

**STATEMENT OF
COMMISSIONER MIGNON L. CLYBURN**

Re: *International Settlements Policy Reform, IB Docket No. 05-254; Joint Petition for Rulemaking of AT&T, Inc., Sprint Nextel Corporation, and Verizon, RM-11322; Modifying the Commission's Process to Avert Harm to U.S. Competition and U.S. Customers Caused by Anticompetitive Conduct, IB Docket N. 09-10; Petition of AT&T for Settlements Stop Payment Order on the U.S. – Tonga Route*

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.