

**ORIGINAL**



**World  
Systems Division**

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Telex 197800  
Fax 202-488-3814/3819

April 28, 1992

Ms. Donna R. Searcy  
Secretary  
Federal Communications Commission  
Washington, D.C. 20554

**RECEIVED**

**APR 28 1992**

Federal Communications Commission  
Office of the Secretary

Re: Communications Satellite Corporation Petition for  
Rulemaking (RM-7913)

Dear Ms. Searcy:

On January 30, 1992, Communications Satellite Corporation (COMSAT) filed a Petition for Rulemaking with the Commission seeking incentive-based regulation for its multi-year fixed-price carrier-to-carrier contract-based switched-voice services. The Commission placed that petition on public notice as RM-7913.

COMSAT previously provided the Commission with copies of a number of letters from United States Senators and Members of Congress urging prompt consideration of COMSAT's request. Since then, several more such letters have been received. Those letters are attached, and COMSAT hereby requests that they be made part of the public record in RM-7913.

Respectfully submitted,

COMMUNICATIONS SATELLITE CORPORATION  
COMSAT World Systems

Keith H. Fagan  
Its Attorney

No. of Copies rec'd 0+5  
List ABCDE

THOMAS J. BLILEY, JR.  
3rd DISTRICT, VIRGINIA

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MEMBER OF:  
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AND COMMERCE  
COMMITTEE ON THE DISTRICT  
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**House of Representatives**

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Washington, DC 20515-4603

April 20, 1992

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APR 28 1992

The Honorable Alfred Sikes  
Chairman  
Federal Communications Commission  
1919 M Street, NW  
Washington, DC 20554

Federal Communications Commission  
Office of the Secretary

Dear Chairman Sikes:

I am writing to express my support for initiating a rulemaking on incentive-based regulation for switched-voice INTELSAT services, a position recently proposed in a petition filed by COMSAT.

As you know, COMSAT's petition requests that it be allowed to move to an incentive-based regulatory regime. By authorizing this regulatory relief, COMSAT would be granted treatment similar to that of other international carriers and be allowed to compete with them on an equal basis. Presently, COMSAT remains the only fully rate regulated U.S. common carrier.

It has been seven years since the FCC has reviewed the regulatory regime for COMSAT and since then a great deal has changed. The most significant change has been the rise of new competitors such as separate satellite systems and underseas fiber optic cables. As a result of this changing international marketplace and the Commission's recent shift from its rate-based regulatory treatment for other international carriers to an incentive based system, I share COMSAT's goal that their voice services be treated like any other carriers.

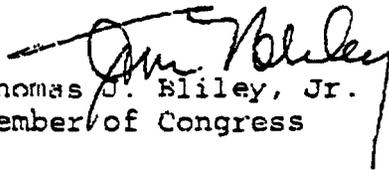
COMSAT believes that an incentive-based system will provide many benefits to their customers and the world at-large. One significant benefit will be lower prices, which in turn, will better allow Third World countries to communicate with the developed world and allow COMSAT to be more responsive to market conditions and consumer needs.

I support COMSAT's petition for a rulemaking and urge the Commission to move forward with it. If I can be of any assistance, please let me know.

Page 2  
Chairman Sikes  
April 20, 1992

I look forward to hearing your thoughts on this issue. With kindest regards, I am

Sincerely,

  
Thomas D. Bliley, Jr.  
Member of Congress

TJBj/epb

**DON RITTER**  
15TH DISTRICT, PENNSYLVANIA

•  
**ENERGY AND  
COMMERCE COMMITTEE**

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AND HAZARDOUS MATERIALS  
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**Congress of the United States  
House of Representatives  
Washington, DC 20515**

April 9, 1992

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The Honorable Alfred C. Sikes  
Chairman  
Federal Communications Commission  
1919 M Street, N.W.  
Washington, DC 20554

Dear Chairman Sikes:

*al.*  
On January 30, 1992, COMSAT Corporation filed a petition for rulemaking, seeking adoption of incentive-based regulation for all switched voice service under long-term contract with its carrier customers.

While the FCC has focused on a revised regulatory regime for the Local Exchange Carriers and AT&T, it has been almost seven years since COMSAT's regulatory status has been reviewed. Since that time, restrictions on separate satellite systems have been lifted and fiber optic cable has emerged as a strong international competitor to COMSAT.

In fact, fiber optic cable capacity is expected to equal or exceed that of the INTELSAT satellite systems on Atlantic, Pacific and Caribbean routes by the end of 1993. In addition, balanced loading guidelines which guaranteed traffic for COMSAT as recently as 1988, are no longer in place. As a result, COMSAT predicts in its filing that market share for switched voice traffic, which was approximately sixty percent in the mid-1980's, is expected to approach fifty percent in 1992. All this makes for a highly competitive marketplace.

Implementation of the incentive based regulatory regime will allow COMSAT to respond to the needs of the marketplace through pricing flexibility in the face of stiff competitive pressures.

For these reasons, I urge you to carefully and expeditiously consider COMSAT's petition.

Sincerely,

  
DON RITTER  
Member of Congress

DR/jb

MICHAEL G. OXLEY  
4TH DISTRICT OHIO

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NARCOTICS ABUSE AND CONTROL  
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HOUSE RURAL HEALTH CARE Coalition



# Congress of the United States

House of Representatives

Washington, DC 20515-3504  
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Hon. Alfred Sikes  
Chairman  
Federal Communications Commission,  
1919 M Street, N.W.  
Washington, D.C. 20554

Dear Mr. Chairman:

I understand that the COMSAT Corporation has filed a petition for rulemaking with your agency. COMSAT is seeking the adoption of incentive-based regulation for their multi-year carrier contracts for switched-voice services. Since the last ruling seven years ago, intense competition has emerged from fiber optic technology and separate satellite systems.

It seems that their request for a regulatory framework to replace the traditional rate-based regulation with an incentive based regulation, would enable the company to compete more effectively in the market. Furthermore, COMSAT will subject themselves to customer-initiated reviews and price caps. Their request does not seem to pose any risk to the public or diminish the bargaining power of their customers.

This rulemaking presents a good opportunity to review proposed regulations which further the pro-competitive policies of an open market and a level playing field. I hope that the FCC will proceed with this issues and take the appropriate actions.

Thank you in advance for your consideration.

Sincerely,

**SIGNED**

Michael G. Oxley, M.C.  
Fourth Ohio District

MGO/cja

DAN SCHAEFER  
6TH DISTRICT, COLORADO

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HAZARDOUS MATERIALS

**Congress of the United States**  
**House of Representatives**  
**Washington, D.C.**

April 15, 1992

The Honorable Alfred C. Sikes  
Chairman  
Federal Communications Commission  
1919 M Street, NW  
Washington, DC 20554

Dear Chairman Sikes:

COMSAT Corporation has recently submitted a petition for rulemaking to the Federal Communications Commission. I am told that COMSAT is requesting a change in the way it is regulated, and desires adoption of incentive-based rate regulation for all switched voice service under long-term contract with its carrier customers.

In recent years, the Commission has revised the regulatory regime for the local exchange carriers and AT&T. The Commission has not studied the regulation of COMSAT in almost seven years. I believe it is appropriate for the Commission to do so now.

There have been several significant changes since the Commission concluded its last proceeding concerning COMSAT's regulatory status. The deployment of fiber optic cable, the elimination of loading guidelines and the lifting of restrictions on separate satellite systems competing in the international marketplace has led to a far more competitive environment. Regulation of COMSAT should be reconsidered in light of these important changes.

The COMSAT petition appears consistent with the Commission's move toward more market-based regulation. I would urge you to give the proposal your prompt attention.

Best regards.

Sincerely,

SIGNED

DAN SCHAEFER  
Member of Congress

PRINTED ON RECYCLED PAPER

JIMMY HAYES  
7TH DISTRICT, LOUISIANA

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April 3, 1992

The Honorable Alfred C. Sikes  
Chairman  
Federal Communication Commission  
1919 M Street, NW  
Room 814  
Washington, DC 20554

Mr. Chairman:

I am writing in order to express my support of COMSAT's World Systems Division filing which seeks to change the regulatory scheme for its international switched voice services. As a Member of the Science, Space & Technology Committee I have followed this issue and continue to be concerned about American companies' abilities to compete in a global marketplace in which their competitors are less regulated and often subsidized.

Since the FCC last considered COMSAT's regulatory status several major changes have occurred within the communications industry. Fiber optic cable has brought new and intense competition to the marketplace; the FCC has modified its treatment of ATT and the Baby Bells; and the FCC issued its final order implementing a decision to remove all remaining restrictions on separate satellite systems. Nevertheless, it has not extended regulatory relief to COMSAT.

As America continues to face intense foreign competition it is clearly time for government to assist business rather than hinder it. Therefore, if the FCC has an opportunity in this docket to help COMSAT compete more effectively, I hope you will do so.

Sincerely,

  
Jimmy Hayes  
Member of Congress



**Congress of the United States**  
**House of Representatives**

**Washington, DC 20515-4306**

April 10, 1992

Alfred C. Sikes  
Chairman  
Federal Communications Commission  
1919 M Street, NW  
Room 814  
Washington, D.C. 20554

Dear Chairman Sikes:

On January 30, COMSAT Corporation filed a petition for rulemaking at the agency, seeking adoption of incentive-based regulation for all switched voice service under long-term contract with its carrier customers.

The COMSAT petition is a logical first step for the Commission to follow in light of its move toward a more market based regulation that allows our U.S. industry to compete and prosper in an environment of less regulation.

While the FCC has focused on a revised regulatory regime for the Local Exchange Carriers (LEC's) and AT&T, the Commission has not examined COMSAT's regulatory status in almost seven years. Much has changed since the Commission last reviewed COMSAT's regulatory status. The strong emergence of fiber optic cable, the lifting on restrictions on separate satellite systems competing in the international marketplace, and the lack of loading guidelines requiring a portion of traffic be placed on satellites makes for a highly competitive environment. This makes a review of COMSAT's regulatory regime both appropriate and necessary.

Because of these concerns, I would urge the FCC to promptly adopt COMSAT's petition seeking an incentive based regulatory approach.

Sincerely,

  
Joe Barton  
Member of Congress

JB:ss

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