



Federal Communications Commission
Washington, D.C. 20554

October 24, 2012

I hereby submit this letter to the IB Docket 11-80.

A handwritten signature in cursive script that reads "James L. Ball".

James L. Ball
Chief, Policy Division
International Bureau



United States Department of State

Washington, D.C. 20520

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2012 OCT 18 P 5: 50 October 16, 2012

Dear Chairman Genachowski:

This letter provides comments to further amplify the policy guidance provided by this Department to the Federal Communications Commission (FCC) on January 12, 2010. That letter provided guidance to the FCC for implementing the changes to United States' Cuba policy, announced by the President on April 13, 2009, that are designed to facilitate greater contact between separated family members in the United States and Cuba and increase the flow of information to the Cuban people, including through greater telecommunications links. The purpose of this letter is to provide the Department's comments on the regulatory procedure undertaken by the FCC (IB Docket No. 11-80) to consider reform of the long-standing International Settlements Policy (ISP) with our focus on the treatment of the U.S.-Cuba route under any proposed reform of the ISP.

In the Notice of Proposed Rulemaking adopted on May 12, 2011, and released the following day under IB Docket No. 11-80, the FCC proposed to remove the ISP from all international routes to which it continues to apply, except for Cuba. The only comments provided to the FCC addressing the Cuba route were filed by AT&T on August 18, 2011. AT&T advocated retaining only the non-discrimination requirement of the ISP on the U.S.-Cuba route.

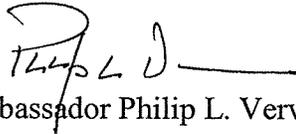
The Department appreciates the FCC's recognition that special consideration and treatment of the U.S.-Cuba route is warranted as the FCC addresses the issue of ISP reform under IB Docket No. 11-80. The Department recommends that the FCC continue to apply at least some aspects of the ISP to ensure that Cuba does not disfavor or discriminate against some U.S. carriers with regard to the accounting rate for terminating traffic on the U.S.-Cuba route. The Department, therefore, supports continued application of the nondiscrimination requirement so that all U.S. carriers are able to negotiate the same effective accounting rates with the same effective dates when direct traffic on the U.S.-Cuba route recommences. In addition, the Department supports the current policy of continuing the application of the benchmark rate to the U.S.-Cuba route as well as the waiver process available for the application of the benchmark rate to that route.

The Honorable Julius Genachowski,
Chairman
Federal Communications Commission
Washington, DC

The Department also recommends that the FCC consider whether retaining other aspects of the ISP would facilitate or hinder the resumption of such direct service. The foreign policy of the United States is to promote the free flow of information between the United States and Cuba through increased telecommunications links. In the event that the FCC seeks to remove the application of the current ISP on all other international routes, the Department supports a different treatment for the Cuba route only to the extent that it would not, in the FCC's view, impede the resumption of direct telecommunications services on that route.

The Department of State is committed to continuing to work with the FCC to determine the appropriate treatment of the U.S.-Cuba route as the Commission considers any and all regulatory changes affecting international routes.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Philip L. Verveer", with a horizontal line extending to the right.

Ambassador Philip L. Verveer
U.S. Coordinator for International
Communications & Information Policy