

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Assessment and Collection of Regulatory Fees for Fiscal Year 2013)	MD Docket No. 13-140
)	
Procedures for Assessment and Collection of Regulatory Fees)	MD Docket No. 12-201
)	
Assessment and Collection of Regulatory Fees for Fiscal Year 2008)	MD Docket No. 08-65
)	

JOINT COMMENTS OF INTERNATIONAL CARRIER COALITION

The International Carrier Coalition (“Coalition”), composed of Bestel USA, Inc., Brasil Telecom of America, Inc. (d/b/a GlobeNet), Cedar Cable Ltd., Columbus Networks USA, Inc., Iusatel USA, Inc., Primus Telecommunications, Inc., T.A. Resources N.V., and Unity Cable System, submit the following Joint Comments in response to the Federal Communications Commission’s (“FCC” or “Commission”) Notice of Proposed Rulemaking (“NPRM”) and Further Notice of proposed rulemaking (“FNPRM”) addressing procedures for assessment and collection of regulatory fees, released May 23, 2013, in the above-captioned docket.¹

I. THE METHODOLOGY SET FORTH IN THE NRPM REASONABLY AND FAIRLY ALLOCATES COSTS TO INTERNATIONAL BUREAU LICENSEES IN GENERAL AND SUBMARINE CABLE OPERATORS IN PARTICULAR, AND SHOULD BE ADOPTED

In the NPRM, the Commission has rejected two previous proposals that would have increased the allocation of costs to licensees regulated by the International Bureau by 60-200% --

¹ Coalition members provide international telecommunications services with their own international capacity including submarine cable operations. These carriers provide dark and lit fiber services, international traffic services, private line services, enterprise services including MPLS and VPN, and prepaid calling cards. Coalition members and their interests in this proceeding are described further in the Joint Comments of International Carrier Coalition, filed September 17, 2012, in MD Docket Nos. 12-201 and 08-65, at 1-2.

increases that would have been both inequitable and unjustifiable given that the actual burden on Commission staff has actually *decreased* since the original allocations, especially with regard to international submarine cable operators. The Commission rightly concludes that most of the FTE personnel in the International Bureau, including all of those in the Strategic Analysis and Negotiations Division (SAND) and most of those in the Bureau’s Policy Division are “not significantly involved in regulation or oversight of International Bureau regulatees,” and, accordingly, that the cost of such personnel should not be recovered through fees paid by such regulatees.²

As to submarine cable operators in particular, the NPRM rightly notes that “the provision of international submarine cable service involves little regulation and oversight from the Commission after the initial licensing process.” Indeed, the Commission finds, only *two* FTEs are needed to carry out this work. Despite this minimal regulatory workload, the existing allocation to these providers is the sixth highest among all fee categories.³ The Commission’s proposed relocation of fees is designed to reflect actual staff resources much more accurately, for, as the Commission states: “[F]airness warrants an allocation that more closely reflects the appropriate proportion of direct costs required for regulation and oversight of International Bureau regulatees.”⁴

The Commission’s analysis and conclusions in this regard are amply supported by the record. As the Commission notes, “Consistent with section 9(b) of the Act, any reallocation methodology we adopt must be reasonably related to the benefits provided to the payor of the fee by the Commission’s activities,”⁵ and the NPRM methodology as it relates to international

² NPRM at para. 21.

³ NPRM at para. 27.

⁴ NPRM at para. 18.

⁵ NPRM at para. 20.

operators carries out this fundamental statutory mandate. In addition, the precision of this approach means that it provides the transparency that is needed in this process,⁶ as well as serving the enunciated policy goals of fairness, sustainability and predictability.⁷ Thus, this approach should be adopted without further ado. Because the resulting allocation of costs is fully straightforward, this too should be adopted, and the Commission should in particular adopt the fees for International Bearer Circuits set forth in the table in Attachment B2 of the NPRM.⁸

II. CONCLUSION

The proposed methodology for allocating costs to International Bureau licensees, including submarine cable operators and operators of cross-border circuits between the US and Mexico or Canada, satisfies the Act and is fair, administrable and sustainable. The Commission should adopt it together with the resulting fee levels.

Respectively submitted,

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⁶ NPRM at para. 16.

⁷ NPRM at para. 14.

⁸ The Coalition notes that even these fees are somewhat higher than they should be because the Commission has proposed to prevent “fee shock” by imposing a 7.5% interim cap on rate increases for other licensee categories. See NPRM at paras. 16, 30. This approach has the effect of subsidizing higher-cost regulatees with revenues from fees paid by lower-cost regulatees. Thus, it should be treated strictly as a transitional mechanism, and the Commission should move expeditiously to fully harmonize fees with underlying costs.