

**APPLICATION FOR RECLASSIFICATION OF
ALL THE CATEGORY B AND CATEGORY B OBSERVATION LIST
ROUTES AS CATEGORY A**

Statement of the Telecommunications Authority

30 December 2002

Introduction

1. On 9 August 2002, the Telecommunications Authority (“TA”) received an application (the “Application”) by Reach Limited (“REACH”) on behalf of Reach Networks Hong Kong Limited (“Reach Networks”) for reclassification of all the Category B and Category B Observation List routes (the “Routes”, comprising 194 routes) as Category A routes. See **Appendix I** for a list of the Routes.

2. REACH has provided the following justifications for the Routes to be reclassified as Category A:

- (a) The explosive growth of submarine cable capacity regionally and globally has driven down bandwidth prices dramatically. Since the TA has declared Reach Networks non-dominant in external bandwidth services, the wholesale external call services must also be competitive, as it is a downstream market to external bandwidth services. The bankruptcy protection filings of certain global submarine cable operators will not reduce bandwidth supply because such sunk capacity will likely be acquired by other entities at even cheaper costs;
- (b) With the development of regional and global telecommunications hubs as well as the availability of transit and refile, direct physical link to and from a location is no longer a prerequisite to competition. Besides, the liberalization status of other countries is no longer a relevant criterion for route categorization, since the offshore regulators are either indifferent to or unable to prevent illegal bypass activities. Overall, competition is no longer route-specific;
- (c) The liberalization of the external facilities market in Hong Kong has brought about intense competition, including rivalry from some prominent international carriers. Reach Networks’ traffic volume and

market share have been on persistent decline since then and its Category B market share has been tracking the decline on Category A routes. Since January 2001, Reach Networks' outgoing market share for Category B routes has been consistently below 50%. Although its incoming market share is consistently above 50%, the figure is overstated because the true origins of refiled incoming traffic are often not reported.

- (d) The pricing regulations over Category B routes are administratively burdensome both to Reach Networks and to OFTA, considering the insignificant traffic involved. Market prices for wholesale external call services have fallen significantly, but Reach Networks is poorly placed to react, and is therefore at a competitive disadvantage.

3. On 8 October 2002, the TA issued a consultation paper (the "Consultation Paper") seeking views from the industry on the Application. He asked the following questions in particular:

Question 1: whether the approach set out in the November 1998 Statement¹ on route classification remains valid under the present state and competitive nature of the market, in particular whether the Application should be evaluated on a route-by-route or collective basis;

Question 2: whether direct or indirect alternative connections have been established for any of the Routes, in particular the availability of transit and refile;

Question 3: whether the cost of using such alternatives is able to allow genuine price competition in both the outgoing and incoming directions;

Question 4: the level of competition, including market share and pricing trends. In particular, REACH's claim that competition is intense and its collective outgoing market share over the Routes is consistently below 50%;

Question 5: any evidence on the extent of competition in the incoming

¹ TA Statement: *Local Access Charge and Modified Delivery Fee Arrangements*, 25 November 1998

direction, in particular REACH's claim that its incoming market share is overstated because the true origins of refiled incoming calls are often not reported.

4. The consultation ended on 8 November 2002. The TA received 6 submissions from the following parties (in alphabetical order):

- (a) Hong Kong Broadband Network Limited ("HKBN")
- (b) Hutchison Global Communications Limited ("HGC")
- (c) PCCW-HKT Limited ("PCCW-HKT")
- (d) Peoples Telephone Company Limited ("Peoples")
- (e) Reach Limited ("REACH")
- (f) Wharf New T&T Limited ("WNT&T")

5. A summary of the comments from the respondents (with confidential information excised) is given in the **Annex**. Taking into account the views and comments in response to the Consultation Paper, the TA sets out his views and decisions in this statement on the Application.

Background

6. On 1 January 1999, following the liberalization of the external telecommunications services market, interconnection arrangements between external services operators and local network operators changed and external traffic routes were divided into Category A and Category B routes. Category A routes are those with genuine competition at the wholesale external gateway level and Category B are those reliant on a single external gateway then operated by PCCW-HKT (now by Reach Networks). Within Category B, some routes are classified as "Category B Routes on the Observation List", representing potentially competitive routes.

7. In January and April 1999, PCCW-HKT filed two applications to the

TA respectively for re-classification of eleven routes² on the Category B Observation List. The applications were rejected, but the control of gateway prices in the outgoing direction for these routes, except Vietnam, was removed on the basis that genuine price competition could be established in the outgoing direction. However, the delivery fee mechanism on these routes was retained because competition in the incoming direction had not been established³. The routes of Singapore, Taiwan and Philippines were subsequently reclassified as Category A in June 2000 and October 2000⁴. Eight routes therefore remained on the Category B Observation List.

8. On 23 October 2000 PCCW-HKT submitted an application for the reclassification of Mainland China routes to Category A. The TA approved the application and issued a statement "*Application by PCCW-HKT for Reclassification of Mainland China Routes as Category A and Declaration of Non-Dominance in the Retail Market for External Call Services over Mainland China Routes*" to this effect on 17 January 2001.

9. On 27 March 2001, Reach Networks submitted an application to the TA for reclassification of eight routes on the Category B Observation List⁵ as Category A routes. On 24 July 2001, the TA decided that the Indonesia and Malaysia routes should be re-classified as Category A routes and the gateway price control for Vietnam route should be lifted⁶. The TA statement entitled "*Application for Reclassification of Category B Observation List Routes as Category A Routes by Reach Networks Hong Kong Limited*" was issued on 24 July 2001 to this effect⁷.

10. On 25 April 2002, PCCW-HKT submitted an application to the TA for PCCW-HKTC to be declared non-dominant over all the routes it remained dominant. The TA approved the application and issued the TA Statement entitled "*Application for a Declaration of Non-Dominance in the Retail External Call Service Market for All the Routes over which PCCW-HKT Telephone Limited is Still Regarded as Dominant*" on 8 October 2002 to this

² India, Indonesia, Malaysia, Pakistan, Philippines, Singapore, Taiwan, South Africa, Sri Lanka, Thailand and Vietnam.

³ TA Statement entitled "*Reclassification of Category B Routes on the Observation List*" dated 4 August 1999.

⁴ Singapore under TA Statement of 10 June 2000 and Taiwan and Philippines under TA Statement of 3 October 2000.

⁵ India, Indonesia, Malaysia, Pakistan, South Africa, Sri Lanka, Thailand and Vietnam.

⁶ Prior to 24 July 2001, Vietnam was the only route under REACH's application that remained controlled by gateway prices in the outgoing direction.

⁷ Six routes, namely, India, Pakistan, South Africa, Sri Lanka, Thailand and Vietnam therefore remain on the Category B Observation List

effect. In analyzing the entry barriers for the retail external call services market, the TA was satisfied that the outgoing direction of the wholesale market is competitive for most of the Routes. However, the incoming direction has not been tested. He then decided to conduct a complete analysis on route categorization separately under the present Application.

Route classification tests

11. In assessing the Application, the TA would apply the same tests on the status of competition over the Routes as stated in paragraph 7 of the November 1998 Statement:

- (a) whether a service provider in Hong Kong may physically establish connections to and from a particular location without transiting the gateway of [Reach Networks], for example, by international simple resale (ISR) operation over leased circuits, or by separate correspondent relationship in bypass of [Reach Networks'] gateway. In considering whether alternative connections could be made the TA would consider direct and indirect routings (e.g. using refile or transit arrangements) and all technologies capable of providing a reasonably substitutable service; and
- (b) whether the costs of utilising the connections identified in the first test would allow genuine price competition in the supply of external services to and from that location.

12. The TA also maintains that *“[i]n assessing whether effective competition can take place on the routes, consideration will be given to whether effective competition has taken place or can potentially take place. Based on the consideration of potentially effective competition, Category A would include those routes for which operators other than the incumbent choose not to establish physical connections, even though it is possible for such connections to be established.”* (paragraph 8, November 1998 Statement)

Route-by-route versus collective assessment on the Application

13. In the Application, REACH proposed a collective assessment of the

Routes, as opposed to route-by-route analyses performed in previous reclassification applications, for a number of reasons. First, the availability of transit and refile via increasingly developed and sophisticated telecommunication ‘hubs’ provide full flexibility in the routing of international traffic. Second, ‘external call services’ is considered a downstream market to ‘external bandwidth services’, where the TA has declared Reach Networks non-dominant under a collective assessment. Third, Category B regulation, given the insignificant traffic for most of the Routes, is administratively burdensome for both Reach Networks and OFTA.

14. As stated in paragraph 11, transit and refile arrangements will be taken into account when assessing the level of competition in wholesale external call services. The TA defined ‘external call services’ and ‘external bandwidth services’ as two separate markets in declaring Reach Networks non-dominant for the latter⁸. Although external bandwidth is one of the factor inputs to the provision of external call services, the TA observes that international settlement is the most significant cost component instead. The settlement rates have not apparently moved in line with the decline in bandwidth costs globally, and remain uncorrelated between different routes. Even the market refile rates for different routes are different. From a demand perspective, IDD calls to different destinations are still not good substitutes against each other. Therefore, the TA considers a route-by-route assessment on the Application to be more appropriate and prudent than a collective approach. He does not accept insignificant traffic and administrative ease to be the rationale for a collective assessment. However, he will take into account any difference in terms of consumer and producer behaviours over the minority routes.

Competition over the Routes in the outgoing direction

Test (a) – alternative connections

15. Of the 194 routes, the TA has already lifted the gateway price control over 6 of them (being the six routes currently under Category B Observation List)⁹ for being satisfied with the routes classification tests mentioned in paragraph 11 in the outgoing direction. For the remaining 188 routes, the TA observes that during the first ten months of 2002 (the “Period”), based on

⁸ Paragraph 53 of the TA Statement “*Application by Reach Limited for a Declaration of Non-Dominance in the Market for External Bandwidth Services*” dated 15 March 2002.

⁹ India, Pakistan, South Africa, Sri Lanka, Thailand and Vietnam.

monthly submissions of traffic statistics by external call service providers, Reach Networks' monthly market shares in the outgoing direction were as follows:

- consistently below 100% over 175 routes;
- below 100% for certain months within the Period over 10 of the Routes;
- consistently 100% over none of the routes; and
- consistently no industry traffic reported over East Timor, Palestine and Thuraya.

16. For the 185 routes referred to in the first two bullet points in the preceding paragraph, the TA considers the market share figures to be clear indication that alternative physical connections must have been established by Reach Networks' competitors.

17. The TA has previously stated that "*the industry does not separately report traffic over the East Timor and Palestine routes during the Period. As such, he is satisfied that these two routes should be merged into the Indonesia and Israel routes respectively*"¹⁰. He maintains this view for the wholesale market. For the Thuraya route, the conclusion on test (a) is left open due to the lack of direct evidence from market share figures. However, the result of refile analysis under test (b) (see paragraph 19) should indirectly indicate whether alternative connection *exists*. A mere existence of alternative connection is sufficient to satisfy test (a), as stated in paragraph 12.

Test (b) – genuine price competition

18. For the 188 Category B routes that are still subject to gateway price control prior to this statement, the TA has made a comparison between using Reach Networks' gateway, with gateway prices adjusted based on the 'net cost' approach, and alternatives via refile. The 'net cost' adjusts the gateway prices of Reach Networks (downwards) for the supernormal profits from incoming traffic which may be used to offset the cost of outgoing traffic (i.e. neutralizes the advantage of 'net accounting'). The 'net cost' gateway prices therefore represent the potential prices that could be charged by Reach Networks when

¹⁰ Paragraph 47, TA Statement "*Application for a Declaration of Non-Dominance in the Retail External Call Service Market for All the Routes over which PCCW-HKT Telephone Limited is Still Regarded as Dominant*", 8 October 2002

the gateway price controls were lifted. The refile rates over these routes were based on latest available market information obtained by the TA. He observes that:

- refile is available for all 188 routes;
- the costs of refile (including the cost of leased circuits) are lower or very close to Reach Networks' unadjusted 'gross' gateway prices over all 188 routes;
- the costs of refile are lower or very close to Reach Networks' 'net cost' gateway prices over 184 routes; and
- the costs of refile are significantly higher than Reach Networks' net gateway prices over 4 routes (Bahrain, Mauritius, Saudi Arabia, United Arab Emirates).

19. For the Thuraya route, the availability of refile suggests that alternative connection does exist. Therefore, test (a) has been satisfied (see paragraph 17).

20. The TA is satisfied that the costs of utilizing the alternative connections over the 184 routes referred to in the third bullet point of paragraph 18 would allow genuine price competition in the supply of wholesale external call services and therefore the gateway price control is no longer warranted. WNT&T submitted that refile rates are too volatile to be considered an alternative source of supply to Reach Networks' gateway service. However, the TA observes that over the past six months, the refile supply over the Routes has been largely consistent, and the refile rates have generally remained flat or trended down.

21. For the remaining four routes (Bahrain, Mauritius, Saudi Arabia, United Arab Emirates), the TA observes that refile rates are actually lower than Reach Networks' unadjusted 'gross' gateway prices, but the in-out ratios and the accounting rates for these routes are relatively high, leaving room for Reach Networks to potentially undercut the refile rates via 'net accounting'. However, the TA recognizes that 'net accounting' practices may not necessarily be route-specific. Profits from incoming settlement receipts from one route may be used to 'cross-subsidize' outgoing prices for another route. Therefore, gateway price control over those 4 routes is not an effective way to prevent such activities. Instead, he considers that Reach Networks' overall ability to 'net account'

should be assessed in relation to the significance of those routes where the ‘supernormal profits’ come from. Taking into account the traffic pattern and accounting rate margins of those 4 routes, the TA is of the view that Reach Networks’ incoming settlement profits are insufficient to offset its net gateway price premium over refile rates for the majority of the Routes. As such, he is satisfied that gateway price control for all of the Routes can be lifted.

Competition over the Routes in the incoming direction

Test (a) – alternative connections

22. For the 194 Category B and Category B Observation List routes, the TA observes that during the Period, Reach Networks’ monthly market shares in the incoming direction were as follows:

- averages below 50% during the Period, steadily trending downwards and consistently below 50% during the past six months (April to October 2002) over the Macau¹¹ and Thailand¹² routes;
- consistently below 100% (but above 50%) over 19 routes;
- below 100% for certain months within the Period over 8 routes;
- consistently 100% over 30 routes;
- consistently no industry traffic reported over 65 routes; and
- Reach Networks had consistently no traffic over 70 routes, but the industry had traffic (albeit small) over these routes for some months within the period.

23. For the Macau and Thailand routes, the TA is of the view that alternative physical connections must have been established by Reach Networks’ competitors. He also notes Reach Networks’ submission that HGC and SmarTone have been licensed to operate (mobile) external gateways in Macau, and HGC, NWT and WNT&T have established physical links to Macau. WNT&T also acknowledged this in its submission. He also considers

¹¹ Under Category B prior to this statement

¹² Under Category B Observation List prior to this statement

the sustained and significant market share erosion against Reach Networks to be strong indication of genuine price competition, to the extent that indirect evidence from modified delivery fee (MDF), as described under test (b) below, is not needed. He is satisfied that the Macau and Thailand routes should be reclassified as Category A routes.

24. For the 27 routes referred to in the second and the third bullet points in paragraph 22, the TA is of the view that alternative physical connections must have been established by Reach Networks' competitors. However, since Reach Networks still has the vast majority market shares over these routes, indirect evidences from MDF under test (b) below are necessary to assess the extent of price competition before the TA substantiates his position on route classification.

25. For the 30 routes over which Reach Networks' market share was consistently 100%, REACH submits that its market share figures are overstated because competitive traffic via refile are often not reported under the originating countries, but instead under the 'hubbing' countries that are Category A routes. To some extent, the TA acknowledges the credibility of this statement. However, none of the industry submissions provided explicit evidence on this front. As such, the TA cannot substantiate his position in favour of REACH's view. Having said that, he considers that the indirect evidences from MDF under test (b) below may indicate the degree of competitive pressure over these routes.

26. For the 135 routes referred to in the fifth and sixth bullet points of paragraph 22, Reach Networks had consistently no traffic. The TA notes that, by lifting the gateway price control in the outgoing direction (paragraph 20), the only significance for retaining Category B regulation is the sharing of any supernormal profits from settlement inpayment between external gateway and local network operators under the MDF regime. Since Reach Networks' traffic is zero over these 135 routes, there is no profit from incoming settlement receipt to 'net account' or to share with local FTNS operators. As such, the MDF regime becomes irrelevant, and indirect evidence from MDF under test (b) below is unnecessary. The TA is satisfied that these 135 routes should be reclassified as Category A routes.

Test (b) – genuine price competition

27. When there is genuine price competition in the delivery of incoming traffic to Hong Kong, competitive pressure would force Reach Networks to

negotiate for lower accounting rates in order to compete with the alternative connections. The level of accounting rates in relation to cost is best reflected by the difference between MDF and local access charge (LAC). According to paragraph 54 of the November 1998 Statement, “[w]hen the settlement inpayment is equal to the sum of the costs of external switching and transmission and the cost of domestic connection, the [MDF] is simply the [LAC]”.

28. Among the Routes, there are 25 routes where the levels of MDF are lower than or close to (within 10 cents) that of LAC. 12 of them overlap with those that are reclassified under Category A in paragraph 26. For the other 13 routes, the TA is of the view that the convergence between MDF and LAC is an indirect indication of actual or potential competitive pressure. He also notes that as MDF converges with LAC, Category B regulation becomes irrelevant. As such, he is satisfied that these 13 routes should also be reclassified as Category A routes.

29. For the remaining 44 routes that have not satisfied test (a) and (b), the supernormal profits from settlement inpayment still indicate Reach Networks’ market power and therefore the MDF regime remains necessary. The TA is not satisfied that these routes should be reclassified as Category A. He notes the submissions of both Reach Networks and WNT&T regarding the progress of liberalization and the competitive characteristics of the India and Vietnam routes. He will closely monitor the accounting rate trends driven by competitive pressure and may reconsider his decision today should MDF and LAC converge for these two routes.

Conclusion

30. In summary, a total 150 of the Routes are to be reclassified as Category A routes under this statement, including those routes referred to in paragraphs 23 (2 routes), 26 (135 routes) and 28 (13 routes).

31. Since there are no more routes where Reach Networks’ outgoing market share were consistently 100% during the Period, all the remaining 44 of the Routes should be classified as ‘Category B Observation List’ routes for being potentially competitive. The gateway price control in the outgoing direction is to be lifted over all these routes. As stated in paragraph 19 of the November 1998 Statement, these routes will be subject to a ‘fast-track’

approach for potential reclassification in the future, upon explicit evidences on the availability of alternative connections at competitive prices.

32. See Appendix I and II for a detailed route-by-route description and conclusion.

Office of the Telecommunications Authority

30 December 2002

SUMMARY OF SUBMISSIONS RECEIVED

1. Hong Kong Broadband Network Limited – does not support the Application

- Current route classification arrangements should remain effective and the Application should still be assessed on a route-by-route basis.
- Transit and refile for Category B routes might be of illegal nature or poor quality, thus not a viable alternative to Reach Networks' gateway.
- REACH claimed that offshore telecommunications regulators are either indifferent or unable to tackle illegal bypass activities. However, illegal bypass activities would be gradually eliminated under intensive regulatory reinforcement.
- Explosive growth of bandwidth has been concentrated on Category A routes, but not Category B routes.
- It might be of partial truth that, out of 194 Routes, Reach Network's market share would be below 50%, but should still be above 50% for the remaining routes.
- Traffic volume over most of the Routes are insignificant, which does not encourage investment incentives. Therefore, Reach Networks' incoming market share should not be overstated, unless substantial proof is provided.

2. Hutchison Global Communications Limited – does not support the Application

- The Application should still be evaluated on a route-by-route basis since the telecom markets for most of the Routes are still controlled by monopolies.
- Although there is an increase in the use of refile, such alternative is only used when bilateral relationships cannot be established. In all case, refile is more costly.
- Market share of less than 50% is not equivalent to non-dominance. The TA should examine other criteria.
- HGC is not in a position to judge the origins of incoming traffic, or Reach Networks' incoming market share.

3. PCCW-HKT Limited – supports the Application

- ‘Potentially’ competitive routes are sufficient to be classified as Category A. Over 200 ETS operators and at least 30 EFTNS licensees can ‘choose’ to establish alternative correspondence. Reach Networks is not the only external gateway for Category B traffic.
- Transit and refile are viable alternatives to Reach Networks’ gateway, and have undergone dramatic growth over the past several years.
- The liberalisation status of other countries are no longer a key relevant criteria for route categorization, but the insignificant traffic of the Routes should be taken into account.
- The TA should first assess the Application on a collective basis to strike a balance between consumer interest and industry administrative cost. Should he find Reach Networks dominant collectively, he should then proceed with a route-by-route analysis with special attention to competitive routes such as Macau, Greece and Portugal.
- Reach Networks’ market share figures are clear indication on alternative connections.
- The TA’s refile analysis in declaring PCCW-HKTC non-dominant for retail external call services is reflects genuine price competition for the wholesale external call services market over most of the Routes.
- Reach Networks is handicapped in competition by the TA-determined gateway prices for being unable the react to market dynamics.
- PCCW-HKT cannot comment on how refiling affects Reach Networks’ incoming market share on a route-by-route basis. However, illegal traffic bypass is a know problem in the market which harms carriers who abide by the rules and those who invest in local loop infrastructure.

4. Peoples Telephone Company Limited – does not support the Application

- Current route classification arrangements should remain effective and the Application should still be assessed on a route-by-route basis.
- Peoples use alternative routings for Category A routes as well as the outgoing direction of Category B and Category B Observation List routes, but not the incoming direction.

- Peoples is unaware of transit or refile activity for incoming traffic and therefore unable to judge whether alternative connections or genuine price competition is available. Unless transit and refile traffic is quantified, it must be assumed that Reach Networks is still dominant.

5. Reach Limited – supports the Application

In addition to those mentioned in paragraph 2:

- Letters from the administrations of Gambia, Tanzania, Uganda and Zambia show that these countries have effectively opted out of the accounting rate system and are buying capacity in the open market.
- The TA has already performed an analysis of wholesale prices of Category B routes in declaring PCCW-HKTC non-dominant in the retail external call services market and found that refile costs were lower for the vast majority of Category B routes, and that Reach Networks' market share were consistently below 50% for the majority of the routes.
- Reported incoming traffic from Thailand and Macau have declined drastically during the Period, indicating that there were significant competition from refile over these routes.
- For the Macau route, NWT, HGC and WNT&T have all purchased indefeasible right of use (IRU) from the SEA-ME-WE-3 cable to establish physical links to Macau. Meanwhile, HGC and SmarTone have been licensed to operate mobile services and facilities including external gateways in Macau, intensifying competition over the Macau route in both in the outgoing and incoming directions.

6. Wharf New T&T Limited – does not support the Application

- The Application should still be evaluated on a route-by-route basis since 1) there is insufficient competition for most of the Routes; 2) Reach Networks still has the advantage of its relationship with PCCW-HKT; and 3) none of the Routes are truly substitutable.
- Macau is the only route within the Routes where WNT&T and other operators have physically established alternative connections. India and Vietnam also exhibit competitive characteristics. Reach Networks clearly remains dominant for the remaining Routes, especially in the incoming direction. Its collective market share figures are distorted by these few

routes.

- The availability, cost and quality of refile service are too unstable to be considered a substitute to Reach Networks' gateway service. There is no cost advantage of using refile in the long run.
- Excess supply of external bandwidth and the availability of refile do not facilitate competition in the incoming direction.
- Reach Networks' rates are very close to market rates for Vietnam, Bangladesh, Cambodia, the Cook Islands, Czechoslovakia, Israel, Poland, Solomon Islands and Pakistan.
- Should the Routes be reclassified under Category A, Reach Networks would have a better opportunity to 'net account'.

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ROUTE RECLASSIFICATION TEST RESULTS

The Routes	Test (a) - Reach Networks' market share		Test (b) - genuince price competition		Gateway price control	Conclusion
	Outgoing	Incoming	Refile cost > net gateway price?	MDF and LAC converge?		
Afghanistan	Consistently < 100%	Consistently < 100%	No	Yes	Lifted	Reclassified under Category A
Albania	Consistently < 100%	No industry traffic	No	Yes	Lifted	Reclassified under Category A
Algeria	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
American Samoa	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
Andorra	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
Angola	Consistently < 100%	No industry traffic	No	Yes	Lifted	Reclassified under Category A
Anguilla	Consistently < 100%	No industry traffic	No	Yes	Lifted	Reclassified under Category A
Antarctica	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
Antigua & Barbuda	Consistently < 100%	No industry traffic	No	Yes	Lifted	Reclassified under Category A
Argentina	Consistently < 100%	Occasionally < 100%	No	No	Lifted	Reclassified under Category B Observation List
Armenia	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
Aruba	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
Ascension	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
Azerbaijan	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Bahamas	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Bahrain	Consistently < 100%	Consistently 100%	Yes	No	Lifted	Reclassified under Category B Observation List
Bangladesh	Consistently < 100%	Consistently 100%	No	No	Lifted	Reclassified under Category B Observation List
Barbados	Consistently < 100%	Consistently < 100%	No	Yes	Lifted	Reclassified under Category A
Belarus	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Belize	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Benin	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Bermuda	Consistently < 100%	Consistently 100%	No	Yes	Lifted	Reclassified under Category A
Bhutan	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Bolivia	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A

The Routes	Test (a) - Reach Networks' market share		Test (b) - genuince price competition		Conclusion	
	Outgoing	Incoming	Refile cost > net gateway price?	MDF and LAC converge?	Gateway price control	Route classification
Bosnia & Herzegovina	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
Botswana	Consistently < 100%	Consistently < 100%	No	Yes	Lifted	Reclassified under Category A
Brazil	Consistently < 100%	Consistently < 100%	No	No	Lifted	Reclassified under Category B Observation List
Brunei Darussalam	Consistently < 100%	Consistently 100%	No	No	Lifted	Reclassified under Category B Observation List
Bulgaria	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
Burkina Faso	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
Burundi	Consistently < 100%	No industry traffic	No	Yes	Lifted	Reclassified under Category A
Cambodia	Consistently < 100%	Consistently 100%	No	No	Lifted	Reclassified under Category B Observation List
Cameroon	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Cape Verde Is	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
Cayman Is	Consistently < 100%	No industry traffic	No	Yes	Lifted	Reclassified under Category A
Central African Rep	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
Chad	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Chile	Consistently < 100%	Occasionally < 100%	No	No	Lifted	Remain on Category B Observation List
Colombia	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Comoros Is	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
Congo Rep	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Cook Is	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Costa Rica	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Cote D'Ivoire Rep	Occasionally < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
Croatia	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Cuba	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Cyprus	Consistently < 100%	Consistently 100%	No	No	Lifted	Reclassified under Category B Observation List
Czech Rep	Consistently < 100%	Consistently 100%	No	Yes	Lifted	Reclassified under Category A
Diego Garcia	Consistently < 100%	Consistently 100%	No	No	Lifted	Reclassified under Category B Observation List
Djibouti	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Dominica	Consistently < 100%	Consistently < 100%	No	Yes	Lifted	Reclassified under Category A
Dominican Rep	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
East Timor	No industry traffic	No industry traffic	No	No	Lifted	Reclassified under Category A
Ecuador	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A

The Routes	Test (a) - Reach Networks' market share		Test (b) - genuince price competition		Conclusion	
	Outgoing	Incoming	Refile cost > net gateway price?	MDF and LAC converge?	Gateway price control	Route classification
Egypt	Consistently < 100%	Consistently 100%	No	No	Lifted	Reclassified under Category B Observation List
El Salvador	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Equatorial Guinea	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
Eritrea	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
Estonia	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
Ethiopia	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Falkland Is	Occasionally < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Faroes Is	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
Fiji	Consistently < 100%	Consistently < 100%	No	No	Lifted	Reclassified under Category B Observation List
French Polynesia	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
Gabon	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
Gambia	Consistently < 100%	Reach has no traffic	No	No accounting rate	Lifted	Reclassified under Category A
Georgia	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
Ghana	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Gibraltar	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Greece	Consistently < 100%	Consistently 100%	No	Yes	Lifted	Reclassified under Category A
Greenland	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Grenada	Consistently < 100%	No industry traffic	No	Yes	Lifted	Reclassified under Category A
Guam	Consistently < 100%	Consistently < 100%	No	No	Lifted	Reclassified under Category B Observation List
Guatemala	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Guinea Bissau	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
Guinea Rep	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
Guyana	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Haiti	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
Honduras	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Hungary	Occasionally < 100%	Consistently 100%	No	Yes	Lifted	Reclassified under Category A
Iceland	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
India	Consistently < 100%	Consistently 100%	No	No	Already lifted before	Remain on Category B Observation List
Iran	Consistently < 100%	Consistently 100%	No	No	Lifted	Reclassified under Category B Observation List
Iraq	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A

The Routes	Test (a) - Reach Networks' market share		Test (b) - genuince price competition		Conclusion	
	Outgoing	Incoming	Refile cost > net gateway price?	MDF and LAC converge?	Gateway price control	Route classification
Iridium	Occasionally < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
Israel	Consistently < 100%	Consistently 100%	No	No	Lifted	Reclassified under Category B Observation List
Jamaica	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
Jordan	Consistently < 100%	Consistently 100%	No	No	Lifted	Reclassified under Category B Observation List
Kazakhstan	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Kenya	Consistently < 100%	Consistently < 100%	No	No	Lifted	Reclassified under Category B Observation List
Kiribati	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Korea DPR (North Korea)	Consistently < 100%	Consistently < 100%	No	No	Lifted	Reclassified under Category B Observation List
Kuwait	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Kyrgyzstan	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
Laos	Consistently < 100%	Occasionally < 100%	No	No	Lifted	Reclassified under Category B Observation List
Latvia	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Lebanon	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Lesotho	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Liberia	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Libya	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
Lithuania	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Macau	Consistently < 100%	Average < 50%	No	No	Lifted	Reclassified under Category A
Macedonia	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Madagascar	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Malawi	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
Maldives	Occasionally < 100%	Consistently 100%	No	No	Lifted	Reclassified under Category B Observation List
Mali	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
Malta	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Mariana Is	Consistently < 100%	Consistently 100%	No	No	Lifted	Reclassified under Category B Observation List
Marshall Is	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
Mauritania	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
Mauritius	Consistently < 100%	Consistently 100%	Yes	No	Lifted	Reclassified under Category B Observation List
Mexico	Consistently < 100%	Consistently 100%	No	No	Lifted	Remain on Category B Observation List
Micronesia	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A

The Routes	Test (a) - Reach Networks' market share		Test (b) - genuince price competition		Conclusion	
	Outgoing	Incoming	Refile cost > net gateway price?	MDF and LAC converge?	Gateway price control	Route classification
Moldova	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
Monaco	Consistently < 100%	No industry traffic	No	Yes	Lifted	Reclassified under Category A
Mongolia Pr	Consistently < 100%	Occasionally < 100%	No	No	Lifted	Reclassified under Category B Observation List
Montserrat	Consistently < 100%	No industry traffic	No	Yes	Lifted	Reclassified under Category A
Morocco	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Mozambique	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Myanmar (Burma)	Consistently < 100%	Consistently 100%	No	No	Lifted	Reclassified under Category B Observation List
Nakhodka	Occasionally < 100%	Consistently 100%	No	No	Lifted	Reclassified under Category B Observation List
Namibia	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
Nauru	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
Nepal	Consistently < 100%	Consistently 100%	No	No	Lifted	Reclassified under Category B Observation List
Netherlands Antilles	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
New Caledonia	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Nicaragua	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
Niger	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Nigeria	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Niue Is	Occasionally < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
Norfolk Is	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
Oman	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
Pakistan	Consistently < 100%	Consistently 100%	No	No	Already lifted before	Remain on Category B Observation List
Palau	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Palestine	No industry traffic	No industry traffic	No	No	Lifted	Reclassified under Category A
Panama	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Papua New Guinea	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Paraguay	Consistently < 100%	Consistently 100%	No	No	Lifted	Reclassified under Category B Observation List
Peru	Consistently < 100%	Consistently < 100%	No	No	Lifted	Reclassified under Category B Observation List
Poland	Consistently < 100%	Consistently 100%	No	No	Lifted	Reclassified under Category B Observation List
Portugal	Consistently < 100%	Consistently < 100%	No	Yes	Lifted	Reclassified under Category A
Qatar	Consistently < 100%	Consistently 100%	No	No	Lifted	Reclassified under Category B Observation List
Romania	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A

The Routes	Test (a) - Reach Networks' market share		Test (b) - genuince price competition		Conclusion	
	Outgoing	Incoming	Refile cost > net gateway price?	MDF and LAC converge?	Gateway price control	Route classification
Russia	Consistently < 100%	Occasionally < 100%	No	No	Lifted	Reclassified under Category B Observation List
Rwanda Rep	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
Sakhalin	Occasionally < 100%	Occasionally < 100%	No	No	Lifted	Reclassified under Category B Observation List
Sao Tome & Principe	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Saudi Arabia	Consistently < 100%	Consistently < 100%	Yes	No	Lifted	Reclassified under Category B Observation List
Senegal	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Seychelles	Consistently < 100%	Consistently < 100%	No	No	Lifted	Reclassified under Category B Observation List
Sierra Leone	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Slovak Rep	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Slovenia	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Solomon Is	Consistently < 100%	Consistently 100%	No	Yes	Lifted	Reclassified under Category A
Somali Rep	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
South Africa	Consistently < 100%	Consistently < 100%	No	No	Already lifted before	Remain on Category B Observation List
Sri Lanka	Consistently < 100%	Consistently 100%	No	No	Already lifted before	Remain on Category B Observation List
St Helena	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
St Kitts & Nevis	Consistently < 100%	No industry traffic	No	Yes	Lifted	Reclassified under Category A
St Lucia	Consistently < 100%	No industry traffic	No	Yes	Lifted	Reclassified under Category A
St Vincent & Grenadines	Occasionally < 100%	Consistently < 100%	No	Yes	Lifted	Reclassified under Category A
Sudan	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Suriname	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
Swaziland	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
Syria	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Tajikistan	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Tanzania	Consistently < 100%	Reach has no traffic	No	No accounting rate	Lifted	Reclassified under Category A
Thailand	Consistently < 100%	Average < 50%	No	No	Already lifted before	Reclassified under Category A
Thuraya	No industry traffic	No industry traffic	No	No	Lifted	Reclassified under Category A
Togolese Rep	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Tonga	Consistently < 100%	Occasionally < 100%	No	No	Lifted	Reclassified under Category B Observation List
Trinidad & Tobago	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Tunisia	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A

The Routes	Test (a) - Reach Networks' market share		Test (b) - genuine price competition		Conclusion	
	Outgoing	Incoming	Refile cost > net gateway price?	MDF and LAC converge?	Gateway price control	Route classification
Turkey	Consistently < 100%	Occasionally < 100%	No	No	Lifted	Reclassified under Category B Observation List
Turkmenistan	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
Turks & Caicos	Consistently < 100%	No industry traffic	No	Yes	Lifted	Reclassified under Category A
Tuvalu Is	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Uganda	Consistently < 100%	Reach has no traffic	No	No accounting rate	Lifted	Reclassified under Category A
Ukraine	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
United Arab Emirates	Consistently < 100%	Consistently 100%	Yes	No	Lifted	Reclassified under Category B Observation List
Uruguay	Consistently < 100%	Consistently < 100%	No	No	Lifted	Reclassified under Category B Observation List
Uzbekistan	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
Vanuatu	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
Venezuela	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Vietnam	Consistently < 100%	Consistently < 100%	No	No	Already lifted before	Remain on Category B Observation List
Virgin Is (British)	Consistently < 100%	Consistently < 100%	No	Yes	Lifted	Reclassified under Category A
Virgin Is (US)	Consistently < 100%	Consistently < 100%	No	Yes	Lifted	Reclassified under Category A
Wallis and Futuna	Occasionally < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Western Samoa	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A
Yemen Rep	Consistently < 100%	Consistently 100%	No	No	Lifted	Reclassified under Category B Observation List
Yugoslavia	Consistently < 100%	No industry traffic	No	No	Lifted	Reclassified under Category A
Zambia	Consistently < 100%	Reach has no traffic	No	No accounting rate	Lifted	Reclassified under Category A
Zimbabwe	Consistently < 100%	Reach has no traffic	No	No	Lifted	Reclassified under Category A

**LIST OF CATEGORY A ROUTES UPON
RECLASSIFICATIONS UNDER THIS STATEMENT**

1	Afghanistan	51	Falkland Is	101	Nicaragua
2	Albania	52	Faroes Is	102	Niger
3	Algeria	53	French Polynesia	103	Nigeria
4	American Samoa	54	Gabon	104	Niue Is
5	Andorra	55	Gambia	105	Norfolk Is
6	Angola	56	Georgia	106	Oman
7	Anguilla	57	Ghana	107	Palau
8	Antarctica	58	Gibraltar	108	Palestine
9	Antigua & Barbuda	59	Greece	109	Panama
10	Armenia	60	Greenland	110	Papua New Guinea
11	Aruba	61	Grenada	111	Portugal
12	Ascension	62	Guatemala	112	Romania
13	Azerbaijan	63	Guinea Bissau	113	Rwanda Rep
14	Bahamas	64	Guinea Rep	114	Sao Tome & Principe
15	Barbados	65	Guyana	115	Senegal
16	Belarus	66	Haiti	116	Sierra Leone
17	Belize	67	Honduras	117	Slovak Rep
18	Benin	68	Hungary	118	Slovenia
19	Bermuda	69	Iceland	119	Solomon Is
20	Bhutan	70	Iraq	120	Somali Rep
21	Bolivia	71	Iridium	121	St Helena
22	Bosnia & Herzegovina	72	Jamaica	122	St Kitts & Nevis
23	Botswana	73	Kazakhstan	123	St Lucia
24	Bulgaria	74	Kiribati	124	St Vincent & Grenadines
25	Burkina Faso	75	Kuwait	125	Sudan
26	Burundi	76	Kyrgyzstan	126	Suriname
27	Cameroon	77	Latvia	127	Swaziland
28	Cape Verde Is	78	Lebanon	128	Syria
29	Cayman Is	79	Lesotho	129	Tajikistan
30	Central African Rep	80	Liberia	130	Tanzania
31	Chad	81	Libya	131	Thailand
32	Colombia	82	Lithuania	132	Thuraya
33	Comoros Is	83	Macau	133	Togolese Rep
34	Congo Rep	84	Macedonia	134	Trinidad & Tobago
35	Cook Is	85	Madagascar	135	Tunisia
36	Costa Rica	86	Malawi	136	Turkmenistan
37	Cote D'Ivoire Rep	87	Mali	137	Turks & Caicos
38	Croatia	88	Malta	138	Tuvalu Is
39	Cuba	89	Marshall Is	139	Uganda
40	Czech Rep	90	Mauritania	140	Ukraine
41	Djibouti	91	Micronesia	141	Uzbekistan
42	Dominica	92	Moldova	142	Vanuatu
43	Dominican Rep	93	Monaco	143	Venezuela
44	East Timor	94	Montserrat	144	Virgin Is (British)
45	Ecuador	95	Morocco	145	Virgin Is (US)
46	El Salvador	96	Mozambique	146	Wallis and Futuna
47	Equatorial Guinea	97	Namibia	147	Western Samoa
48	Eritrea	98	Nauru	148	Yugoslavia
49	Estonia	99	Netherlands Antilles	149	Zambia
50	Ethiopia	100	New Caledonia	150	Zimbabwe

**LIST OF CATEGORY B OBSERVATION LIST ROUTES
UPON RECLASSIFICATIONS UNDER THIS STATEMENT**

1 Argentina	23 Mexico
2 Bahrain	24 Mongolia Pr
3 Bangladesh	25 Myanmar (Burma)
4 Brazil	26 Nakhodka
5 Brunei Darussalam	27 Nepal
6 Cambodia	28 Pakistan
7 Chile	29 Paraguay
8 Cyprus	30 Peru
9 Diego Garcia	31 Poland
10 Egypt	32 Qatar
11 Fiji	33 Russia
12 Guam	34 Sakhalin
13 India	35 Saudi Arabia
14 Iran	36 Seychelles
15 Israel	37 South Africa
16 Jordan	38 Sri Lanka
17 Kenya	39 Tonga
18 Korea DPR (North Korea)	40 Turkey
19 Laos	41 United Arab Emirates
20 Maldives	42 Uruguay
21 Mariana Is	43 Vietnam
22 Mauritius	44 Yemen Rep

**LIST OF CATEGORY B ROUTES UPON
RECLASSIFICATIONS UNDER THIS STATEMENT**

Nil