



April 20, 1998

Mr. William E. Kennard
Chairman
Federal Communications Commission
1919 M Street, N.W., Room 814
Washington, D.C. 20554

Re: CC Docket No. 96-149

Dear Chairman Kennard:

On March 24, 1998, the Common Carrier Bureau released an Order in this proceeding and stayed the April 18, 1998, deadline by which independent local exchange carriers currently providing in-region, interstate, interexchange services on an integrated basis were to have provided those services through a separate affiliate. With the deadline for compliance bearing down on our independent telephone company members and there having been no decision on USTA's petition for reconsideration, the stay was welcomed.

Although the immediate pressure surrounding the deadline has been relieved, the relief is only interim unless the Commission acts favorably on USTA's PFR. I write to urge swift and favorable action by the Commission on USTA's PFR. By granting USTA's PFR and reconsidering the separate affiliate requirement, the Commission can demonstrate that it is able to exercise restraint in its regulation of the LEC industry. The Commission was not compelled by the Telecommunications Act of 1996 to arrive at its separate affiliate decision. In fact, Congress decided against imposing a separate affiliate requirement on mid-sized companies for their provision of long distance and wireless services. Yet, despite this, the Commission elected to substitute its judgment for that of the Congress and impose a separate affiliate requirement on all independent telephone companies, from the largest to the smallest with under 1000 access lines. And unlike the Congress, the Commission declined to adopt a sunset provision for the independents' separate subsidiary requirement.

I know that there are many tough issues currently confronting the Commission. But, frankly, this one is an easy call. Follow the lead of the Congress and reconsider the decision to impose a separate affiliate requirement for independent LECs for the provision of in-region, interstate,

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interexchange service. Grant USTA's PFR, and allow independent telephone companies to choose the structure that allows them to serve their customers efficiently and well.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Neel". The signature is fluid and cursive, with a large initial "R" and a distinct "Neel" following.

Roy M. Neel
President & Chief Executive Officer

cc: Commissioner Harold Furchtgott-Roth
Commissioner Susan Ness
Commissioner Michael Powell
Commissioner Gloria Tristani
Mr. A. Richard Metzger