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FEDERAL COMMUNICATIONS COMMISSION  
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SEP 24 1992

MAIL BRANCH

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554

In the Matter of

Regulatory Reform for )  
Local Exchange Carriers )  
Subject to Rate of Return )  
Regulation )

CC Docket No. 92-135

Reply Comments of Canby Telephone Association

1. Canby Telephone Association hereby submits these Reply Comments in response to the NOTICE OF PROPOSED RULEMAKING released July 17, 1992. Canby Telephone Association is a small local exchange carrier (LEC) with 8,106 access lines in service. Our total 1991 average interstate rebase is \$2,725,000. We currently participate in all NECA pools as a cost company.

2. We appreciate the Commission's willingness to offer incentives for efficient operation and reduced regulatory requirements for small LECs filing interstate access tariffs. We support the concept of incentive regulation for small LECs provided the plan remains optional, has sufficient flexibility, and offers large enough incentives to make it worthwhile.

3. We support the comments and suggestions contained in the Comments filed by GVNW, Inc./Management. We believe that GVNW's recommendation of increased flexibility and incentives are necessary to make the proposed incentive plan a feasible option for small LECs.

Respectfully Submitted,

CANBY TELEPHONE ASSOCIATION

*Eugene L Cole*

Eugene L. Cole  
President

ELC:cm@

c: GVNW, Inc./Management

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