

FCC Proposes Eliminating Annual International Traffic and Revenue Report and Streamlining Annual Circuit Capacity Report

March 26, 2017

At its March 23, 2017 Open Meeting, the Federal Communications Commission (FCC or Commission) voted unanimously to adopt a [notice of proposed rulemaking \(NPRM\)](#) seeking comment on a proposal to reduce certain reporting requirements for international telecommunications service providers (International Service Providers). In particular, the FCC proposes to eliminate, in its entirety, the annual International Traffic and Revenue Report, in which International Service Providers report details regarding their international telecommunications services. The NPRM also seeks comments on ways to streamline the annual Circuit Capacity Report in which International Service Providers report on satellite, terrestrial, and submarine cable system usage and capacity.

Current Reporting and Proposed Changes. Currently, section 43.62 of the FCC's rules, requires International Service Providers to submit two annual reports to the FCC: (1) traffic and revenue; and (2) circuit capacity.

- **Traffic and Revenue Report** details International Service Providers', including providers of interconnected voice over Internet protocol (VoIP) service, traffic and revenue for international voice services, international miscellaneous services, and international common carrier private lines.
- **Circuit Capacity Report** identifies submarine cable, satellite, and terrestrial available and planned capacity between the United States and foreign points.

The NPRM seeks comment on what effect elimination of the Traffic and Revenue Report will have on U.S. consumers and carriers and specific data on the actual time and cost to produce this report. In addition, the Commission proposes to retain the Circuit Capacity Reports on the basis that the reports still provide significant value by giving the FCC "a clear understanding of which operators have deployed what facilities where." The FCC emphasized the value the information provides to the FCC and national security agencies to aid in understanding how to protect critical international infrastructure.

Responsive to industry comments in the Commission's 2016 biennial review proceedings, the FCC seeks input on ways to streamline the circuit capacity reporting requirements to minimize filer burdens and seeks comment on the matters such as:

- Any market changes that warrant reexamination of the type of information collected;
- Whether the FCC should release only regional data, without identifying individual submarine

cable operators; and

- Changing the confidentiality rule for circuit capacity to clarify that requests for confidential treatment will be consistent with section 0.459 of the FCC's rules.

Comments are due 30 days after the NPRM is published in the Federal Register and reply comments are due 15 days later. We will post an update when the filing due dates are known and carriers interested in commenting in this proceeding should be sure to check back with us for more information.

The NPRM has strong Commission backing. In adopting the NPRM, the Commission cited the competitive nature of the international telecommunications sector and a belief that the reports may no longer be necessary in their current form as factors supporting reducing the reporting obligations.

In her statement, Commissioner Clyburn expressed support for the NPRM, noting the importance of regular FCC assessment of whether existing reporting requirements are still in the public interest.

Commissioner O'Rielly expressed his view that, while the NPRM was a good start, it was far from perfect in its current form. While noting his appreciation that efforts were made to quantify the cost of these reports in the NPRM, Commissioner O'Rielly stressed that the Commission tends to underestimate the costs of reporting requirements. He also expressed reservations about the validity of claims that the benefits of the Circuit Capacity reports outweigh their costs and encouraged commenters to ensure they provide detailed information on this matter.

Chairman Pai emphasized that this item would be the beginning of Commission efforts to modernize and reassess its reporting requirements to ensure requirements are actually needed and not being kept simply because of inertia.

The timing of this NPRM is somewhat unusual as these reporting obligations were just revamped in [2013](#). Accordingly, the adoption of this NPRM suggests comments in the Commission's 2016 biennial review proceedings recommending the FCC take action to streamline or eliminate the Part 43 reports resonated within the Commission.

International Service Providers should be sure to consider if they want to make their views known to the Commission on these reporting issues. For additional information regarding this matter, please contact a member of Kelley Drye's Communications Practice.