

# Federal Communications Commission International Reporting Rule Changes Take Effect

May 10, 2018

Almost six months after releasing its October [2017 Order](#) streamlining, eliminating, and revising certain international reporting requirements, on April 25, 2018, the Federal Communications Commission (“Commission”) published a public notice in the Federal Register announcing that the international reporting rule changes were effective on April 25, 2018. While, in practice, a Commission [rule waiver](#) had the effect of implementing one of the reporting changes, the Commission’s recent Federal Register notice publication establishes the official effective date of the reporting rule changes.

The 2017 Order’s international reporting changes follow relatively soon after the Commission’s [2013 revisions](#) (which did not take effect [until 2015](#)) that sought to revamp the international reports to reflect changes in the international telecommunications industry and the Commission’s data needs. The 2017 Order appears, generally, to continue on the same course as the Commission eliminates the annual international traffic and revenue report (“International Traffic Report”), streamlines the annual circuit capacity report (“Circuit Capacity Report”), and adds a new international route list filing requirement.

In light of the many months since the 2017 Order’s October 24, 2017 release, following is a recap of the key reporting changes:

***Annual International Traffic and Revenue Report is Eliminated*** – International service providers are no longer required to submit the annual International Traffic Report. The Commission provided a number of reasons for eliminating the International Traffic Report, including that: the costs of preparing, submitting and reviewing the report’s data outweigh the benefits of the data; changes in the international telecommunications market had rendered the data less relevant; and the data no longer provided a comprehensive picture of the international telecommunications market. In place of the International Traffic Report, the Commission will rely on commercially available data and targeted data requests to carriers. International providers should note that the Commission’s data requests could include any of the information, such as settlement payments for call completion on foreign networks, foreign-billed settlements receipts, foreign-billed revenues, etc., that previously was provided in the International Traffic Report.

***Annual International Circuit Capacity Reports are Further Streamlined*** – Under the prior reporting rules, filers had to report capacity held on international terrestrial, satellite and submarine cable circuits. The Commission’s 2017 Order retained the reporting obligation for submarine cable circuits but eliminated the reporting for terrestrial and satellite circuits.

Although some commenters argued for complete elimination of the Circuit Capacity Report,

submarine cable reporting was retained because the Commission and other government agencies, such as the Department of Homeland Security, view the data as critical to national security and public safety emergency concerns and asserted that there are no reliable alternative sources for the data. However, the reporting was streamlined slightly by the elimination of a requirement that a single licensee report the capacity data on consortium submarine cable systems which typically have multiple licensees. The Commission directed the International Bureau to consult with stakeholders regarding how to change the report filing manual to address reporting by more than one licensee. Commenters in the rulemaking proceeding also questioned the ownership interest reporting categories in the former rules as not reflecting how capacity is currently sold. The International Bureau again was directed to consult with carriers to review the capacity reporting categories and revise them, as necessary, to reflect new capacity provisioning methods while ensuring the Commission continues to receive accurate capacity holder data. Consequently, unlike some of the other rule changes, the issue of capacity ownership categories appears to be somewhat in flux.

The change to the terrestrial and satellite reports is more clear-cut. Filers no longer have to report capacity data for international terrestrial and satellite circuits as this data was used only for regulatory fee purposes. The Commission is in the process of developing a new methodology for assessing regulatory fees on these circuit types and concluded the terrestrial and satellite circuit capacity reporting was no longer necessary.

***New Information Submissions for Facilities-Based International Service Providers –***

Facilities-based international service providers are now required to submit a list of all U.S.-international routes on which the carrier has an arrangement with a foreign carrier to directly terminate traffic in the foreign point. International service providers must make an initial route list filing, submit updates after adding or discontinuing arrangements, and occasionally may receive further targeted data requests from the Commission. The Commission explained that the route data, previously captured by filer International Traffic Reports, will enable the Commission to evaluate allegations of anticompetitive conduct on U.S. -international routes. Acknowledging that public disclosure of the route lists could cause competitive harm, the Commission will treat the route list filings as “not routinely available for public inspection.” The Commission has not yet identified a deadline or released instructions regarding the initial route list submission.

***Annual International Circuit Capacity Report Returns to Rule Section 43.82*** – While not a significant change, those who have been active in the international communications industry for a while may remember that the international Circuit Capacity reporting requirement originally was found in section 43.82 of the Commission’s rules. After a brief move to Section 43.62, as part of the Commission’s international reporting streamlining in 2013, the reporting requirement is now back to its former rule section of 43.82.

Although the next Circuit Capacity report is not due until March 2019, we expect the International Bureau will remain busy developing a new version of the international reporting Filing Manual, establishing the submission deadlines and instructions for the international route termination arrangement list filings, and consulting with stakeholders regarding certain Circuit Capacity reporting details.

Kelley Drye will continue to monitor the status of these international reporting requirements, so continue to check back for more information.