

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

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
1998 Biennial Regulatory Review)
Review of International Common)
Carrier Regulations)

IB Docket No. 98-118

COMMENTS OF GTE

Dated: August 13, 1998

GTE Service Corporation and its affiliated
telecommunications companies

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COMMENTS OF GTE

GTE Service Corporation and its affiliated telecommunications companies (collectively "GTE"),¹ respectfully submit the following Comments in response to the Notice of Proposed Rulemaking ("Notice" or "NPRM") in the above-captioned matter.² In this Notice, the Commission is reviewing its rules governing international common carriers as part of its 1998 biennial review of all regulations issued under the Communications Act. The Commission proposes "to streamline and simplify the international Section 214 application rules and eliminate several categories of international Section 214 applications." NPRM at ¶2. GTE commends the Commission's efforts to simplify the often-confusing international 214 process and provides the following specific comments.

¹ GTE Communications Corporation, GTE Wireless Incorporated, GTE Telecom Incorporated, GTE Pacifica Incorporated and GTE Hawaiian Tel International Incorporated.

² Notice of Proposed Rulemaking, IB Docket No. 98-118, FCC 98-149, released Jul. 14, 1998.

I. DISCUSSION

A. GTE supports the use of blanket international authorizations.

1. The Commission should also include affiliated routes under certain circumstances.

The Notice (at ¶8) proposes granting blanket Section 214 authorization for the provision of international telecommunications services on routes to countries with which a carrier has no affiliation with a foreign carrier. GTE agrees that blanket authorizations will simplify regulatory requirements and reduce processing burdens for applicants as well as the Commission's staff without sacrificing regulatory oversight. The Commission has used blanket authorizations successfully for years for domestic non-dominant carriers.³ Blanket authorizations should apply for both facilities-based and resale international carriers.

GTE also supports extending blanket authority to international carriers serving *affiliated routes, in certain circumstances*. GTE agrees that the three circumstances set out in the Notice (at ¶9) warrant blanket authorizations. If the Commission has previously found that the carrier or its affiliate lacks market power in the foreign destination market, there is no reason to allow further challenge to the 214 application. Further, if the applicant or its foreign affiliate has no telecommunications facilities in the foreign market, there is no legitimate reason to contest such an application. Similarly, if the applicant or the foreign affiliate has only mobile wireless facilities in the foreign market, the affiliate lacks market power in the foreign destination market.

³ See 47 C.F.R. §63.07.

Blanket authorizations should also be granted if the affiliate operates in a WTO member country which has liberalized its telecommunications industry in accordance with its market opening commitments. The Commission has already found in the *Foreign Participation Order*⁴ that the commitments of the WTO countries will bring dramatic changes to the competitive environment. Although the *Benchmarks Order*⁵ conditions a carrier's authorization to serve affiliated markets on the foreign carrier offering a settlement rate for the affiliated route at or below the benchmark, once this has occurred, a blanket authorization should apply. Not only would this serve to streamline the process further, it would also serve to strengthen competition.

Finally, the Commission should extend blanket resale authority to carriers serving affiliated routes solely by reselling the facilities of an unaffiliated U.S. carrier. Such carriers are already presumed to be non-dominant pursuant to Section 63.10(a)(4). The Commission has recognized that when a resale carrier is only reselling the services of a non-affiliated U.S. carrier, it has no ability to affect competition on the affiliated route. Similarly, there is no reason not to extend blanket authorizations to these carriers as well.

⁴ Rules and Policies on Foreign Participation in the U.S. Telecommunications Market, *Report and Order*, 12 FCC Rcd 23,891 (1997), *recon. pending*.

⁵ International Settlement Rates, *Report and Order*, 12 FCC Rcd 19,806 (1996), *recon. and appeal pending*, *Cable and Wireless P.L.C. et al. v. FCC*, Case No. 97-1612 (D.C. Cir. 1997). GTE has appealed the Commission's decision to condition 214 authorizations of affiliated carriers and continues to challenge such conditioning. Nonetheless, as long as that condition continues, the Commission should extend blanket authorizations to a carrier meeting the condition.

2. The Commission should forbear from international 214 authorizations for CMRS providers.

The NPRM (at ¶11) seeks comment on whether blanket international authorizations should also apply to CMRS providers. The Commission notes that it has already extended forbearance from domestic Section 214 authorizations for CMRS providers.⁶ GTE believes that the same reasons which supported forbearance from Section 214 for domestic CMRS applies to international authorizations for CMRS.

The CMRS market is extremely competitive. Numerous providers offer service in each market. Pursuant to Section 10 of the Act, the Commission must forbear from applying a provision of the Act to a telecommunications carrier or service or class of carrier or service if three prong test is met. The Commission has already determined that it is the competitive CMRS market which assures reasonable rates and practices. Continuing to require international authorizations, even by blanket authorization, does not. Moreover, the Commission has already extended forbearance from the international tariffing requirement for CMRS providers offering service directly to its customers.⁷ GTE believes that there is ample support for forbearing from Section 214 international authorizations for CMRS providers as well.

⁶ Implementation of Sections 3(n) and 332 of the Communications Act, *Second Report and Order*, 9 FCC Rcd 1411, 1480-81 (1994).

⁷ PCIA Petition, *Memorandum Opinion and Order and Notice of Proposed Rulemaking*, FCC 98-134, released Jul. 2, 1998 at ¶65.

B. GTE supports forbearance for pro forma assignments and transfers of control.

The NPRM (at ¶13) tentatively supports forbearing from prior Section 214 approval for pro forma assignments and transfers of control of international authorizations. GTE agrees with the proposal and concurs in the Commission's forbearance analysis.

C. Section 214 authorizations should cover wholly-owned subsidiary and affiliated carriers.

The Commission also proposes (at ¶22) to allow an international authorized carrier to provide services through its wholly owned subsidiaries. GTE agrees that that a single authorization should be sufficient for a carrier operating in multiple markets through a separate subsidiary in each market. Moreover, GTE suggests expanding the concept to include "sister-affiliates" as well as wholly owned subsidiaries. A single joint Section 214 authorization should be permitted for these situations. It should also cover partnerships in which the carrier has a controlling interest. In addition to allowing a single authorization, the Commisison should clarify that any reporting could be consolidated into a single filing.

D. GTE supports eliminating 214 authorization for submarine cable construction.

The Notice proposes (at ¶22) to eliminate the requirement for Section 214 authorization for construction of a submarine cable on a previously authorized route. GTE agrees that the additional authorization is unnecessary.

E. GTE also endorses the proposed reorganization of Part 63 Rules.

The Notice also proposes (at ¶34) to reorganize the rules so as to simplify and clarify the international rules. GTE agrees that the proposals appear to add clarity to the regulations.

II. CONCLUSION

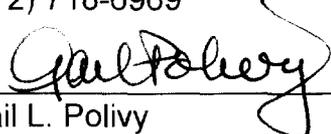
GTE supports the Commission's efforts in reviewing and revising the international rules. GTE commends the Commission's efforts to simplify the often-confusing international 214 process.

Dated: August 13, 1998

Respectfully submitted,

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