

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 --)
Repeal of Part 62 of the Commission's Rules)

CC Docket No. 98-195

**COMMENTS
OF THE
UNITED STATES TELEPHONE ASSOCIATION**

The United States Telephone Association (USTA) respectfully submits its comments in the above-referenced proceeding. USTA is the principal trade association of the local exchange carrier (LEC) industry. Its members provide over 95 percent of the incumbent LEC-provided access lines in the U.S.

In its Petition for Rulemaking filed September 30, 1998, USTA recommended that the Commission initiate a rulemaking proceeding to undertake a comprehensive review of all of its regulations as required under Section 11 of the Telecommunications Act of 1996. Section 11 specifies that the Commission must review all regulations every two years to determine whether any such regulation is no longer necessary in the public interest as a result of meaningful economic competition between providers. While the Commission has released a number of separate biennial review proceedings, such as the one discussed herein, its proposals in many cases have fallen short of the Congressional mandate and have failed to provide either the comprehensive review anticipated by Congress or the principles under which such a review should be conducted.

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USTA reviewed the entire Part 47 of the Code of Federal Regulations and addressed those parts which impact USTA's member companies. USTA developed general principles to guide the public interest analysis: ensure that regulation reflects technology advances, promotes consumer welfare, enhances administrative efficiency and ensures fair and efficient competition. USTA recommended that the Commission examine the following factors in conducting its biennial review of regulation: the purpose of the regulation, the relevant market conditions, the economic impact of the regulation on the regulated entity and the public interest benefit in eliminating the regulation.

As part of that process, USTA examined the Part 62 rules and reached the same conclusion as the Commission that the Part 62 rules governing interlocking directorates is no longer necessary for the public interest and therefore should be eliminated. As USTA pointed out and the Commission agrees, the fiduciary responsibilities of corporate officers and board members are governed by other statutory provisions such as the Clayton Act and the Foreign Corrupt Practices Act. USTA also noted that the Commission had already exempted many carriers from these rules. In a competitive environment, such duplicative and unnecessary rules must be eliminated.

USTA also agrees with the Commission's tentative conclusion to forbear from enforcing Section 212 of the Act. As the Commission points out, the forbearance test is easily met as this provision has no impact on carrier charges, is not necessary for the protection of consumers and forbearance would be in the public interest.

Based on the foregoing, USTA urges the Commission to delete Part 62 and forbear from regulating Section 212.

Respectfully submitted,

UNITED STATES TELEPHONE ASSOCIATION

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