

**Resolution on the Regulation  
of International Accounting Rates**

**WHEREAS**, The Federal Communications Commission (FCC), on May 9, 1991, in Docket No. 90-337, issued an order in Phase I in which it adopted procedural reforms that remove any U.S. regulatory impediments to lower, more economically efficient, cost-based international accounting rates and should expedite international calling price reductions for U.S. and foreign consumers; and

**WHEREAS**, The FCC, on May 9, 1991, in Docket No. 90-337, issued a Further Notice of Proposed Rulemaking on the Regulation of International Accounting Rates which proposes to conduct a study of international calling prices and report on what, if any, further action should be considered to reduce international calling prices to and from the United States; require that carriers report their progress in negotiating accounting rate reductions for Asia and Europe by January 1, 1993; develop additional data and any analytical framework for assessing the instances in which there has been insufficient progress with particular countries so that the FCC can be prepared to take additional regulatory action; and, provide for unlimited resale and shared use of U.S. international telecommunication services; and

**WHEREAS**, The FCC believes these actions are necessary to ensure that U.S. consumers are not forced to continue to pay unreasonable or discriminatory charges to foreign administrations, and to ensure that U.S. consumers enjoy lower, more cost-based, international calling prices; and

**WHEREAS**, There are indications that U.S. carriers are paying higher rates to terminate traffic in some countries than other foreign carriers are paying in those countries; and

**WHEREAS**, The FCC is considering whether it should require, as a matter of U.S. law, unlimited resale and shared use of all U.S. carrier-provided international telecommunication services, including international private line services, for all countries or whether it should require a more cautious approach that would require U.S. carriers to permit unlimited resale only with those countries that are in the process of implementing cost-based international accounting rates and more liberal telecommunication regimes; and

**WHEREAS**, The calling prices from the U.S. to other countries are often lower than the prices of calls from other countries that terminate in the U.S.; and

**WHEREAS**, The U.S. settlements deficit is approaching \$3 billion annually; and

**WHEREAS**, The reality of the inequities caused by high accounting rates and calling prices were experienced first hand by the members of the armed services on duty in the Persian Gulf and

their families during the recent Desert Storm action; now, therefore, be it

**RESOLVED**, That the Executive Committee of the National Association of Regulatory Utility Commissioners (NARUC), convened at its Summer Meeting in San Francisco, California, commends the FCC for its assertive actions in addressing the high international accounting rates and the international calling prices; and be it further

**RESOLVED**, That unlimited resale and shared use of U.S. carrier provided international telecommunication services, should only be authorized to those countries that are in the process of implementing cost-based international accounting rates and more liberal telecommunication regimes, including permitting or requiring resale of international telecommunication services, in order not to further increase the existing trade deficit in telecommunication services, nor encourage inequitable treatment of U.S. carriers; and be it further

**RESOLVED**, That the FCC extend their filing requirements on carrier operating agreements to include all international private line interconnection arrangements; and be it further

**RESOLVED**, That NARUC Executive Committee supports the FCC's efforts to encourage lower international calling prices from other countries to the U.S. as well as lower calling prices for calls originating in the U.S. in order to stimulate more international calls terminating in the U.S.; and be it further

**RESOLVED**, That the NARUC General Counsel be directed to file comments in the FCC's Further Notice of Proposed Rulemaking in Docket No. 90-337, Phase II, in support of the FCC's efforts to address the inequities and problems with the international accounting rates and calling prices and reduce the current subsidies to foreign countries included in those rates and prices.

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Sponsored by the Committee on Communications  
Adopted July 24, 1991