



NEWS

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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action.
See MCI v. FCC, 515 F 2d 385 (D.C. Circ 1974).

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FCC ELMINATES OUTDATED REGULATION OF INTERNATIONAL CALLING CHARGES TO PROMOTE COMPETITION AND LOWER INTERNATIONAL CALLING COSTS FOR CONSUMERS

Washington D.C. – As part of ongoing regulatory reform efforts, the Commission today adopted a Report and Order to further modernize its international telephony rules, lower costs, and increase competition. The Report and Order eliminates outdated regulations governing agreements between U.S. and foreign carriers for delivering international phone traffic, while strengthening the Commission’s ability to protect U.S. consumers from the effects of anticompetitive conduct by foreign carriers where specific complaints arise.

The International Settlements Policy (ISP) was created to ensure fair treatment for U.S. international carriers negotiating agreements with foreign carriers with market power by, among other things, requiring foreign providers to offer all U.S. carriers the same settlement rate. But as global competition has increased, traffic routing possibilities have multiplied, and the ISP has impeded robust competition. As a result, over the last decade, the ISP has gradually been removed from most international routes. In this time, global competition has led to the average U.S. calling price for international phone calls falling from \$0.74 to about \$0.053 per minute from 1996 to 2011, even as minutes of use increased over 250%. Elimination of the policy on remaining routes will give U.S. carriers flexibility to negotiate commercial agreements to further reduce international telephone rates for consumers. At the same time, the Commission adopted safeguards to protect against anticompetitive conduct in specific cases. These actions reflect the Commission’s view that international traffic should be subject to market-based arrangements and not limited by unnecessary regulations.

Action by the Commission, released November 29, 2012, by Report and Order (FCC-12-145). Chairman Genachowski, Commissioners McDowell, Clyburn, Rosenworcel and Pai.

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