or its affiliate applies for authority under Section 214 of the Communications Act to enter the U.S. market to provide international facilities-based services. In reviewing such applications, the Commission proposes to examine whether effective market access is available, or will soon be available, to U.S. carriers in the primary markets of the foreign carrier seeking entry. This would be an important element of the Commission's public interest determination. In addition, the Commission requests comment on whether it should modify certain aspects of its regulation of U.S. international carriers. It also clarifies and requests comment on its definition of an international facilities-based carrier. Finally, the Commission asks whether it should incorporate the proposed effective market access test as an important element of the Section 310(b)(4) public interest analysis it applies to foreign entities seeking to acquire an indirect ownership interest in U.S. radio licenses. The proposals contained in the Notice are intended to establish standard rules to regulate foreign carrier entry into the U.S. marketplace in order to promote effective global competition, prevent anti-competitive conduct and encourage foreign governments to open their communications markets.

**DATES:** Comments must be submitted on or before March 28, 1995. Reply comments must be submitted on or before April 28, 1995.

ADDRESSES: All comments and reply comments concerning these proposals should be addressed to: Office of the Secretary, Federal Communications Commission, Washington, DC 20554. Comments and reply comments will be available for public inspection during regular business hours in the FCC Reference Center (Room 239) of the Federal Communications Commission, 1919 M St., NW., Washington, DC 20554.

FOR FURTHER INFORMATION CONTACT: Troy F. Tanner or Susan Lee O'Connell, Attorney-Advisors, Policy and Facilities Branch, Telecommunications Division, International Bureau, (202) 418-1470. SUPPLEMENTARY INFORMATION: This is a summary of the Commission's Notice of Proposed Rulemaking adopted on February 7, 1995 and released February 17, 1995. The full text of this Notice is available for inspection and copying during normal business hours in the FCC Reference Center (Room 239), 1919 M St., NW., Washington, DC. The complete text of this Notice also may be purchased from the Commission's copy contractor, International Transcription

Service, Inc., (202) 857–3800, 2100 M Street, NW., Suite 140, Washington, DC. 20037.

### **Regulatory Flexibility Act**

#### A. Reason for Action

This rulemaking proceeding is initiated to obtain comment regarding proposed changes to the Commission's entry standard for foreign carriers desiring to enter the U.S. international telecommunications market, as well as changes to the Commission's public interest standard for foreign entities that seek to acquire an indirect interest in a U.S. common carrier, aeronautical, or broadcast radio license. Comment is also requested on proposed modifications to the Commission's dominant carrier safeguards as well as to other non-discrimination safeguards. Comment is also sought on the Commission's definition of an international facilities-based carrier.

#### B. Objectives

The Commission seeks to establish standard rules and procedures to regulate foreign entry into the U.S. marketplace in order to promote effective competition and prevent anticompetitive conduct in the market for international communications services, as well as to encourage foreign governments to open their communications markets.

#### C. Legal Basis

The proposed action is authorized under Sections 4 and 303(r) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154, 303(r).

## D. Reporting, Recordkeeping and Other Compliance Requirements

The actions contained in this Notice of Proposed Rulemaking may affect large and small carriers. We propose to require that dominant, foreign-affiliated carriers maintain or provide certain records regarding their foreign carrier affiliates. These U.S. carriers may be required to comply with proposed requirements to file certain reports, but this is not estimated to be a significant economic burden for these entities.

# E. Federal Rules That Overlap, Duplicate or Conflict With These Rules None.

## F. Description, Potential Impact, and Number of Small Entities Involved

To the extent that the proposals discussed in this Notice of Proposed Rulemaking propose to make equity investment by foreign carriers in U.S. carriers more difficult, carriers seeking foreign investment greater than the proposed threshold will be adversely affected. These proposals are intended to ensure that U.S. carriers can compete effectively in international markets and to open closed foreign markets. Copies of this Notice will be sent to the Chief Counsel for Advocacy of the Small Business Administration.

#### *G.* Any Significant Alternatives Minimizing the Impact on Small Entities Consistent With the Stated Objectives

The Notice solicits comment on a variety of alternatives to achieve Commission objectives.

## Summary of Notice of Proposed Rulemaking

This Notice of Proposed Rulemaking proposes new policies governing the participation of foreign carriers in the U.S. international telecommunications market. The Commission proposes three goals of its regulation of the U.S. international telecommunications market: (1) To promote effective competition in the global market for communications services; (2) to prevent anticompetitive conduct in the provision of international services or facilities; and (3) to encourage foreign governments to open their communications markets. The Commission considers how to achieve these goals through implementation of Sections 214 and 310 of the Communications Act. The Commission finds that allowing foreign carrier entry into the U.S. international services market will further the public interest by providing additional competition that will benefit consumers. The Commission tentatively concludes, however, that unrestricted foreign carrier facilities-based entry is not in the public interest when U.S. carriers do not have effective opportunities to compete in the provision of services and facilities in the foreign carrier's primary markets.

The Commission proposes to modify its public interest standard for considering foreign carrier applications under Section 214 of the Act to enter the U.S. market to provide international facilities-based services. The Commission seeks comment on requiring as an important element of its public interest standard a demonstration that effective market access is, or will soon be, available to U.S. carriers seeking to provide basic, international telecommuncations facilities-based services in the primary markets served by the carrier desiring entry. The Commission also would continue to consider other factors as part of its public interest analysis, such as national security, the openness of other telecommunications segments of the