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

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AUG 13 1998

In the Matter of

1998 Biennial Regulatory Review –
Review of International Common
Carrier Regulations

IB Docket No. 98-118

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

**COMMENTS OF
QWEST COMMUNICATIONS CORPORATION**

Pursuant to the Commission's Notice of Proposed Rulemaking ("NPRM") released July 14, 1998 in the above-captioned proceeding, Qwest Communications Corporation ("Qwest"), by its attorneys, hereby submits these comments. Qwest strongly endorses the measures proposed by the Commission and urges their swift adoption in order to benefit further developing competition in the international marketplace.

INTRODUCTION

The changes proposed by the Commission that would further streamline processing of international Section 214 applications are laudable and will reduce regulatory burdens that have become unnecessary in the increasingly competitive market for international telecommunications services. Accordingly, Qwest strongly supports the Commission's proposals in this proceeding, but suggests that the Commission should consider additional reduction of unnecessary regulatory burdens.

Qwest is a wholly-owned indirect subsidiary of Qwest Communications International, Inc., a publicly held, rapidly growing international telecommunications company. Following its merger with LCI International, Inc., Qwest is now one of the

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largest interexchange carriers in the United States. Qwest holds several international Section 214 licenses permitting it to provide a full range of facilities-based and resold international services for voice and data communications. Qwest also constructs and installs state-of-the-art fiber optic communications systems for its own use and use by other carriers. Qwest's experience in the fast-changing and increasingly competitive international marketplace has shown that streamlined regulation, such as that proposed by the Commission in this proceeding, will permit more flexible marketplace responses that will benefit customers through increased choice and lower prices.

ARGUMENT

I. THE COMMISSION'S PROPOSALS SHOULD BE ADOPTED PROMPTLY

The Commission has proposed the following significant streamlining measures: (1) establishing a blanket authorization that would permit carriers to begin providing service on most international routes without prior Commission approval; (2) allowing pro forma assignments and transfers of control of international Section 214 authorizations without prior Commission approval; (3) allowing carriers with global facilities-based authorizations to use non-U.S.-licensed submarine cable systems without specific Commission approval; (4) providing that a Section 214 authorization permits the provision of international services through any wholly-owned subsidiaries; (5) eliminating the requirement for a separate Section 214 authorization when applying for a common carrier submarine cable landing license; (6) reorganizing and simplifying the rules regarding the content of international Section 214 authorizations; (7) authorizing international simple resale ("ISR") by declaratory ruling rather than a Section 214 application; and (8) requiring that only greater-than-25% shareholders be identified in

Section 214 applications rather than the current greater-than-10% shareholder requirement.

All of these proposals eliminate often-burdensome regulation that is simply unnecessary in the current competitive climate. These proposals will serve many functions – eliminating unnecessary paperwork and legal fees, permitting greater flexibility and responsiveness in the provisioning of international service, eliminating delay in entering new markets or consummating certain transactions, and, as a result, increasing consumer choice and lowering prices. Accordingly, the proposed streamlining measures should be adopted as quickly as possible to bring these benefits to the international marketplace.

II. THE COMMISSION SHOULD CONSIDER ADDITIONAL STREAMLINING

The Commission also should consider **further** streamlining steps in this proceeding. First, the Commission should expand somewhat the category of services that fall within the proposed blanket 214 authorizations. In addition to service to unaffiliated routes, services to **affiliated** routes for which the Commission previously has found the affiliate to lack market power, also should be entitled to the benefit of a blanket Section 214 authorization. To speed a carrier's entry on such routes, the Commission should consider establishing a procedure whereby a carrier can, in advance of any particular service application, submit a petition for declaratory ruling (or other streamlined procedure) requesting a Commission finding that some or all of its foreign affiliates lack market power. This could be done as part of the procedure for filing foreign **affiliate** notifications. If a carrier establishes or acquires foreign affiliates that lack market power, it can request such a determination **from** the Commission at the time of the acquisition of

the **affiliation**. If the Commission agrees that the affiliates lack market power, then any later-initiated service on these routes can also qualify for the blanket Section 214 authorization.

Second, the Commission also can expand its proposed forbearance **from** requiring prior approval of *pro forma* assignments and transfers of control to include forbearance for a narrow category of substantial assignments and transfers of control. Specifically, if the Commission allows an entity to provide service under a blanket authorization without prior Commission approval, it follows that the Commission should also allow that entity to be a transferee or assignee of an authorization without prior approval. If the assignee or transferee had foreign **affiliates** not determined previously to lack market power by the Commission, however, an application for assignment or transfer of control may still be required.

Third, the Commission should **further** limit the shareholder information that must be provided in an international Section 214 application. Given that the Commission requires prior notification of foreign carrier affiliates only above the 25% ownership level, Qwest agrees that a Section 214 application should not require identification of shareholders below the 25% level. With the limited exception of direct or indirect shareholders that are themselves foreign carriers or have foreign carrier affiliates, however, even greater-than-25% shareholders need not be identified.¹ The Commission could require instead that Section 214 applications contain the currently required information only for all foreign carrier affiliates along with a certification from the

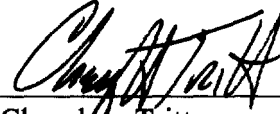
¹ Of course, if the carrier holds radio licenses, the Commission's foreign ownership restrictions would still apply, and if the shareholder held interlocking directorates, that information would still need to be disclosed.

applicant that no other direct or indirect shareholders are themselves foreign carriers or have foreign carrier **affiliates**.

CONCLUSION

In conclusion, the Commission should adopt swiftly its proposed streamlining measures and the additional measures suggested by Qwest to permit more flexible marketplace responses in the international marketplace, with the corresponding benefits that this will bring to consumers.

Respectfully submitted,



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Dated: August 13, 1998


Certificate of Service

I, Kimberly E. Thomas, do hereby certify that the foregoing **Comments Of Qwest Communications Corporation** were delivered, via first class mail, postage prepaid, on this 13th day of August, 1998, to the following:

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