

**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 REPLY 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 Reply 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.

**I. COMMENTERS SUPPORT THE COMMISSION’S PROPOSALS TO REALLOCATE INTERNATIONAL BUREAU FTES**

Comments filed in this proceeding demonstrate strong support for the Commission’s proposals to decrease allocations to international carriers, including submarine cable operators, as well as the Commission’s plan to reallocate the costs of FTE personnel in the International

Bureau (including FTE staff in Strategic Analysis and Negotiations Division (SAND) and most of those in the Bureau's Policy Division).<sup>1</sup>

As only *two* FTEs are needed to carry out regulatory oversight of submarine cable operators, the NPRM correctly concludes that submarine cable operators pay more than their fair share in regulatory fee assessments, and that such assessments should be re-calibrated to provide a more equitable allocation. This position is strongly supported by a number of commenters in the proceeding. For example, the Coalition agrees with Telstra Incorporated and Australia-Japan Cable (Guam) Limited, which “applaud and strongly endorse the Commission’s proposed lowering of regulatory fees imposed on submarine cable systems to more accurately reflect the relatively low level of Commission involvement in this market.”<sup>2</sup>

The Coalition also supports the North American Submarine Cable Association’s (NASCA) position urging the Commission to adopt for FY 2013 its proposals to reallocate certain International Bureau FTEs as indirect FTEs, but with a lower submarine cable system fee. “At present, submarine cable operators account for 0.44 percent of direct FTEs but pay 2.8 percent of all annual regulatory fees.”<sup>3</sup>

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<sup>1</sup> The NPRM correctly rejects certain proposals that would have increased the allocation of costs to licensees regulated by the International Bureau by 60-200% -- 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.

<sup>2</sup> Comments of Telstra Incorporated and Australia-Japan Cable (Guam) Limited, at 2.

<sup>3</sup> Comments of North American Submarine Cable Association, at 1-2.

## **II. THE COMMISSION ADEQUATELY JUSTIFIED ITS PROPOSALS AND THESE PROPOSALS SHOULD BE ADOPTED**

### **A. The Commission Justified the Proposal to Allocate FTEs in the International Bureau on a More Granular Basis**

The Commission has adequately justified its proposals in the NPRM. The Coalition disagrees with the proposal of the United States Telecom Association to increase the allocation for the International Bureau to 10.97 percent.<sup>4</sup> A rational view of the functions of the staff in that Bureau demonstrates that the work of many FTEs involves numerous types of issues and licensees beyond international regulatees, and that “fairness warrants an allocation that more closely reflects the appropriate proportion of direct costs required for regulation and oversight of International Bureau regulatees.”<sup>5</sup>

Likewise, the Commission has adequately demonstrated its proposed reallocation of FTEs away from specific Bureaus consistent with Section 9 of the Act, and should therefore reject CTIA--The Wireless Association’s request for re-review of such proposals.<sup>6</sup> Echostar and Dish, for example, point out that the Commission adequately explained that the International Bureau should not be classified in its entirety as a “core bureau” but rather on a more granular Division-by-Division basis given the significant work many International Bureau FTEs perform with other non-International Bureau divisions and bureaus.<sup>7</sup> “Unlike the Wireline Competition

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<sup>4</sup> See Comments of the United States Telecom Association, at 6.

<sup>5</sup> NPRM at para. 18.

<sup>6</sup> See Comments of CTIA--The Wireless Association, at 10-12.

<sup>7</sup> See Comments of Echostar Corp. and Dish Network L.L.C., at 6. See also Comments of SES Americaom, Inc., Inmarsat, Inc. and Telesat Canada, at 2 (“Specifically, we agree that the Commission should adopt its proposal to set regulatory fees for International Bureau licensees based only on the [FTEs] of the International Bureau personnel involved in regulating those entities.”); and Comments of the Satellite Industry Association, at 4-5 (noting the Commission’s proposal to consider only the FTEs of the Satellite Division and the personnel responsible for regulating submarine cable operations when

Bureau or the Media Bureau, which are clearly intended to serve the defined regulatory needs of specific industry segments, the International Bureau was never intended to and does not regulate only a specified group of Commission licensees.”<sup>8</sup> As such, it is unfair to treat the International Bureau as a “core bureau” for FTE allocation purposes.

**B. The Proposed 7.5% Cap Should Be an Interim Measure Only**

Because the proposal’s allocation of costs is fully straightforward, it should be quickly 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, even if only on a transitional basis as the Commission fully implements a more fair distribution of regulatory fees through its proposed 7.5% interim cap on rate increases for other licensee categories.<sup>9</sup> Since the proposed approach has the effect of subsidizing higher-cost regulatees with revenues from fees paid by submarine cable operators and other lower-cost regulatees, it should be treated strictly as a transitional mechanism, and the Commission should move expeditiously to fully harmonize fees with underlying costs.

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establishing the costs to be borne by entities regulated by the Bureau is fully supported by both the facts and the law).

<sup>8</sup> Comments of Echostar Corp. and Dish Network L.L.C., at 6

<sup>9</sup> See NPRM at paras. 16, 30.

### III. CONCLUSION

Consistent with section 9(b) of the Act, any reallocation methodology must be reasonably related to the benefits provided to the payor of the fee by the Commission's activities. Given the International Bureau's limited regulatory oversight of submarine cable operators and other lower-cost regulatees, the Commission has clearly demonstrated why it should treat International Bureau FTEs in a more granular manner, and reallocate certain FTEs as proposed in the NPRM. As such, the Commission's proposed approach should be quickly adopted.

Respectively submitted,

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Dated: June 26, 2013