

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Section 43.62 Reporting Requirements for U.S. Providers of International Services)	IB Docket No. 17-55
)	
2016 Biennial Review of Telecommunications Regulations)	IB Docket No. 16-131
)	

**REPLY COMMENTS OF
USTELECOM**

USTelecom¹ submits these reply comments in response to the Federal Communications Commission’s (Commission) notice of proposed rulemaking regarding the elimination of certain reporting international services reporting requirements (Notice).² In its Notice, the Commission proposes to eliminate its Traffic and Revenue Reports, and proposes to streamline its Circuit Capacity Reports (collectively the “Reports”). The record in this proceeding reflects unanimous support from a broad range of industry sectors for the Commission to eliminate both its Traffic and Revenue Reports and its Circuit Capacity Reports.

A broad range of stakeholders participated in the Commission’s proceeding, including stakeholders from the wireline, wireless, satellite, submarine cable and internet protocol communications industries. Despite their diversity of interests, all of these commenters uniformly agreed that the “anachronistic reporting requirements” are overly burdensome with

¹ USTelecom is the premier trade association representing service providers and suppliers for the telecom industry. Its diverse member base ranges from large publicly traded communications corporations to small companies and cooperatives – all providing advanced communications service to both urban and rural markets.

² Notice of Proposed Rulemaking, *Section 43.62 Reporting Requirements for U.S. Providers of International Services*, 32 FCC Rcd 2606, 82 FR 18090, FCC 17-28 (released March 23, 2017) (*Notice*).

little or no corresponding benefits, are “stale upon release” and reflect “often inaccurate and inconsistent data.”³ Given the consensus in the record that these reports impose significant burdens that outweigh any possible benefits, the Commission should eliminate the Reports.

I. Commenters Uniformly Agree That There is no Longer any Practical Need for the Filing of the Reports

The record reflects strong agreement from industry that the Reports no longer serve any practical need to either industry or the federal government. Multiple commenters noted that by the time either of the Reports are released by the Commission, the data is extremely dated and of limited (if any) value to either industry or the Commission.⁴ For example, one commenter noted that with respect to the Circuit Capacity Reports, “the data (for regulatory fee purposes) is wholly redundant,” and is so “outdated” as to be “irrelevant upon release.”⁵ Regarding the Traffic and Revenue Reports, Verizon correctly notes they are not “particularly useful, especially in comparison to more timely commercial sources of data on industry traffic and revenue.”⁶

³ Joint Comments of International Carriers and Infrastructure Owners, IB Docket No. 17-55, IB Docket No. 16-131, pp. 1 – 2 (submitted May 17, 2017) (*Joint Commenter Comments*). See also, Comments of Sprint Corporation, IB Docket No. 17-55, IB Docket No. 16-131, p. 1 (submitted May 17, 2017) (*Sprint Comments*) (stating that “the costs associated with these reports exceed the benefits, and accordingly supports elimination of the filing requirement” for the Reports); Verizon Comments, IB Docket No. 17-55, IB Docket No. 16-131, p. 1 (submitted May 17, 2017) (*Verizon Comments*) (stating that “eliminating these reports will significantly reduce burdensome paperwork obligations without undermining the agency’s mission to protect consumers from harm in international telecommunications services.”); Comments of CTIA, IB Docket No. 17-55, IB Docket No. 16-131, p. 2 (submitted May 17, 2017) (*CTIA Comments*) (stating that “eliminating the reports will allow CMRS carriers to stop devoting resources to burdensome and unnecessary regulations.”); Comments of AT&T Services, Inc., IB Docket No. 17-55, IB Docket No. 16-131, p. 1 (submitted May 17, 2017) (*AT&T Comments*) (stating that the Traffic and Revenue Reports “have outlived their intended purposes and impose costs that far outweigh any resulting benefits in today’s highly competitive U.S. international market.”).

⁴ *Joint Commenter Comments*, p. 9.

⁵ *Id.*, p. 18.

⁶ *Verizon Comments*, pp. 2 – 3.

Other commenters also correctly point out that the information provided in the Reports is available to the Commission and industry via far less onerous means. One group of joint-comments noted the “wide variety of sources” available to the Commission, including “TeleGeography, Fierce Telecom, Telecomramblings and Telecompaper (to name just a few) that make accurate and current industry information readily available.”⁷ Verizon similarly notes that with respect to the Traffic and Revenue Reports, resources such as “the GW Tracker report or Ovum Global Wholesale reports provide market detail and analysis of global voice and other markets and are available on a monthly or quarterly basis.”⁸

Moreover, AT&T and others point out that even where the Commission needs such information to address alleged anti-competitive conduct, “the Commission may obtain the data necessary to investigate such issues by making direct inquiry to carriers providing service on the relevant route.”⁹ With respect to elimination of the Circuit Capacity Reports, USTelecom agrees with Verizon that “carriers can provide useful data should a specific competitive, national security, or other policy issue arise on a particular cable route or region. Removing the report will not diminish the agency’s ability to obtain and understand data when needed.”¹⁰ Additional

⁷ *Joint Commenter Comments*, p. 19.

⁸ *Verizon Comments*, p. 4.

⁹ *AT&T Comments*, p. 11. *See also*, *Joint Commenter Comments*, p. 10 (stating that “the Commission can – and does – request traffic and revenue information from carriers when it receives a complaint concerning possible anti-competitive conduct on a particular route,” and further stating that the *Notice* states “that it has only had to address three instances of anticompetitive conduct on international routes since 2009.”); *Verizon Comments*, p. 4 (noting that “carriers have a process in which they can raise concerns about competitive problems, such as above-benchmark routes, to the Commission for review and possible remedial action. And if, in the course of such a review, the Commission requires specific data for a particular investigation, it has mechanisms by which it can request data maintained in the ordinary course.”).

¹⁰ *Verizon Comments*, p. 6.

commenters discussed “flexible, targeted, and less burdensome means of addressing policy concerns as they arise,” such as specific, tailored information requests, inter-agency information sharing, and enforcement actions.”¹¹

II. Commenters Uniformly Agree That the Marketplace is Highly Competitive

Consistent with USTelecom’s comments,¹² numerous comments emphasized the highly competitive nature of the international marketplace – including from over-the-top voice over internet protocol providers (VoIP). For example, T-Mobile noted the “number and variety of international service providers today” as being “vastly different than it was “more than 75 years ago when the FCC first started collecting information on international traffic, revenue and capacity.”¹³ Relying on the Commission’s own data, it pointed to the almost two thousand international calling service providers and 354 providers of interconnected VoIP services.¹⁴

The data presented by USTelecom in its initial comments in this proceeding further underscore this competitive reality.¹⁵ Similar to USTelecom’s comments, T-Mobile and others stressed the “large number of international calling service providers offering VoIP services, such Google Voice, Skype, Viber, and WhatsApp), that “vigorously compete with traditional switched services.”¹⁶ Consistent with USTelecom’s recommendation that the Commission acknowledge the significant impact that over the top VoIP services have on competition, one group of joint

¹¹ *Joint Commenter Comments*, p. 19.

¹² Comments of USTelecom, IB Docket No. 17-55, IB Docket No. 16-131, pp. 5 – 10 (submitted May 17, 2017) (*USTelecom Comments*).

¹³ Comments of T-Mobile USA, Inc., IB Docket No. 17-55, IB Docket No. 16-131, pp. 1 – 2 (submitted May 17, 2017) (*T-Mobile Comments*).

¹⁴ *Id.*, p. 2.

¹⁵ *USTelecom Comments*, pp. 5 – 10.

¹⁶ *T-Mobile Comments*, pp. 2 – 3. *See also*, *Joint Commenter Comments*, p. 6; Comments of Inmarsat, IB Docket No. 17-55, IB Docket No. 16-131, p. 3 (submitted May 17, 2017) (*Inmarsat Comments*) (referencing the “myriad of different types of calling services now available.”).

commenters noted that, “consumers have increasingly embraced these alternative services as quality and choice have improved, and this trend is only likely to increase in the future.”¹⁷

III. There is Strong Consensus in the Record that the Burdens Associated with Filing the Reports Far Outweigh Any Benefits

Further, multiple parties agreed with USTelecom’s assertion that the burdens associated with identifying, compiling and consolidating these Reports on an annual basis is an arduous and complex exercise that should be eliminated by the Commission. For example, AT&T now estimates that it takes approximately 790 hours to complete the Traffic and Revenue Reports,¹⁸ while Verizon estimates that it expends “over 600 hours of employee time.”¹⁹ Both estimates far exceed the burden estimates identified by the Commission in its Notice.²⁰

Similarly, T-Mobile notes that with respect to the Traffic and Revenue Reports it has “for years struggled to collect, calculate and prepare the data to be reported.”²¹ Inmarsat mirrored USTelecom’s observation²² that “some carriers’ billing and operational systems may not be configured to allow the data to be easily pulled and compiled, and companies may have multiple

¹⁷ *Joint Commenter Comments*, pp. 6 – 7.

¹⁸ *AT&T Comments*, p. 5 (noting that this comprises “approximately 300 hours for the AT&T Corp. Traffic and Revenue Report, with an additional 100 hours for training, preparing and submitting the revised report, and responding to staff questions; and approximately 290 hours for the separate annual Traffic and Revenue Reports filed by various other AT&T affiliates, again with an additional 100 hours for training, the submission of revised reports and responding to staff questions.”).

¹⁹ *Verizon Comments*, p. 2.

²⁰ *Notice*, ¶ 16.

²¹ *T-Mobile Comments*, p. 6.

²² *USTelecom Comments*, pp. 2 – 3 (noting that “in order for facilities-based international carriers and interconnected VoIP providers to comply with these reporting obligations, they must gather discrete data from a multitude of independent systems; consolidate this data into a single set; and then reconcile the data against their respective general ledger. Due to the complexity of the data aggregation process, multiple steps are required by reporting companies to simply gather and consolidated this information.”).

systems from which the data must be obtained (*e.g.*, legacy systems from prior acquisitions), increasing the burden for each report.”²³ It also agrees with the comments from USTelecom and others that the full cost associated with the Traffic and Revenue Reports “routinely underestimates the costs of its reporting requirements.”²⁴

Sprint notes similar concerns regarding the complexity and burdens associated with compiling the Reports. For example, like many commenters, Sprint highlights the multiple bureaucratic layers of coordination and collection that takes place. Specifically, it states that “several departments within Sprint must coordinate efforts to prepare the Section 43.62 reports, with the following professional (non-clerical) personnel actively involved in this effort: multiple accountants, the manager of accounting, the director of accounting, multiple network planners, the director of government affairs, and the vice president of network core (the officer of the company who certifies the circuit status report).”²⁵ The VON Coalition similarly notes that “providers are employing complex and expensive recording systems to ensure accurate reporting,” and that providers must also “capture and record the information in a manner that enables them to report it to the Commission using the data fields the Commission specifies, or

²³ *Inmarsat Comments*, p. 2.

²⁴ *Id.* See also, *USTelecom Comments*, p. 5; *Verizon Comments*, p. 2 (stating that “the Commission’s estimates on the burdens to prepare and file this report are substantially understated.”).

²⁵ *Sprint Comments*, p. 2. See also, *Iridium Comments*, pp. 1 – 2 (noting that the filing of the Traffic and Revenue Reports “involves the following steps: involves the following steps: (1) Iridium’s outside law firm sends Iridium an email reminder of the filing deadline and what the form entails; (2) Iridium employees confer internally, confirm that the company’s answers from the previous year’s form remain accurate, and provide relevant information to the outside law firm; (3) the outside law firm logs in to the FCC’s system, prepares a draft of the form, and emails the form to Iridium to error-check; (4) at least one Iridium employee checks the form and confirms its accuracy; and (5) the outside law firm files the form and emails confirmation of the filing to Iridium.”).

otherwise expend time and effort to transliterate later.”²⁶

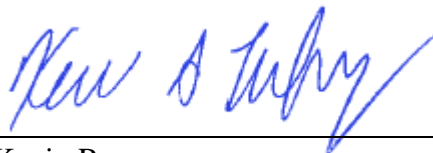
IV. Conclusion

For the reasons discussed herein, USTelecom encourages the Commission to eliminate both its Traffic and Revenue Reports, and its Circuit Capacity Reports. Competition has obviated the original need for these Reports, and the administrative costs associated with these data collections and reporting obligations exceed the benefits to the Commission and industry alike.

Respectfully submitted,

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²⁶ Comments of the Voice on the Net Coalition, IB Docket No. 17-55, IB Docket No. 16-131, p. 3 (submitted May 17, 2017).