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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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MAR 29 1996

In the Matter of)
)
IMPROVING COMMISSION PROCESSES) PP Docket No. 96-17
)

REPLY COMMENTS OF SPRINT

Sprint Corporation hereby replies to the comments of other parties in response to the Commission's Notice of Inquiry in the above-captioned proceeding (FCC 96-50, released February 14, 1996). In the Notice, the Commission described the actions its bureaus have already undertaken to eliminate unnecessary regulation, and proposed further streamlining of its processes. Sprint supported those initiatives, and thus, so as not to burden the Commission with unnecessary paper, did not file initial comments. However, some of the proposals advanced by various RBOCs warrant a response.

Certain RBOCs propose sweeping changes in regulation, premised on the notions that since the Telecommunications Act of 1996 eliminates legal barriers to local competition, monopoly LECs should be treated much the same as non-dominant carriers (see e.g., SBC at 3-4), and that price cap regulation -- particularly for LECs that have chosen no-sharing options - - eliminates the relevance of accounting and cost allocation

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requirements (see e.g., Ameritech at 4-5). Thus, some of the RBOCs argue for (1) treating all cost support accompanying tariff filings as presumptively entitled to confidential treatment (SBC at 4); (2) eliminating comparably efficient interconnection rules (id. at 12); (3) eliminating depreciation prescriptions (id. at 8, Ameritech at 7); (4) eliminating Part 32/36/64 cost allocation rules (Ameritech at 4-5); and (5) eliminating the need to obtain a Part 69 waiver to introduce new access rate elements (Pacific/Nevada Bell at 8-9).

Other LECs, while supporting the objectives of these carriers, recognize that that such proposals involve issues that are pending in other dockets and should be acted on those dockets. See e.g., BellSouth at 4 (recognizing that elimination of Part 69 waivers is at issue in CC Docket No. 94-1 and that a separate proceeding is needed to forebear from regulation of depreciation rates), and USTA at 3-4 (calling for action on its petition for reconsideration in CC Docket No. 92-296).

While Sprint supports elimination of regulatory burdens that no longer serve a public interest need, the zeal to streamline regulation should not be allowed to stand in the way of orderly consideration of issues that can have a

substantial impact on competition and on the public. The fact that the '96 Act eliminates legal barriers to local competition does not mean that the local market is competitive and does not ensure that effective local competition will emerge. Until it does, the Commission has an obligation to regulate the local exchange carrier industry in a fashion that reflects that industry's market power. It would likewise be imprudent to rely on the fact that some LECs have chosen the no sharing price cap option as a basis for sweeping deregulation of those carriers. The Commission's price cap rules, by their terms, do nothing more than establish a presumptive suspension-free zone for LEC prices in the tariff review process. Those rules do not eliminate the need for appropriate rules and oversight to ensure that so long as the LECs face no effective competition, their prices are reasonable and nondiscriminatory, and for measures to prevent LECs from exploiting their market power to the detriment of interexchange carriers, nascent local competitors, or consumers.

Thus, the substantive deregulation that many of the RBOCs seek, to the extent already under consideration in other pending proceedings, should be considered and acted upon in the context of the record developed in those proceedings. Other initiatives should be the subject of separate

rulemakings so that the Commission has full opportunity to consider the positions of the affected segments of the public before taking final action.

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CERTIFICATE OF SERVICE

I, Joan A. Hesler, hereby certify that on this 29th day of March, 1996, a true copy of the foregoing REPLY COMMENTS was served first class mail, postage prepaid, or hand delivered, upon each of the parties listed below.


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