



PUBLIC NOTICE

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Released: July 9, 1998

DA 98-1369

CLARIFICATION OF SECTION 43.61 INTERNATIONAL TRAFFIC DATA REPORTING REQUIREMENTS

All common carriers that provided international telecommunications services in 1997 must file a report of their international traffic data for calendar year 1997 by July 31, 1998. The detailed filing requirements are contained in the "Manual for Filing Section 43.61 Data" (Manual). This Public Notice provides first a brief overview of the Section 43.61 annual filing requirement. Second, it establishes additional billing codes that "facilities-based" and "facilities-resale" (described below) carriers should use to report U.S. and foreign billed traffic that was settled under an "alternative settlement arrangement" for which the carrier received Commission approval under Section 64.1002 of the rules, 47 C.F.R. § 64.1002. It also makes a conforming change to the billing code for "pure resale" services. Third, this notice provides guidance to carriers with respect to reporting: (1) switched traffic routed over international private lines; (2) "country direct" and "country beyond" services; and (3) "reorigination" services (foreign-billed services which a U.S.-authorized carrier "reoriginated" through the United States). Attached to this Public Notice is a revised table of billing codes for facilities-based and facilities-resale services. This table sets forth the new billing codes for facilities-based and facilities-resale services in a form that is intended to clarify the reporting of data for these services. Carriers that anticipate problems in filing their 1997 data in accordance with the guidelines and billing codes contained in this notice should obtain a waiver prior to July 31.

Overview

All common carriers that billed for international service in 1997, including pre-paid calling card and international call-back service providers, must file Section 43.61 international traffic data by July 31, 1998. Some carriers do not resell international services, but do include on their bills to customers international service charges clearly identified as the charges of other carriers. Such carriers are not required to file Section 43.61 international traffic data.

Section 43.61 filing requirements depend on both the type of service provided and how carriers provide the service. The simplest filing requirements are for "pure resale" services. Carriers provide "pure resale" services by reselling the international switched services of other U.S.-authorized carriers. The Manual contains simplified filing requirements for such "pure resale" services. For example, carriers report their pure resale services on a world total (rather than a country specific) basis, and they may file their data on paper only (rather than also filing on diskette).

Carriers that provided international services over international circuits that they own or lease must provide significantly more information for these services than they provide for "pure resale" services. Carriers file annual data on a country-by-country basis for their facilities-based and facilities-resale services and must include information on international settlement payments and receipts. The Manual defines "facilities-based" service as a service provided using channels of communication which the carrier owns; or in which the carrier has an ownership interest, such as an indefeasible right of use (IRU); or which the carrier leases from an entity that is not required to report those circuits in its own Section 43.61 reports. The Manual defines "facilities-resale" service as a service provided over non-switched international circuits leased from other reporting international carriers. In other contexts, the Commission refers to this method of providing international service as "private line resale." The routing of switched traffic over private lines between the United States and a foreign country has also been referred to as "International Simple Resale (ISR)." The rules governing the provision of ISR are set forth in Section 63.21(a), 47 C.F.R. § 63.21(a), as amended in Rules and Policies on Foreign Participation in the U.S. Telecommunications Market, Market Entry and Regulation of Foreign-Affiliated Entities, IB Docket Nos. 97-142, 95-22, Report and Order and Order on Reconsideration, 12 FCC Rcd 23891 (1997), recon. pending.

Reporting of Traffic Settled Under an Alternative Settlement Arrangement

The Commission requires that U.S.-authorized carriers include in their annual Section 43.61 traffic reports their U.S. and foreign billed traffic that was settled under an "alternative" or "flexible" settlement arrangement for which the carrier received Commission approval under Section 64.1002 of the rules, 47 C.F.R. § 64.1002. See Regulation of International Accounting Rates, CC Docket No. 90-337, Phase II, Fourth Report and Order, 11 FCC Rcd 20063 (1996), recon. pending, at ¶ 61. The attached table of billing codes includes a column headed "Alternative Settlement Arrangements" that sets forth new billing codes, 21 and 22 (public) and 24, 25, and 26 (proprietary), for use by carriers in reporting this traffic.

Billing Code for Reporting of Pure Resale

As explained above, the Manual permits pure resale carriers to file their data on paper only, rather than also filing on diskette. The Manual specifies billing code 21, however, for those carriers that choose to report their pure resale traffic on diskette. Pure resale carriers filing their 1997 data on diskette should use billing code 31, rather than billing code 21. The attached table of billing codes for 1997 specifies billing code 21 for the reporting of traffic that is settled under an alternative settlement arrangement.

Reporting of Switched Traffic Routed Over Private Lines

Carriers that provided international switched or private line services over resold private lines report such traffic using the billing codes specified in the Manual for "facilities-resale" service (i.e., billing codes 11 and 12 (public) and 14 (proprietary)). Additionally, the Commission has clarified that carriers that provide international switched services over their facilities-based private lines must report such traffic using the billing codes specified in the Manual for facilities-resale service. See International Settlement Rates, IB Docket No. 96-261, Report and Order, 12 FCC Rcd 19806 (1997), recon. pending, appeal filed, Cable & Wireless et al. v. FCC, No. 97-1612 (D.C. Cir. filed Sept. 26, 1997), at ¶ 252 (clarifying that carriers routing non-settled switched traffic over their private line facilities should report that traffic as switched facilities-resale service). The attached table of billing codes for facilities-based and facilities-resale services includes billing codes 11 and 12 (public) and 14 (proprietary) under a column that is headed "International Simple Resale and Hubbed Traffic." This heading is intended to highlight that these billing codes should be used by carriers to report switched traffic that they routed over facilities-based or

resold private lines on an unsettled basis between the United States and the country at the foreign end of the private line or between the United States and a point beyond that country via "switched hubbing." See 47 C.F.R. § 63.17 (switched hubbing rule). Like carriers using traditional settlement arrangements, carriers routing switched traffic over private lines are required to report their U.S. and foreign billed traffic by country of termination or origination. See Market Entry and Regulation of Foreign-Affiliated Entities, IB Docket No. 95-22, Report and Order, 11 FCC Rcd 3873 (1995) (subsequent history omitted) at ¶ 170.

Country Direct and Country Beyond Services

Some international calls are initiated in foreign points by customers using "country direct" and "country beyond" services of a U.S. carrier. These calls may terminate in the United States or in other foreign points. Where such calls terminate in the United States (i.e., a "country direct" service), the reporting carrier should report the message counts and minutes, the billed revenue, and the settlement payments for the country in which the calls originate. Where these calls terminate in other international points (i.e., a "country beyond" service), the carrier should report separately the originating and terminating legs of the calls. Thus, approximately two minutes will be reported for each conversation minute for "country beyond" service that both originates and terminates in foreign points. Carriers should report the billed revenue for country beyond service for the country in which the calls originate. Settlements for these calls, however, should be reported separately for each leg of these calls. Where traffic is exchanged on the originating and terminating legs using different settlement or facilities arrangements, the traffic on each leg should be reported using the appropriate billing code.

Reorigination Services

U.S.-authorized carriers that "reoriginate" traffic for foreign carriers may request a waiver of the Manual requirement to report reorigination traffic using the billing codes set forth in the attached table of billing codes (rather than using billing code 3 for transit traffic). Pursuant to this waiver, the carrier would include the terminating leg of its reorigination traffic in billing codes 1, 11, and 21 (public). The U.S. carrier typically will owe and report settlements only on the terminating leg of reorigination traffic. Total receipts from the foreign carrier for these calls would be reported for the terminating leg of the call. In the proprietary version of the data, the carrier would separate out its reorigination traffic from other traffic reported under billing codes 1, 11, and 21. Both the originating and terminating legs of reoriginated calls would be reported in the proprietary version of the data. For the originating legs, the carrier would report messages and minutes only. These files would be reported using separate proprietary billing codes for the terminating leg (billing codes 5, 15, and 25) and originating leg (6, 16, and 26) of the calls.

The Manual for Filing Section 43.61 Data is available in the reference room maintained by the Common Carrier Bureau at 2000 M Street, N.W., Room 575. Copies of the Manual can be purchased by calling International Transcription Service, Inc. (ITS) at (202) 857-3800. The Manual can be downloaded [file name MANUAL95.ZIP] from the FCC-State Link internet site (<http://www.fcc.gov/ccb/stats>) on the World Wide Web.

By the Chief, International Bureau

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For additional information, contact Linda Blake or Jim Lande of the Common Carrier Bureau's Industry Analysis Division, (202) 418-0940, or Susan O'Connell of the International Bureau's Telecommunications Division, (202) 418-1470.

Table of Billing Codes
Billing Codes for Facilities-based and Facilities-Resale Services *

Switched Services	Traditional Settlement & Proportionate Return		International Simple Resale and Hubbed Traffic		Alternative Settlement Arrangements	
	public	proprietary	public	proprietary	public	proprietary
Service Originates from the U.S. point served						
Billed by U.S. Carrier						
Settled with (or settlement-like payment to) carrier in destination point; or exchanged with an affiliate in destination point						
Private line routing: traffic routed over private lines directly to country of termination	n.a.	n.a.	11	11	n.a.	n.a.
Direct routing, traditional/alternative settlement: carried over U.S. carrier half circuits to destination point (including circuits that are hard patched through an international point)	1	1	n.a.	n.a.	21	21
Indirect routing: switched transit through another international point. (U.S. carrier owes settlement to carrier in destination market and transit fee to intermediate carrier.)	1	1	n.a.	n.a.	21	21
Hubbed by a carrier in another international point **	n.a.	n.a.	11	11	n.a.	n.a.
Billed by Foreign Carrier						
Collect Call	2	2	12	12	22	22
Subscriber toll free (800, 888, etc)	2	2	12	12	22	22
Calling card or other billing arrangement	2	2	12	12	22	22
Service Originates from international point						
And terminates in the U.S. point served						
Billed by Foreign Carrier	2	2	12	12	22	22
Billed by U.S. Carrier						
Collect Call	1	1	11	11	21	21
Subscriber toll free (800, 888, etc)	1	1	11	11	21	21
Calling card or other billing arrangement (Country Beyond or Country Direct)	1	4	11	14	21	24
And transits the U.S. point served						
Billed by Foreign Carrier						
Foreign carrier settles with country of termination directly or through cascade arrangement	3	3	n.a.	n.a.	n.a.	n.a.
Reoriginated by U.S. Carrier and treated as U.S. carrier traffic for settlement purposes						
terminating leg	1	5	11	15	21	25
originating leg	exclude	6	exclude	16	exclude	26
Billed by U.S. Carrier:						
Calling card or other billing arrangement	1	4	11	14	21	24

Private Line Services	Facilities-based		Facilities-resale	
	public	proprietary	public	proprietary
All circuits from U.S. point to theoretical midpoint of circuit	1	1	11	11

* Facilities-based services are provided using international transmission facilities owned in whole or in part by the carrier providing service. Facilities-resale services are provided by a carrier using non-switched international circuits leased from other reporting carriers. These are distinct from Pure Resale services, which are switched services that are provided by reselling the international switched services of other carriers.

** The US carrier does not make a settlement or settlement like payment directly to the carrier in the country of termination. The US carrier reports as settlement payments for the country of termination any amounts owed to the carrier(s) in the intermediate point. This amount should include any amounts paid by affiliates to the terminating carrier associated with this traffic.