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EX PARTE OR LATE FILED



Ex Parte

April 24, 1998

Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission  
Mail Stop Code 1170  
1919 M Street, N.W., Room 222  
Washington, D.C. 20554

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APR 24 1998

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Re: IB Docket No. 97-142, Foreign Market Participation

Dear Ms. Salas:

Yesterday, Michael A. Batross, International Director, and L. Lea Jones, Directory-Regulatory, both of SBC Long Distance, and Terri L. Childress, Area Manager-Docket Management (Federal) and I discussed issues summarized in the attachment with: Susan O'Connell, Adam Krinsky, and Doug Klein, all of the International Bureau; Paul Misener, Senior Legal Advisor, Commissioner Furchtgott-Roth; Peter Tenhula, Legal Advisor, Commissioner Powell; and David Siddall, Legal Advisor, Commissioner Ness.

We are submitting two copies of this notice in accordance with the Commission's rules. Please stamp and return the provided copy to confirm your receipt. Please contact me should you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to be "Gina Harrison", written over a horizontal line.

Attachment

Cc: D. Klein  
A. Krinsky  
P. Misener  
S. O'Connell  
D. Siddall  
P. Tenhula

CO-2

Efficiency and Equity in  
International Practice and  
Process

Southwestern Bell Corporation

IB Docket No. 97-142

April 1998

# General Issues

- Grooming
- Section 214 Process
- Streamlining and Blanket Grants
- Tariff Forbearance

The Commission's Rules  
on Grooming Should  
Allow a Level Playing  
Field

# Grooming

- Grooming is the geographic allocation of return traffic
- Many carriers have varied incentives to groom inbound traffic.
  - There are economic benefits inherent in grooming
  - Carriers in the U.S. already enter into grooming arrangements with non-dominant foreign carriers

# Grooming

- “Grooming” with foreign dominant carriers requires approval as a special concession
- Commission’s wise procompetitive policy allows special concessions with foreign carriers that lack market power
- BOC affiliate 214s contain conditions restricting grooming, even with non-dominant foreign carriers

# Rules on Special Concessions Should Apply Uniformly to All Carriers

- There is no basis in the record or otherwise to distinguish between BOC affiliates and other carriers in the application of the special concessions rules.
- The Commission should no longer condition BOC affiliate authorizations, and should simply declare herein that the special concession rules apply uniformly to all U.S. carriers

# FCC Rules Should Conform to FCC Policy Allowing Special Concessions With Non-Dominant Carriers

- To effectuate its policy, the Commission should
  - amend Sections 43.51(e) and 64.1001 of its rules to make clear that no prior approval is necessary for special concession with non-dominant carriers.

The Commission's Section  
214 Process Should be  
Streamlined

# Streamlining

- All non-streamlined Section 214 applications should be subject to an expedited time frame
  - 90 day processing period should apply explicitly to both foreign and domestic applicants.
- Discriminatory delays in processing should be eliminated
  - Current procedures promote opposition by competitors merely to delay market entry.

# Section 214 / Blanket Grants

- Commission should issue a blanket grant authorizing international Section 214 authority for Non-Affiliated Routes
  - Furthers the public interest by stimulating market entry, promoting competitive market conditions and enhancing competition
  - Competition will constrain ability to charge unreasonably discriminatory or anticompetitive rates
  - Consumers will benefit from reduced delay and lower regulatory costs

# Tariff Forbearance

- Commission should forbear from international tariffs
  - Treat international tariffs similar to domestic tariffs
  - Increasingly competitive market for telecommunications services substantially reduces the likelihood of unreasonably discriminatory or anticompetitive tariffs
  - FCC has already liberalized the tariff requirement by permitting international tariffs to be filed on one-day's notice