

**STATEMENT OF  
COMMISSIONER JONATHAN S. ADELSTEIN**

*Re: International Settlements Policy Reform; International Settlement Rates; IB  
Dockets No. 02-234 and 96-261*

Today's decision is another important stage in the evolution of our policy towards international settlement rates. In 1997, the Commission took the noteworthy step of adopting a benchmarks policy that has helped to significantly reduce U.S.-international calling prices – a big win for U.S. consumers, particularly those who recently have moved to this country. Seven years later, the international termination rates for a large number of routes are closer to cost-based than ever before. Consequently, we now are able to modify our International Settlements Policy (ISP) to exempt a significant number of routes from the ISP and to allow U.S. carriers to more easily negotiate rates for those routes on a commercial basis.

I fully support this effort to lift the ISP from competitive routes. This is such a positive development, and one that justifies the Commission's 1997 decision to spur competition through policy making. I have said before that where competition takes hold and becomes stable, the Commission is charged with taking the next step: deregulation. But they are two sides of the same coin. Without one, you cannot have the other.

Once the presence of meaningful competition allows us to modify or repeal rules and regulations, we cannot walk away from consumers. In this case, we rightly keep in place a number of safeguards for all routes such as maintaining the existing benchmarks and preserving the "no special concessions" rule. Given the market power exerted by a number of foreign carriers, these safeguards provide a necessary backstop to protect U.S. consumers and carriers.

Finally, I fully support our announcement today to launch later this year a Notice of Inquiry (NOI) into the status of foreign mobile termination rates. I recognize that this announcement may not be welcomed by everyone, but I think we do a disservice to American consumers if we do not continue to keep a close eye on developments in this important segment of our international telecommunications marketplace. There simply is too much at stake for our consumers as more and more international calls are made to relatives, friends, and colleagues who are using wireless phones.

An NOI is the best way the Commission has to gather information in the most transparent and open process possible. And I cannot emphasize enough that this NOI into foreign mobile termination rates is simply just that – an inquiry. I have not prejudged an outcome and, indeed, my preferred outcome would be that the market resolves itself. I hope the record ultimately bears this out, but want to make sure we keep an eye on it in the meantime.