

Federal Communications Commission

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either have an attest engagement performed by an independent auditor every two years, covering the prior two year period, or have a financial audit performed by an independent auditor every two years, covering the prior two year period. In either case, the initial engagement shall be performed in the calendar year after the carrier is first required to file a cost allocation manual.

(b) The attest engagement shall be an examination engagement and shall provide a written communication that expresses an opinion that the systems, processes, and procedures applied by the carrier to generate the results reported pursuant to §43.21(e)(2) of this chapter comply with the Commission's Joint Cost Orders issued in conjunction with CC Docket No. 86-111, the Commission's Accounting Safeguards proceeding in CC Docket No. 96-150, and the Commission's rules and regulations including §§32.23 and 32.27 of this chapter, and §64.901, and §64.903 in force as of the date of the auditor's report. At least 30 days prior to beginning the attestation engagement, the independent auditors shall provide the Commission with the audit program. The attest engagement shall be conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants, except as otherwise directed by the Chief, Enforcement Bureau.

(c) The biennial financial audit shall provide a positive opinion on whether the applicable date shown in the carrier's annual report required by §43.21(e)(2) of this chapter present fairly, in all material respects, the information of the Commission's Joint Cost Orders issued in conjunction with CC Docket No. 86-111, the Commission's Accounting Safeguards proceeding in CC Docket No. 96-150, and the Commission's rules and regulations including §§32.23 and 32.27 of this chapter, and §64.901, and §64.903 in force as of the date of the auditor's report. The audit shall be conducted in accordance with generally accepted auditing standards, except as otherwise directed by the Chief, Enforcement Bureau. The report of the independent auditor shall be filed at the time that the carrier files

the annual reports required by §43.21(e)(2) of this chapter.

[67 FR 5702, Feb. 6, 2002, as amended at 67 FR 13229, Mar. 21, 2002]

§ 64.905 Annual certification.

A mid-sized incumbent local exchange carrier, as defined in §32.9000 of this chapter, shall file a certification with the Commission stating that it is complying with §64.901. The certification must be signed, under oath, by an officer of the mid-sized incumbent LEC, and filed with the Commission on an annual basis at the time that the mid-sized incumbent LEC files the annual reports required by §43.21(e)(2) of this chapter.

[67 FR 5702, Feb. 6, 2002]

Subpart J—International Settlements Policy and Modification Requests

§ 64.1001 Requests to modify international settlements arrangements.

(a) The procedures set forth in this rule apply to carriers that are required to file with the International Bureau, pursuant to §43.51(e) of this chapter, requests to modify international settlement arrangements. Any operating agreement or amendment for which a modification request is required to be filed cannot become effective until the modification request has been granted under paragraph (e) of this section.

(b) A modification request must contain the following information:

- (1) The applicable international service;
- (2) The name of the foreign telecommunications administration;
- (3) The present accounting rate (including any surcharges);
- (4) The new accounting rate (including any surcharges);
- (5) The effective date;
- (6) The division of the accounting rate; and

(7) An explanation of any proposed modification(s) in the operating agreement with the foreign correspondent.

(c) A modification request must contain a notarized statement that the filing carrier:

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(1) Has not bargained for, nor has knowledge of, exclusive availability of the new accounting rate;

(2) Has not bargained for, nor has any indication that it will receive, more than its proportionate share of return traffic; and

(3) Has informed the foreign administration that U.S. policy requires that competing U.S. carriers have access to accounting rates negotiated by the filing carrier with the foreign administration on a nondiscriminatory basis.

(d) Carriers must serve a copy of the modification request on all carriers providing the same or similar service to the foreign administration identified in the filing on the same day a modification request is filed.

(e) All modification requests will be subject to a twenty-one (21) day pleading period for objections or comments, commencing the date after the request is filed. If the modification request is not complete when filed, the carrier will be notified that additional information is to be submitted, and a new 21 day pleading period will begin when the additional information is filed. The modification request will be deemed granted as of the twenty-second (22nd) day without any formal staff action being taken: provided

(1) No objections have been filed, and

(2) The International Bureau has not notified the carrier that grant of the modification request may not serve the public interest and that implementation of the proposed modification must await formal staff action on the modification request. If objections or comments are filed, the carrier requesting the modification request may file a response pursuant to §1.45 of this chapter. Modification requests that are formally opposed must await formal action by the International Bureau before the proposed modification can be implemented.

(f) Subject to the availability of electronic forms, all modifications and related submissions described in this section must be filed electronically through the International Bureau Filing System (IBFS). A list of forms that are available for electronic filing can be found on the IBFS homepage. For information on electronic filing requirements, see part 1, §§1.1000 through

1.10018 of this chapter and the IBFS homepage at <http://www.fcc.gov/ibfs>. See also §§63.20 and 63.53.

[56 FR 25372, June 4, 1991, as amended at 58 FR 4354, Jan. 14, 1993; 60 FR 5333, Jan. 27, 1995; 62 FR 5541, Feb. 6, 1997; 62 FR 64758, Dec. 9, 1997; 64 FR 34742, June 29, 1999; 66 FR 16882, Mar. 28, 2001; 69 FR 23154, Apr. 28, 2004; 69 FR 29903, May 26, 2004; 69 FR 40327, July 2, 2004; 70 FR 38800, July 6, 2005]

§ 64.1002 International settlements policy.

(a) Except as provided in paragraph (b) of this section, a common carrier that is authorized pursuant to part 63 of this chapter to provide facilities-based switched voice, telex, telegraph, or packet-switched service on a U.S. international route, and that enters into an operating or other agreement to provide any such service in correspondence with a foreign carrier that does not qualify for the presumption that it lacks market power on the foreign end of the route, must comply with the following requirements:

(1) The terms and conditions of the carrier's 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, are 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 the same foreign point.

(2) The carrier shall not bargain for or agree to accept more than its proportionate share of return traffic.

(3) The division of tolls shall be evenly-divided between the U.S. carrier and foreign carrier.

(4) The carrier must also duly comply with the requirements in §43.51 and §64.1001 of this chapter.

NOTE TO PARAGRAPH (a): Carriers shall rely on the Commission's list of foreign carriers that do not qualify for the presumption that they lack market power in particular foreign points for purposes of determining which of their foreign carrier correspondent agreements are subject to the requirements of this paragraph. This list is available on the International Bureau's World Wide Web site at <http://www.fcc.gov/ib>.