

**STATEMENT OF
COMMISSIONER MIGNON L. CLYBURN**

Re: *Reporting Requirements for U.S. Providers of International Telecommunications Services, Amendment of Part 43 of the Commission's Rules, IB Docket No. 04-112*

With this Order, the Commission takes another important step in updating our reporting requirements to better reflect the current state of the international telecommunications market. The increasing demand for wired and wireless services includes international communications, and consumers expect the same diversity of options, when contacting family, friends, and colleagues abroad, as they have when contacting people right here in the U. S. They want a choice of platforms, networks, and service providers.

This creates challenges for communications companies, both large and small. These businesses must manage their costs and invest in infrastructure in order to keep pace with the increased demand on their networks. They must also, however, continually adjust their business models by bringing more innovation to the market, to effectively compete.

The Commission should do as much as it can to foster this type of innovation, because it may have huge benefits for American consumers. One way the FCC can help is by removing unnecessary regulation and filing requirements so that companies spend less time and money dealing with us, and devote more resources towards bringing higher quality international communications services to consumers.

While the Commission will continually work to that end, it still needs information about the international communications market to comply with its statutory obligations, and when necessary, take actions that serve the public interest. To meet these responsibilities, we commit to continually evaluating the way we collect data so that we may properly assess those dynamic changes. I commend Chairman Genachowski for recognizing this early in his tenure, and directing the staff to start a Data Innovation Initiative to modernize and streamline the data we collect and use. In my opinion, this effort works best when the staff takes a comprehensive approach, proposes creative ways to get the data it needs with the least amount of burden, and collaborates with industry to ensure we do not create unintended consequences.

The Orders adopted in this proceeding, are excellent examples of these principles in action. Last year, in our First Report and Order, we eliminated more than 20 outdated reporting requirements and proposed additional changes that we will adopt today. The Commission is further modernizing and streamlining the remaining requirements that ask international telecommunications carriers to provide information about the circuits they use, the volume of traffic, and their revenues. To keep pace with developments in the market, we will now request information about VoIP service and mobile settlement rates. International VoIP services are a significant and growing component of international calling markets, and to properly understand their impact, we need adequate traffic and revenue data. The high mobile settlement rates charged in many countries have been a source of controversy in the United States and internationally, and since there is little information currently available on mobile settlement rates, it is appropriate for us to gather additional information about them.

The most notable streamlining measure, in this Order however, is the establishment of a \$5 million revenue threshold, below which an entity need not file annual traffic and revenue data for international resale services. This will substantially reduce the amount of information that more than one thousand small resale carriers now have to provide the FCC. This filing threshold

also applies to VoIP service providers. We are also easing reporting burdens by eliminating a number of requirements such as the use of billing codes, providing traditional transit traffic data on a route-by-route basis, and providing the number of international telephone messages.

I want to thank the Chairman, my other colleagues and the staff, for working with my Office, and more importantly, for listening to the concerns of the industry, about the details of a few of the proposals, especially the one regarding the protection of confidential information. To be sure, there is an interest in making traffic and revenue data public. But, we must balance that interest with the filer's interest in not revealing competitively sensitive information. Several parties made persuasive arguments how disclosure of certain confidential information could not only lead to unnecessary administrative costs, but also possibly harm competition in the international services market. The proposal we adopt today, aligns our international reporting rules with our reporting requirements for domestic wireline and mobile services.

I applaud Mindel De La Torre for her leadership throughout this proceeding. I also thank Rod Porter, Mark Uretsky, Francis Gutierrez, David Krech, and Jim Ball for briefing me on this item, as well as all of the staff who worked on this item.