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6712-01

## FEDERAL COMMUNICATIONS COMMISSION

47 CFR Parts 0, 1, 43, 63 and 64

[IB Docket No. 11-80; FCC 12-145]

International Settlements Policy Reform

**AGENCY:** Federal Communications Commission.

**ACTION:** Final rule.

**SUMMARY:** The Commission eliminates the International Settlements Policy (ISP) and applies a modified version to Cuba. The Commission amends its rules and procedures to enhance its ability to respond to foreign carriers' anticompetitive behavior in a timely and effective manner. Eliminating the ISP will enable more market-based arrangements between U.S. and foreign carriers on all U.S.-international routes giving U.S. consumers competitive pricing when they make international calls. The Commission also adopts certain limited measures to improve the Commission's ability to protect U.S. consumers from the effects of anticompetitive conduct by foreign carriers.

**DATES:** Effective [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER], except for the amendment to § 43.51(d) which contains information collection requirements that have not been approved by the Office of Management and Budget (OMB). The Commission will publish a document in the Federal Register announcing the effective date of that rule change.

**ADDRESSES:** Federal Communications Commission, 445 12th Street, SW, Washington, DC 20554. The Commission will seek comments from the Office of Management and Budget (OMB), other Federal agencies and the general public on the Paperwork Reduction Act information collection requirements contained herein in a separate notice to be published in Federal Register.

**FOR FURTHER INFORMATION CONTACT:** James Ball or Kimberly Cook, Policy Division, International Bureau, 202-418-1460. For additional information concerning the Paperwork Reduction Act information collection requirements contained in this document, send an email to PRA@fcc.gov or contact Cathy Williams on (202) 418-2918.

**SUPPLEMENTARY INFORMATION:** This is a summary of the Commission's Report and Order in IB Docket No. 11-80, RM-11322, IB Docket No. 05-254, IB Docket No. 09-10, FCC 12-145, which was adopted on November 29, 2012. The full text of this Commission decision is available for inspection and copying during normal business hours in the FCC Reference Center (Room CY-A257), 445 12<sup>th</sup> Street, SW., Washington, DC 20554. The document may also be downloaded from the Commission's Web site at [http://hraunfoss.fcc.gov/edocs\\_public/attachmatch/FCC-12-145A1.doc](http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-12-145A1.doc). The complete text may also be purchased from the Commission's copy contractor, Best Copy and Printing, Inc., in person at 445 12th Street, SW., Room CY-B402, Washington, DC 20554, via telephone at (202) 488-5300, via facsimile at (202) 488-5563, or via e-mail at FCC@BCPIWEB.COM.

### **Summary of the Report and Order**

1. The Commission finds that the record supports removing the International Settlements Policy (ISP) from the 38 international routes to which it continues to apply, with the exception of Cuba. The market has seen significant competitive growth since the Commission last reviewed the ISP. Further, in today's competitive market, maintaining the ISP has the opposite effect for which it was intended because it now hurts U.S. carriers' ability to negotiate competitive rates with their foreign correspondents. Foreign carriers on ISP routes no longer have the incentive to agree to pay symmetrical rates to U.S. carriers for their U.S.-bound traffic, as required by the ISP, because they can send that traffic to the United States at significantly lower market rates through traffic re-origination arrangements offered by third country foreign carriers on ISP-exempt routes between the United States and those third countries. The Commission believes that removing the ISP from the remaining U.S.-international routes will provide U.S. carriers greater flexibility to

negotiate lower settlement rates on those routes. Thus, it removes the ISP from the remaining international routes with the exception of Cuba, to which we continue to apply a limited form of the ISP as well as the benchmarks policy subject to waivers.

2. The Commission believes it is appropriate to continue to apply only part of the ISP to the U.S.-Cuba route. The Commission finds that continuing to apply the proportionate return and symmetric rate prongs of the ISP to the U.S.-Cuba route would likely complicate the resumption of direct telecommunications services on the route because Cuban carriers are able to continue indirect routing of U.S. traffic. Accordingly, the Commission will remove these requirements from this route. The Commission, believes, however, that the nondiscrimination prong of the ISP is essential to assuring that one U.S. carrier is not favored over another once direct service on the U.S.-Cuba route resumes. Therefore, consistent with the guidance from the U.S. Department of State, the Commission will continue to apply the nondiscrimination prong of the ISP to the U.S.-Cuba route. The Commission will also continue to apply its benchmarks policy to direct U.S.-Cuba traffic subject to waiver.

3. Because the Commission will continue to apply the nondiscrimination prong to U.S.-Cuba traffic, it will provide in its rules that the terms and conditions of any operating or other agreement relating to the exchange of services, interchange or routing of traffic and matters concerning rates, accounting rates, division of tolls, the allocation of return traffic, or the basis of settlement of traffic balances, entered into by U.S. common carriers authorized pursuant to Part 63 of the Commission's rules to provide facilities-based switched voice service on the U.S.-Cuba route in correspondence with a Cuban carrier that does not qualify for the presumption that it lacks market power in Cuba, shall be identical to the equivalent terms and conditions in the operating agreement of another carrier providing the same or similar service between the United States and Cuba. No operating or other agreement inconsistent with this requirement may

become effective unless and until the U.S. carrier obtains a waiver from the Commission. This condition would also be imposed on all section 214 authorizations for direct service to Cuba.

4. Carriers that seek waiver of the nondiscrimination requirement on the U.S.-Cuba route must submit a request to the Commission with a persuasive showing as to the public interest benefits of permitting it to enter into an agreement with a Cuban carrier with market power that contains accounting rates and related arrangements not offered by that Cuban carrier to all other U.S. carriers. Any such request for waiver shall include identification of the Cuban carrier party to the proposed agreement; a copy of the proposed agreement; the present accounting rate (if any); the new accounting rate (including any surcharges); the proposed effective date of the new agreement; a notarized statement by the carrier requesting the waiver that it has informed the Cuban administration that U.S. policy requires that competing U.S. carriers have access to accounting rates negotiated by the filing carrier with a Cuban carrier with market power on a nondiscriminating basis; and a statement as to the public interest reasons the Commission nevertheless should permit the proposed discriminatory accounting rate or related arrangement to go into effect. The filing carrier shall serve a copy of the waiver request on all other U.S. carriers providing switched voice services to Cuba. Any waiver request will be placed on public notice and coordinated with the U.S. Department of State.

5. Because the Commission has removed the ISP from all U.S.-international routes except for the U.S.-Cuba route as described above, it eliminates 47 CFR 64.1001 and 64.1002 (a)-(c) and (e). The Commission adds a provision in 47 CFR 63.22 to implement its continuing policy goal of preventing discriminatory treatment of U.S. carriers on the Cuba route. The Commission also requires any agreement reached on the U.S.-Cuba route to be consistent with this condition and filed with the Commission. The Commission will consider such an agreement routinely available for public inspection. The Commission amends and retains the requirements of 47 CFR 64.1002(d), relocating it to part 63. This section sets forth procedures for Commission consideration of allegations of anticompetitive conduct on international routes.

6. The Commission will require all U.S. carriers to provide information about any above-benchmark settlement rates on an as-needed basis in connection with an investigation of competition problems on selected routes or review of high consumer rates on either multiple or selected routes. The Commission will require U.S. carriers to provide information on request and give confidential treatment to the information pursuant to its rules. On an as-needed basis, the Commission may require U.S. carriers to file all agreements, amendments and rates with the Commission. The Commission might exercise that authority on our own motion or where the Commission receives a complaint from a carrier or from a consumer with respect to a specific international route. The Commission finds that this approach appropriately balances the Commission's need to have notice of above-benchmark rates to prevent and protect against potential anticompetitive behavior while minimizing the burden on U.S. carriers. Finally, the Commission continues to reserve the right to require the filing of particular contracts when presented with evidence of a violation of the "No Special Concessions" rule or of other anticompetitive behavior related to these matters on a particular route.

7. The Commission also adopts certain limited measures to improve the Commission's ability to protect U.S. consumers from the effects of anticompetitive conduct by foreign carriers. The Commission adopts the presumption that partial circuit blockages and threats of circuit blockages, like circuit blockages, constitute anticompetitive behavior. The Commission also adopts additional potential remedies to respond to anticompetitive action following consultation with other U.S. government agencies as appropriate. The Commission determines that the prohibition of increased payments should be remedy used as one of several potential enforcement tools that may be applied based on the facts of each situation. The Commission declines to implement increasing U.S.-inbound rates as a potential remedy and also declines to implement re-imposing the ISP as a potential remedy. The Commission maintains its authority to revoke or place limitations on section 214 authorizations in instances where the carrier or its foreign affiliate is engaging in anticompetitive behavior. The Commission includes the prohibition to

carry or terminate traffic as a potential remedy to be used as appropriate in circumstances where it could prevent or minimize anticompetitive behavior on a U.S.-international route. It also maintained full stop payment orders as an appropriate remedy.

8. Paperwork Reduction Act of 1995 Analyses

This document contains modified information collection requirements. The Commission, as part of its continuing effort to reduce paperwork burdens, will invite the general public, other Federal agencies and the Office of Management and Budget (OMB) to comment on the information collection requirements contained in this document, as required by the Paperwork Reduction Act of 1995, Public Law 104-13 in a separate notice that will be published in the Federal Register. In addition, pursuant to the Small Business Paperwork Relief Act of 2002, Public Law 107-198, see 44 U.S.C. 3506(c)(4), we previously sought specific comment on how we might further reduce the information collection burden for small business concerns with fewer than 25 employees.

**Final Regulatory Flexibility Analysis**

9. As required by the Regulatory Flexibility Act (RFA),<sup>1</sup> an Initial Regulatory Flexibility Analysis (IRFA) was incorporated in the Notice of Proposed Rulemaking (NPRM).<sup>2</sup> The Commission sought written public comment on the proposals in the NPRM, including comment on the IRFA.<sup>3</sup> This Final Regulatory Flexibility Analysis (FRFA) conforms to the RFA.

A. Need for, and Objectives of, the Report and Order

10. In recent years there has been increased participation and competition in the U.S. international marketplace, decreased settlement and end-user rates, and growing liberalization and privatization in foreign markets. Because of this increase, the Commission believes that it is an

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<sup>1</sup> See 5 U.S.C. 603. The RFA, see 5 U.S.C. 601 *et seq.*, has been amended by the Contract With America Advancement Act of 1996, Pub. L. no. 104-121, 110 Stat. 847 (1996) (CWAAA). Title II of the CWAAA is the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA).

<sup>2</sup> International Settlements Policy Reform, Notice of Proposed Rulemaking, IB Docket Nos. 11-80, 05-254, 09-10, RM 11322, 26 FCC Rcd 7233 (2011) (NPRM).

<sup>3</sup> *Id.*

appropriate time to adopt changes to its International Settlements Policy (ISP) and accounting rate policies.

B. Description and Estimate of the Number of Small Entities To Which Rules Will Apply

11. The RFA directs agencies to provide a description of and, where feasible, an estimate of the number of entities that will be affected by the rules.<sup>4</sup> The RFA defines “small entity” as having the same meaning as the term “small business,” “small organization,” and “small governmental jurisdiction.”<sup>5</sup> In addition, the term “small business” has the same meaning as the term “small business concern” under the Small Business Act, unless the Commission has developed one or more definitions that are appropriate to its activities.<sup>6</sup> Under the Small Business Act, a “small business concern” is one that: (1) is independently owned and operated; (2) is not dominant in its field of operation; and (3) meets any additional criteria established by the Small Business Administration (SBA).<sup>7</sup>

12. This Order may directly affect up to approximately 31 facilities-based U.S. international carriers providing IMTS traffic. In the 2010 annual traffic and revenue report, 31 facilities-based and facilities-resale carriers reported approximately \$4.0 billion in revenues from international message telephone service (IMTS). Of these, three reported IMTS revenues of more than \$1 billion, six reported IMTS revenues of more than \$100 million, nine reported IMTS revenues of more than \$50 million, 19 reported IMTS revenues of more than \$10 million, 23 reported IMTS revenues of more than \$5 million, and 26 reported IMTS revenues of more than \$1 million.

Based solely on their IMTS revenues the majority of these carriers would be considered non-

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<sup>4</sup> 5 U.S.C. 603(b)(3), 604(a)(3).

<sup>5</sup> 5 U.S.C. 601(6).

<sup>6</sup> 5 U.S.C. 601(3) (incorporating by reference the definition of “small business concern” in 15 U.S.C. 632). Pursuant to 5 U.S.C. 601(3), the statutory definition of a small business applies “unless an agency after consultation with the Office of Advocacy of the Small Business Administration and after opportunity for public comment, establishes one or more definitions of such term which are appropriate to the activities of the agency and publishes such definition in the Federal Register.”

<sup>7</sup> 15 U.S.C. 632.

small entities under the SBA definition.<sup>8</sup> Neither the Commission nor the SBA has developed a definition of “small entity” specifically applicable to these international carriers. The closest applicable definition provides that a small entity is one with 1,500 or fewer employees.<sup>9</sup> We do not have data specifying the number of these carriers that are not independently owned and operated and have fewer than 1,500 employees. Furthermore, because not all agreements between the U.S. and foreign carriers are required to be filed at the Commission, it is difficult to determine how many of these 31 carriers might have agreements with foreign carriers. The Order adopts a wide variety of proposals intended to promote market-based policies and reduce unnecessary regulatory burdens on all facilities-based U.S. international carriers regardless of size.

C. Description of Projected Reporting, Record Keeping, and Other Compliance Requirements

13. The Order largely reduces projected reporting, record keeping, and other compliance requirements. These changes affect small and large companies equally. In developing the Commission’s ISP, benchmarks and international settlement rates policies, the Commission implemented various reporting requirements to monitor possible anticompetitive behavior and protect the public interest. The Order reserves the right to require the filing of particular contracts when presented with evidence of a violation of the “No Special Concessions” rule or of other anticompetitive behavior related to these matters on a particular route.

D. Steps Taken to Minimize Significant Economic Impact on Small Entities and Significant Alternatives Considered

14. The RFA requires an agency to describe any significant alternatives that it has considered in reaching its proposed approach, which may include the following four alternatives (among others): (1) the establishment of differing compliance or reporting requirements or timetables

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<sup>8</sup> See 13 CFR 121.201, NAICS Code at Subsector 517 – Telecommunications.

<sup>9</sup> 13 CFR 121.201, NAICS codes 513310 and 513322.

that take into account the resources available to small entities; (2) the clarification, consolidation, or simplification of compliance or reporting requirements under the rule for small entities; (3) the use of performance, rather than design, standards; and (4) an exemption from coverage of the rule, or any part thereof, for small entities.<sup>10</sup>

15. The changes adopted in this Order are designed to provide the Commission with information to determine whether its existing regulatory regime may inhibit the benefits of lower calling process and greater service innovations to consumers. Because the Order is broad and changes would likely affect only 31 facilities-based carriers, it would be difficult to adopt specific alternatives for the small facilities-based entities. The changes adopted in the Order would benefit all entities, including small entities.

16. The Order does take action that would minimize the economic impact on all entities, including small entities. For example, the Order removes the ISP from certain remaining routes. This action eliminates the burden of seeking prior Commission approval before a carrier could enter into arrangements with foreign carriers. Any changes to our existing policies and rules will expand the ability of all entities, including small entities, to reap the economic benefits of competition. Thus, the Order does not include any exemption for small entities.

E. Report to Congress

17. The Commission will send a copy of the Order, including this FRFA, in a report to be sent to Congress pursuant to the SBREFA.<sup>11</sup> In addition, the Commission will send a copy of the Order, including the FRFA, to the Chief Counsel for Advocacy of the SBA. A copy of the Order and the FRFA (or summaries thereof) will also be published in the Federal Register.<sup>12</sup>

**Congressional Review Act**

The Commission will send a copy of this Report & Order to Congress and the Government Accountability Office pursuant to the Congressional Review Act, see 5 U.S.C. 801(a)(1)(A).

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<sup>10</sup> 5 U.S.C. 603(c).

<sup>11</sup> See 5 U.S.C. 801(a)(1)(A).

## **Ordering Clauses**

18. IT IS ORDERED that, pursuant to the authority contained in 47 U.S.C. 151, 152, 154(i), 154(j), 201-205, 208, 211, 214, 303(r), 309 and 403 this Report and Order is ADOPTED and the policies, rules, and requirements discussed herein ARE ADOPTED and parts 0, 43 and 64 of the Commission's rules ARE AMENDED.
19. IS ORDERED that the Commission's Consumer and Governmental Affairs Bureau, Reference Information Center, SHALL SEND a copy of this Report and Order, including the Final Regulatory Flexibility Certification, to the Chief Counsel for Advocacy of Small Business Administration, in accordance with section 603(a) of the Regulatory Flexibility Act, 5 U.S.C. 601 et seq.
20. IS FURTHER ORDERED that the policies, rules, and requirements established in this decision shall take effect thirty days after publication in the Federal Register except for § 43.51(d) which contains new information collection requirements that require approval by the Office of Management and Budget (OMB) under the PRA. The Federal Communications Commission will publish a document in the Federal Register announcing such approval and the relevant effective date.

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<sup>12</sup> See 5 U.S.C. 604(b).

List of Subjects in 47 CFR Parts 0, 1, 43, 63 and 64

Freedom of information, Administrative practice and procedure, Communications common carriers, Reporting and recordkeeping requirements, Telephone

FEDERAL COMMUNICATIONS COMMISSION

Marlene H. Dortch,

Secretary.

## **Final rules**

For the reasons discussed in the preamble, the Federal Communications Commission amends 47 CFR Parts 0, 1, 43, 63 and 64 as follows:

### **PART 0 – COMMISSION ORGANIZATION**

1. The authority citation for part 0 continues to read as follows:

**AUTHORITY:** Sec. 5, 48 Stat. 1068, as amended; 47 U.S.C. 155, 225, unless otherwise noted.

2. Amend § 0.457 by revising paragraph (d)(1)(v) to read as follows:

#### **§ 0.457 Records not routinely available for public inspection.**

\* \* \* \* \*

(d) \* \* \*

(1) \* \* \*

(v) The rates, terms and conditions in any agreement between a U.S. carrier and a foreign carrier that govern the settlement of U.S.-international traffic, including the method for allocating return traffic, except as otherwise specified by the Commission by order or by the International Bureau under delegated authority. See, e.g., International Settlements Policy Reform, IB Docket Nos. 11-80, 05-254, 09-10, RM-11322 , Report and Order, FCC 12-145 (rel. Nov. 29, 2012).

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### **PART 1 – PRACTICE AND PROCEDURE**

3. The authority citation for part 1 continues to read as follows:

**AUTHORITY:** 15 U.S.C. 79 *et seq.*; 47 U.S.C. 151, 154(i), 154(j), 155, 157, 225, 227, 303(r), and 309, and the Middle Class Tax Relief and Job Creation Act of 2012, Pub. L. No. 112-96.

4. Amend § 1.1206 by removing and reserving paragraph (a)(12).

#### **§ 1.1206 Permit-but-disclose proceedings.**

(a) \* \* \*

(12) [Reserved]

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**Part 43 – REPORTS OF COMMUNICATION COMMON CARRIERS AND CERTAIN AFFILIATES**

5. The authority citation for part 43 continues to read as follows:

**AUTHORITY:** 47 U.S.C. 154; Telecommunications Act of 1996, Pub. L. 104-104, secs. 402(b)(2)(B), (c), 110 Stat. 56 (1996) as amended unless otherwise noted, 47 U.S.C. 211, 219, 220 as amended.

6. Amend § 43.51 by:

- a. Revising paragraph (a)(1) introductory text and paragraph (d).
- b. Removing the comma at the end of paragraph (b)(1) and adding “; or” in its place.
- c. Removing “, or” at the end of paragraph (b)(2) and adding a period in its place.
- d. Removing paragraphs (b)(3), (e), and (f).
- e. Removing note 3 and note 4 to § 43.51.

The revisions read as follows:

**§ 43.51 Contracts and concessions.**

(a)(1) Any communication common carrier described in paragraph (b) of this section must file with the Commission, within thirty (30) days of execution, a copy of each contract, agreement, concession, license, authorization, operating agreement or other arrangement to which it is a party and amendments thereto (collectively hereinafter referred to as “agreement” for purposes of this rule) with respect to the following:

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(d) Any U.S. carrier, other than a provider of commercial mobile radio services, that is engaged in foreign communications, and enters into an agreement with a foreign carrier, is subject to the Commission's authority to require the U.S. carrier providing service on any U.S.-international routes to file, on an as-needed basis, a copy of each agreement to which it is a party.

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**PART 63 – EXTENSION OF LINES, NEW LINES, AND DISCONTINUANCE,  
REDUCTION, OUTAGE AND IMPAIRMENT OF SERVICE BY COMMON  
CARRIERS; AND GRANTS OF RECOGNIZED PRIVATE OPERATING AGENCY  
STATUS**

7. The authority citation for part 63 continues to read as follows:

**AUTHORITY:** Sections 1, 4(i), 4(j), 10, 11, 201-205, 214, 218, 403 and 651 of the Commissions Act of 1934, as amended, 47 U.S.C. 151, 154(i), 154(j), 160, 201-205, 214, 218, 403, and 571, unless otherwise noted.

8. Amend § 63.14 by revising paragraph (c) to read as set forth below, and removing note to paragraph (c):

**63.14 Prohibition on agreeing to accept special concessions.**

\* \* \* \* \*

(c) This section shall not apply to the rates, terms and conditions in an agreement between a U.S. carrier and a foreign carrier that govern the settlement of U.S. international traffic, including the method for allocating return traffic.

9. Amend § 63.17 by revising paragraph (b) introductory text to read as follows:

**§ 63.17 Special provisions for U.S. international common carriers.**

\* \* \* \* \*

(b) Except as provided in paragraph (b)(4) of this section, a U.S. common carrier, whether a reseller or facilities-based carrier, may engage in “switched hubbing” to countries provided the carrier complies with the following conditions:

\* \* \* \* \*

10. Amend § 63.22 by redesignating paragraph (f) as paragraph (h) and adding new paragraphs (f) and (g) and notes 1 and 2 to § 63.22 as follows:

**§ 63.22 Facilities-based international common carriers.**

\* \* \* \* \*

(f) The terms and conditions of any operating or other agreement relating to the exchange of services, interchange or routing of traffic and matters concerning rates, accounting rates, division of tolls, the allocation of return traffic, or the basis of settlement of traffic balances, entered into by U.S. common carriers authorized pursuant to this part to provide facilities-based switched voice service on the U.S.-Cuba route in correspondence with a Cuban carrier that does not qualify for the presumption that it lacks market power in Cuba, shall be identical to the equivalent terms and conditions in the operating agreement of another carrier providing the same or similar service between the United States and Cuba. Carriers may seek waiver of this requirement. See International Settlements Policy Reform, Report and Order, IB Docket Nos. 11-80, 05-254, 09-10, RM 11322, FCC 12-145 (rel. November 29, 2012).

(g) A carrier or other party may request Commission intervention on any U.S. international route for which competitive problems are alleged by filing with the International Bureau a petition, pursuant to this section, demonstrating anticompetitive behavior by foreign carriers that is harmful to U.S. customers. The Commission may also act on its own motion. Carriers and other parties filing complaints must support their petitions with evidence, including an affidavit and relevant commercial agreements. The International Bureau will review complaints on a case-by-

case basis and take appropriate action on delegated authority pursuant to §0.261 of this chapter.

Interested parties will have 10 days from the date of issuance of a public notice of the petition to file comments or oppositions to such petitions and subsequently 7 days for replies. In the event significant, immediate harm to the public interest is likely to occur that cannot be addressed through post facto remedies, the International Bureau may impose temporary requirements on carriers authorized pursuant to § 63.18 of this chapter without prejudice to its findings on such petitions.

\* \* \* \* \*

Note 1 to § 63.22: For purposes of this section, foreign carrier is defined in § 63.09 of this chapter.

Note 2 to § 63.22: For purposes of this section, a foreign carrier shall be considered to possess market power if it appears on the Commission's list of foreign carriers that do not qualify for the presumption that they lack market power in particular foreign points. This list is available on the International Bureau's World Wide Web site at <http://www.fcc.gov/ib>. The Commission will include on the list of foreign carriers that do not qualify for the presumption that they lack market power in particular foreign points any foreign carrier that has 50 percent or more market share in the international transport or local access markets of a foreign point. A party that seeks to remove such a carrier from the Commission's list bears the burden of submitting information to the Commission sufficient to demonstrate that the foreign carrier lacks 50 percent market share in the international transport and local access markets on the foreign end of the route or that it nevertheless lacks sufficient market power on the foreign end of the route to affect competition adversely in the U.S. market. A party that seeks to add a carrier to the Commission's list bears the burden of submitting information to the Commission sufficient to demonstrate that the foreign carrier has 50 percent or more market share in the international transport or local access markets on the foreign end of the route or that it nevertheless has sufficient market power to affect competition adversely in the U.S. market.

## **PART 64 – MISCELLANEOUS RULES RELATING TO COMMON CARRIERS**

11. The authority citation for part 64 continues to read as follows:

**AUTHORITY:** 47 U.S.C. 154, 254(k); 403(b)(2)(B), (c), Pub. L. 104-104, 110 Stat. 56. Interpret or apply 47 U.S.C. 201, 218, 222, 225, 226, 227, 228, 254(k), 616, 620, and the Middle Class Tax Relief and Job Creation Act of 2012, Pub. L. 112-96, unless otherwise noted.

[Subpart J – Removed and Reserved]

12. Remove and reserve subpart J, consisting of §§ 64.1001 and 64.1002.

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