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THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

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9201236

MAY - 7 1992

Honorable Dan Schaefer
House of Representatives
1007 Longworth House Office Building Federal Communications Commission
Washington, D.C. 20515-0606

EX PARTE OR LATE FILED

Office of the Secretary

Dear Congressman Schaefer:

Thank you for your letter regarding the petition for rulemaking filed by Communications Satellite Corporation (COMSAT). As you observe, COMSAT seeks a change in the Commission's Rules that would "cap" its current rates for multi-year carrier switched-voice services.

In a March 5, 1992 Public Notice, the Commission requested comment on the COMSAT petition. We have received comments from Sprint Communications Company L.P.; IDB Communications Group, Inc.; MCI Telecommunications Corporation; Pan American Satellite; and American Telephone and Telegraph Company.

The Commission is reviewing the comments and plans to address this matter expeditiously. I believe that the concerns expressed in your letter will assist us in reaching a decision on the request for rulemaking. We all seek a course of action that will result in a reasonable and fair solution for COMSAT which best serves the public interest.

Sincerely,

Alfred C. Sikes
Chairman

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Congressional

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LETTER REPORT

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| 9201236 | 04/23/92 | 04/15/92 | 05/06/92 | 05/04/92 |

| TITLE | MEMBERS NAME | REPLY FOR SIG OF |
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| Congressman | Dan Schaefer | ACS |

| CONSTITUENT'S NAME | SUBJECT |
|--------------------|----------------------------------|
| personal view | COMSAT international rule making |

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REMARKS:

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HAZARDOUS MATERIALS

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

1236

April 15, 1992

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

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APR 23 1992

LEGISLATIVE AFFAIRS
OCPA

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.

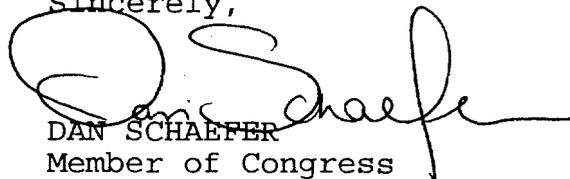
In recent years, the Commission has revised the regulatory regime for the local exchange carriers and AT&T. The Commission has not studied the regulation of COMSAT in almost seven years. I believe it is appropriate for the Commission to do so now.

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,


DAN SCHAEFER
Member of Congress