

TALKING POINTS FOR VENEZUELA MEETING 7/7/93

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CALL-BACK

- Under call-back, a customer in a foreign country calls a U.S. phone number and is able to obtain U.S. dial-tone, at which point the customer can dial further and connect with another party in the U.S. or in a third country, at U.S.-tariffed calling prices.
- The Commission is sensitive to the concerns of foreign service providers regarding the issue of call-back, which the Commission is currently studying.
- We believe that call-back is largely a market response to the high collection rates set by foreign service providers.
- Reducing collection rates and accounting rates should result in a decrease in call-back activity.

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ACCOUNTING RATES

- The FCC believes that accounting rates based on the cost of providing international telephone service, and not set significantly above that level, benefit both correspondents and their customers.
- Cost-based accounting rates allow for low collection rates, which stimulate calling volume, promote efficiency and generate greater revenues for all companies concerned, and enhance foreign trade and economic growth in general.
- In the U.S., lower calling prices have benefitted both consumers and telecom suppliers, the former with lower prices and more service options and the latter with higher revenues.
- The Commission is currently considering further options necessary to meet its goal of achieving cost-based accounting rates in relations between U.S. carriers and their foreign correspondents.
- The Commission is encouraged by the recent efforts of certain countries, especially Chile and Trinidad and Tobago, to take steps to reduce accounting rates with the United States, but recognizes that much additional work remains before real success is achieved in reducing accounting rates to cost.
- Accounting rates between U.S. service providers and most of those in South and Central America are generally high. The benchmark accounting rates set by the FCC for this region are .55-.84 SDR (\$.78-\$1.20) per minute.

TELEPHONE SERVICE BETWEEN THE US AND CUBA

- At present, AT&T is the only authorized provider of telephone service to Cuba.
- AT&T has a cable between the US and Cuba which Cuba refuses to activate because under current policies set by Treasury Department, no US dollars can be paid to Cuba. All amounts owing to Cuba must go into a blocked account.
- AT&T's service has been severely curtailed ever since its radio tower in Florida was destroyed by Hurricane Andrew last fall. It is not economically feasible to replace it.
- Since Hurricane Andrew, Cuba has repeatedly interfered with AT&T's attempts to route traffic to Cuba through third countries. The last remaining circuits (through Italy) have been limited to 20,000 minutes per month, causing almost complete blockage.
- Conflicting reports indicated that Cuba would refuse to accept any calls through Italy effective July 1. This has not happened.
- Newspaper ads indicate that calling is available to Cuba through Canada and other third countries via 800 numbers. We are not aware of any companies legally authorized to provide such services. An investigation is being initiated. Treasury Department has also been asked to take appropriate enforcement action.
- Soon the Commission will begin to accept applications for new service to Cuba under the Cuban Democracy Act (CDA) adopted last fall. We are awaiting State Department guidelines. The CDA would permit payments to Cuba and telecommunications facilities "in such quantity and of such quality as ... to provide efficient and adequate telecommunications."

UNITED STATES GOVERNMENT
M E M O R A N D U M

DATE: 27 June 1994

TO: Chairman Quello

FROM: OIC - Jim Ball

THRU: Rudy Baca

RE: Latin America Telecommunications Summit of 1993 (LATS)

Subject: "Regulating Mass Media and Cable TV in a New Environment"

When: July 6 - 9, 1994

NOTE: Chairman Quello will participate in a high-level panel, "Liberalization and Privatization," Thursday, July 8, 1993 at 2:00 - 3:45 pm.

Sponsors: National Telecommunications and Information Administration (NTIA) and Telecommunications Industry Association (TIA) and U.S. Telecommunications Industry (various domestic service and equipment providers, list attached)

Hosts: U.S. Department of Commerce [Secretary Ron Brown] and Venezuela Ministry for Communications [Minister Jose Domingo Santander].

Note: Most officials speak English but translation facilities will be provided.

Location: Margarita Island (a resort off the coast of Caracas, Venezuela)

Purpose: To bring together high-level officials involved in telecommunications regulation from throughout North and Latin America.

Format: A conference featuring panels of high level officials; briefings by country representatives; and meetings between officials and domestic U.S. industry officials.

Background:

The Latin American Telecommunications Summit is jointly sponsored by NTIA and TIA (Telecommunications Industry Association). Although this is the initial conference of this type in Latin America, it is patterned after three similar conferences that have been sponsored previously in Southeast Asia by NTIA and TIA. Moreover, it follows-up a TIA policy symposium on telecom opportunities in Latin America held in November 1993.

Although this summit is a government-to-government forum, it is underwritten by domestic telecom manufacturers and service providers. The summit is officially co-hosted by the U.S. Secretary of Commerce, Ron Brown, and the Venezuelan Minister, Sr. Domingo Santander. Given the recognized importance and timeliness of the topic and the high-level hosts, all the invited Latin American Ministers (see list) have accepted.

In exchange for their sponsorship, the private sector rep's will be given the opportunity to attend the country briefings, meet one-on-one with the Ministers, and host social events for general mingling and discussion. Most of the biggest players (see list) are supporting the summit enthusiastically.

The format for the summit is a series of panel briefings by the ministers and commercial service officers. The schedule includes plenty of unscheduled time to accord an opportunity for informal private sector-to-official small meetings/lunches/social events (e.g., tennis and golf).

The venue, Margarita Island, is a resort off the coast of Venezuela. It is less than a thirty minute flight. Hourly shuttle flights are being arranged by the Venezuelan co-host, Mr. Mottola. Margarita Island was selected because of its wealth of resort facilities (numerous restaurants, tennis, golf and water sports) and self-contained layout. This promotes safety and conviviality.

NTIA will have two high-level rep's (probably Larry Irving and Jean Prewitt); CIP will be invited to send one rep (Mike Fitch). Secretary Brown is bringing several (yet unnamed) Commerce officials.



LATIN AMERICAN TELECOMMUNICATIONS SUMMIT 1993

July 6 - 9, 1993
Margarita Island, Venezuela

LIST OF PARTICIPATING U.S. COMPANIES

AMERITECH INTERNATIONAL
AT&T
BELL SOUTH INTERNATIONAL
COMSAT
DIGITAL EQUIPMENT CORP.
DSC COMMUNICATIONS
ENSIGN-BICKFORD OPTICS
GE ERICSSON
GENERAC
GTE
HEWLETT-PACKARD
HIALEAH COMMUNICATIONS
HUGHES AIRCRAFT
MICROWAVE NETWORKS
MOTOROLA
NORTHERN TELECOM
PANAMSAT
QUALCOMM
SATELLITE TRANSMISSION SYSTEMS
SCIENTIFIC-ATLANTA
SOUTHWESTERN BELL
STARSYS
TELULAR
TPI COMMUNICATIONS INT'L
TRW
TWENTY-FIRST CENTURY TELECOM



LATIN AMERICAN TELECOMMUNICATIONS SUMMIT 1993

July 6 - 9, 1993
Margarita Island, Venezuela

LIST OF MINISTERS & STAFF as of 5/25/93

Confirmed Participants are listed below. The first person listed is the Head of the Delegation. This list will be updated as additional participants are reported.

- Argentina:**
1. Dr. Germán Kammerath Gordillo
Under Secretary for Communications
 2. Dr. Jose Luis Palazzo, Chairman
 3. Dr. Federico Pinedo, Deputy Chairman
 4. Lic. Mauricio Bosesa, Manager for International Affairs
National Commission for Telecommunications
- Bolivia:**
1. Carlos Aponte
Minister of Communications and Transportation
- Brazil:**
1. Hugo Napoleao
Minister of Communications
- Chile:**
1. Roberto Pilecoff
Deputy Minister of Transportation & Telecommunications
- Colombia:**
1. William Jaramillo-Gómez
Minister of Communications
 2. Dr. Vicente Alonso
Director of Telecommunications & Postal Services
 3. Felix Castro
Chief of the International Office
Ministry of Communications
 4. Dra. Clara Elsa Villalba de Sandoval
President of TELECOM
- Ecuador:**
1. Pablo Lucio Paredes
National Secretary for CONADE (The National Development Council)
 2. Ing. Francisco Politt, General Manager
EMETEL
- Mexico:**
1. Emilio Gamboa Patrón
Secretary of Transportation & Communications
- Peru:**
1. Dante Cordova Blanco
Minister
 2. Willy Contreras Lopez
Vice-Minister of Communications
Ministry of Transportation, Communications, Living & Construction
- Uruguay:**
1. Mariano Brito
Minister of Defense
- Venezuela:**
1. Fernando Martínez Móttola
Minister of Transport & Communications