

Circuit Status Report Schedule 5 Circuit Capacity on Owned International Facilities

Filing Date:

Reporting Period:

Foreign Point	(a)	(b)	(c)	(d)	(e)	(f)
	Cable		Satellite		Terrestrial	
	Active Circuits <small>64 kbps equivalents</small>	Idle Circuits <small>64 kbps equivalents</small>	Active Circuits <small>64 kbps equivalents</small>	Idle Circuits <small>64 kbps equivalents</small>	Active Circuits <small>64 kbps equivalents</small>	Idle Circuits <small>64 kbps equivalents</small>
Albania						
Armenia						
Azerbaijan						
Belarus						
Bosnia and Herzegovina						
Bulgaria						
Croatia						
Czech Republic						
Estonia						
Georgia						
Hungary						
KOSOVO						
Latvia						
Lithuania						
Macedonia						
Moldova						
Montenegro						
Poland						
Romania						
Russia						
Serbia						
Slovakia						
Slovenia						
Ukraine						
Eastern Europe						

Circuit Status Report

Schedule 5

Circuit Capacity on Owned International Facilities

Filing Date:

Reporting Period:

Foreign Point	(a)		(b)		(c)		(d)		(e)		(f)	
	Cable				Satellite				Terrestrial			
	Active Circuits		Idle Circuits		Active Circuits		Idle Circuits		Active Circuits		Idle Circuits	
	64 kbps equivalents		64 kbps equivalents		64 kbps equivalents		64 kbps equivalents		64 kbps equivalents		64 kbps equivalents	
Antarctica												
Global Mobile Satellite System (GMSS)												
Inmarsat: SNAC												
Maritime - Atlantic												
Maritime - other oceans												
Maritime - Pacific												
Other Regions												
Total All Points												

**STATEMENT OF
CHAIRMAN JULIUS GENACHOWSKI**

Re: Reporting Requirements for U.S. Providers of International Telecommunications Services, Amendment of Part 43 of the Commission's Rules, IB Docket No. 04-112

International Settlements Policy Reform, IB Docket No. 11-80; Joint Petition for Rulemaking to Further Reform the International Settlements Policy, Public Notice, RM-11322, Report No. 2764; Modifying the Commission's Process to Avert Harm to U.S. Competition and U.S. Customers Caused by Anticompetitive Conduct, IB Docket No. 05-254; Petition of AT&T Inc. for Settlements Stop Payment Order on the U.S.-Tonga Route, IB Docket No. 09-10, Second Order and Request for Further Comment; Petition of AT&T Inc. for Settlements Stop Payment Order on the U.S.-Tonga Route, IB Docket No. 09-10, Notice of Proposed Rulemaking, FCC 11-75

Today, the FCC takes important steps to eliminate outdated policies and unnecessary regulatory burdens. We propose to further deregulate the market for international phone calls. We eliminate five collections of data regarding international communications and propose streamlining and modernizing other data collections.

These steps are part of our broader efforts to streamline and modernize the Commission's rules and reduce unneeded burdens on the private sector, while ensuring the right policies and data collections are in place to enable the Commission to carry out its statutory duties. They've been a focus since the start of my tenure, and they build on the strong work of my colleagues on the Commission; indeed, they incorporate ideas from my colleagues.

These efforts include launching our Data Innovation Initiative, which is designed to ensure the Commission's policies are fact-based and data-driven; working on creating a Consolidated Licensing System, which would provide a single portal of access to all of the FCC's licensing systems; making it easier for radio stations to certify compliance with our technical rules; identifying ways to reduce barriers to broadband infrastructure deployment as part of our Broadband Acceleration Initiative; eliminating unnecessary restrictions on the use of certain spectrum bands; and launching a comprehensive review of our current telecommunications regulations, seeking public comment on which regulations are no longer necessary or in the public interest.

In the first notice of proposed rulemaking we adopt today, we propose eliminating our International Settlements Policy from almost all of the few dozen international routes to which it continues to apply.

The International Settlements Policy prohibits certain potentially anticompetitive terms in agreements for exchanging phone traffic between U.S. and foreign carriers with market power. It was adopted to protect U.S. carriers and consumers. In 1996, international phone rates for U.S. consumers averaged \$0.74 per minute. In 2009, they averaged just \$0.08 per minute, and the volume of annual traffic had increased 250 percent over 1996 levels. What happened?

FCC policies made a big difference.

By the mid-1990s, settlement rates for exchanging international traffic remained substantially above cost, despite earlier efforts to reform the International Settlements Policy. So in 1997, the Commission voted to establish rate benchmarks, which prevented foreign monopolists from demanding excessive rates or anticompetitive conditions in agreements with U.S. carriers regarding the exchange of phone traffic.

This policy has led to such growth in competition that we now face a different challenge. For the remaining routes to which the International Settlements Policy continues to apply, the Policy limits U.S. carriers' flexibility to negotiate efficient and innovative termination agreements.

In these markets, the Policy has outlived its usefulness. So it's time for it to go.

Today we are also eliminating unneeded regulations regarding the collection of data on international phone traffic, comprehensively reforming these policies for the first time in almost twenty years.

In February, as part of our Data Innovation Initiative, our agency-wide data team identified twenty data collections to target for elimination or streamlining. The data collections we address today are in addition to those initial twenty collections – identified as the result of further work by our International Bureau.

We're proposing to eliminate all traffic and revenue reporting obligations for more than 1,000 smaller carriers, and to reduce the level of detail other carriers must report about their international traffic by more than 90 percent. Our reforms will save many thousands of hours currently being spent each year to comply with these outdated obligations, and are part of our ongoing efforts to match our data collections with our data needs.

I thank the staff of the International Bureau for their dedicated work on these items.

**STATEMENT OF
COMMISSIONER MICHAEL J. COPPS**

Re: Reporting Requirements for U.S. Providers of International Telecommunications Services, Amendment of Part 43 of the Commission's Rules, IB Docket No. 04-112

International Settlements Policy Reform, IB Docket No. 11-80; Joint Petition for Rulemaking to Further Reform the International Settlements Policy, Public Notice, RM-11322, Report No. 2764; Modifying the Commission's Process to Avert Harm to U.S. Competition and U.S. Customers Caused by Anticompetitive Conduct, IB Docket No. 05-254; Petition of AT&T Inc. for Settlements Stop Payment Order on the U.S.-Tonga Route, IB Docket No. 09-10, Second Order and Request for Further Comment; Petition of AT&T Inc. for Settlements Stop Payment Order on the U.S.-Tonga Route, IB Docket No. 09-10, Notice of Proposed Rulemaking, FCC 11-75

I am pleased that the two items before us today recognize and act upon the substantial changes that have occurred in international communications over the last 20 years and which continue even as we meet today. It is important that FCC policies always evolve to stay on top of this rapidly changing global communications world. I believe that Commission policies over the past two decades have been an undeniable success—providing certainty and protection for American companies and lower rates for American consumers. In those instances where we saw conditions that allowed foreign carriers to abuse their market relationship with U.S. carriers the Commission has generally delivered relief in ways that have been both wise and sound.

We need to remain vigilant in this space. It is only through good information, constant oversight and prompt response that we will avoid further problems in this arena. So I am pleased that we will be assessing our procedures and safeguards in a manner that will be capable of addressing anticompetitive behavior by foreign carriers in an expeditious way while also getting rid of some outdated regulations regarding international traffic. We know that in the last decade the number of U.S. billed international calls has increased 220 percent and that more than 70 billion minutes were recorded in 2009. While this increase has had a significant impact on settlement rates, we need to continue looking at the data to ensure that these savings are passed on to consumers. It's also important that we are revisiting our finding in the 2004 ISP Reform Order that blockage or disruption directly harms the public interest. Since that time the routing has grown more intricate and complex. I'm glad that we are examining these changes and teasing up questions as to what extent partial circuit blockages constitute anticompetitive behavior.

We are also moving forward to modify the data reporting requirements for international carriers to be more in sync with the reality of today's markets and to better respond to the needs of the Commission as we seek to promote competition and the benefits of international communications to American consumers.

Although technology and markets change, our fundamental regulatory responsibilities remain constant. I want to thank the Chairman and the International Bureau for their efforts on this issue and for their continuing vigilance to protect American consumers and our enterprises through workable, fair and efficient rules and policies in the global marketplace.

**STATEMENT OF
COMMISSIONER ROBERT M. McDOWELL**

Re: Reporting Requirements for U.S. Providers of International Telecommunications Services, Amendment of Part 43 of the Commission's Rules, IB Docket No. 04-112

International Settlements Policy Reform, IB Docket No. 11-80; Joint Petition for Rulemaking to Further Reform the International Settlements Policy, Public Notice, RM-11322, Report No. 2764; Modifying the Commission's Process to Avert Harm to U.S. Competition and U.S. Customers Caused by Anticompetitive Conduct, IB Docket No. 05-254; Petition of AT&T Inc. for Settlements Stop Payment Order on the U.S.-Tonga Route, IB Docket No. 09-10, Second Order and Request for Further Comment; Petition of AT&T Inc. for Settlements Stop Payment Order on the U.S.-Tonga Route, IB Docket No. 09-10, Notice of Proposed Rulemaking, FCC 11-75

In my view, it is always a bright day when the Commission removes from its books unnecessary and outdated rules. This agency should constantly scrutinize its regulations to ensure that legacy mandates do not inhibit investment and innovation or impose undue costs that are ultimately paid for by consumers.

Today, the FCC takes a small but positive step toward eliminating unnecessary reporting requirements regarding international telephone service. The Commission is also issuing a further notice seeking comment on streamlining remaining international data reporting to ensure our rules are relevant in light of a rapidly evolving market. Furthermore, we are also voting on a companion notice of proposed rulemaking on potentially eliminating the international settlements policy altogether. This notice recognizes the fundamental progress made in the marketplace while also asking important questions on areas where the Commission may need to maintain a more active presence. All of these measures have my full support.

I thank Chairman Genachowski for scheduling these long-pending proceedings for a vote. Ideally we would have eliminated a greater number of mandates. I am thus hopeful that we will complete our work to review the outstanding reporting requirements in an expeditious manner. Thank you to the International Bureau staff for your excellent work.

**STATEMENT OF
COMMISSIONER MIGNON L. CLYBURN**

Re: Reporting Requirements for U.S. Providers of International Telecommunications Services, Amendment of Part 43 of the Commission's Rules, IB Docket No. 04-112

International Settlements Policy Reform, IB Docket No. 11-80; Joint Petition for Rulemaking to Further Reform the International Settlements Policy, Public Notice, RM-11322, Report No. 2764; Modifying the Commission's Process to Avert Harm to U.S. Competition and U.S. Customers Caused by Anticompetitive Conduct, IB Docket No. 05-254; Petition of AT&T Inc. for Settlements Stop Payment Order on the U.S.-Tonga Route, IB Docket No. 09-10, Second Order and Request for Further Comment; Petition of AT&T Inc. for Settlements Stop Payment Order on the U.S.-Tonga Route, IB Docket No. 09-10, Notice of Proposed Rulemaking, FCC 11-75

Today, the Commission takes a number of important steps to update rules that protect American consumers from anticompetitive conduct in the international communications market. The International Settlements Policy, or ISP, was adopted to protect consumers from anticompetitive behavior on international routes at a time when, in most countries, telephone service was provided by only one company. As the Notice explains, increased competition on international routes has resulted in a substantial reduction in settlement rates that U.S. carriers must pay their foreign counterparts. Because of changes in the market, U.S. carriers contend that the restrictions inherent in the ISP may actually impede their efforts to negotiate lower rates on certain routes.

When a policy could lead to unintended adverse effects against consumers, then it is time to change that policy. Therefore, it is appropriate for the Commission to initiate this proceeding. The Notice properly recognizes that as the Commission removes tools to fight anti-competitive conduct, it should consider ways to improve remaining remedies, so that the agency can respond to competitive concerns in a more efficient and effective manner. I was also pleased to see that the Notice examines whether U.S. carriers are actually passing on the reductions in settlement rates to their consumers.

The Part 43 item takes a principled, well reasoned approach to examine the international communications marketplace and eliminate those requirements, such as the quarterly reports, that are no longer necessary to detect anticompetitive market distortions. The Order also properly retains the annual traffic and revenue reports because they remain necessary for the Commission to meet its statutory obligations, with regard to the review of license transfer applications, and to protect U.S. consumers against anti-competitive conduct.

I commend Mindel De La Torre for her leadership on these issues, and her staff at the International Bureau, for their hard work on these two items.