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Federal Communications Commission
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Washington, D. C. 20554

This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See MCI v. FCC, 515 F 2d 385 (D.C. Circ 1974).

FOR IMMEDIATE RELEASE:
March 11, 2004

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FCC AMENDS INTERNATIONAL TELECOMMUNICATIONS POLICY IN STEP WITH MARKET CHANGES *U.S. Carriers and Consumers to Benefit*

Washington, D.C. – Today, the Commission took another deregulatory step regarding its International Settlement policy (ISP). Recognizing that the U.S.-international telephone market has become more competitive, the Commission exempted a substantial number of additional routes from the ISP. This action provides U.S. carriers greater commercial flexibility to take advantage of a constantly changing global telecommunications market and will lead to more cost-based rates for consumers.

The ISP was designed to ensure nondiscriminatory treatment of U.S. carriers by foreign carriers with market power and serves as a framework by which carriers negotiate commercial agreements to exchange traffic between the United States and other countries. Today's Report and Order lifts the ISP from benchmark-compliant routes. Since the FCC adopted its benchmarks policy in 1997, which seeks to move rates more toward costs, U.S.-international calling prices have dropped, saving U.S. consumers billions of dollars. In addition, since the FCC's 1999 examination of ISP, there have been changes in the global telecommunications market: (1) increased participation and competition in the U.S.-international marketplace; (2) decreased settlement and end-user rates; and (3) greater liberalization and privatization in foreign markets.

These steps forward permit the Commission to further reform its existing regulatory framework so as to maximize consumer benefits of lower calling prices and greater service innovations. The Commission also maintained competitive safeguards to protect U.S. customers on all routes, retained its current benchmarks policy on all U.S.-foreign routes subject to future evaluation and clarified filing requirements with respect to routes exempt from the ISP. In another area, the Commission also announced that it will issue a Notice of Inquiry to evaluate the effect of high foreign mobile termination rates on U.S. consumers and competition.

Action by the Commission March 11, 2004, by Report and Order (FCC 04-53).
Chairman Powell, Commissioners, Abernathy, Copps, Martin, and Adelstein, with
separate statements issued by Chairman Powell, Commissioners' Copps and Adelstein.

Docket No. 03-324

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