

## ***Resolution on Interconnection and Competition Policy***

**WHEREAS**, The Telecommunications Act of 1996 (the Act) embodied the nation's long tradition of federalism under which federal and State policymakers share oversight of communications services; *and*

**WHEREAS**, The careful balance of competing interests established in the 1996 legislation has been a success overall and should be continued regardless of changes in the technology used to deliver intrastate and interstate communications services; *and*

**WHEREAS**, Interconnection is a necessary prerequisite for a vibrant competitive market, which can lead to innovation, infrastructure investment, and job growth; *and*

**WHEREAS**, Significant modifications to existing regulatory structures and definitions may result from a rewrite of the Act; *and*

**WHEREAS**, It is important to retain the structures that have served the industry well and to reconcile those structures with knowledge gained and future needs when considering changes to the Act; *and*

**WHEREAS**, The Telecommunications Act Modernization (TeAM) Task Force has focused on those interconnection issues that should be a priority for Congress and the Federal Communications Commission (FCC); *and*

**WHEREAS**, In the appendix to this resolution, the TeAM Task Force outlines the following 10 principles: 1) required interconnection; 2) communications quality; 3) communications delivery; 4) communications security/privacy; 5) encourage competition; 6) technology neutrality; 7) importance of voice; 8) essential need for universal service; 9) required oversight to reduce entry barriers and prevent discrimination; and 10) the need for State oversight; *now, therefore be it*

**RESOLVED**, That the Board of Directors of the National Association of Regulatory Utility Commissioners, convened at its 2017 Winter Committee Meetings in Washington, D.C., endorses the recommendations of the TeAM Task Force as set out in the appendix and urges Congress and/or the FCC to implement the recommended principles.

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*Sponsored by the Committee on Telecommunications*

*Adopted by the NARUC Board of Directors on February 15, 2017*

## Appendix

### Principles of Interconnection and Competition Policy

#### NARUC Telecommunications Act Modernization (TeAM) Task Force Sub-Group on Connectivity and Competition

A rewrite of the Telecommunications Act may significantly modify existing regulatory structures and definitions. However, in considering changes to the Act, it is important to retain the structures that have served the industry well and to reconcile those structures with knowledge gained and future needs. The principles drafted below avoid explicit, direct reference to current statutory language.

### Principles

- 1. Interconnection Required.** All owners of network capacity offering voice and/or data services to the public, or providing wholesale services that permit non-facilities-based entities to offer such services to the public, must interconnect directly or indirectly with the facilities and equipment of other network owners. Voice interconnection must be based on just and reasonable rates, terms, and conditions.
- 2. Communications Quality Paramount.** All network owners and resellers using their networks must meet minimum technical standards and refrain from engaging in activities that could unreasonably degrade the quality of a communication.
- 3. Communications Delivery Paramount.** All network owners and resellers using their networks must refrain from engaging in activities that could prevent the delivery of a communication, especially for the provision of emergency communication services.
- 4. Communications Security/Privacy Paramount.** Consistent and broadly applicable standards should be developed to ensure that all network service providers design and deliver their offerings in a manner that ensures a high level of security and privacy.
- 5. Competition Encouraged.** Policies that encourage competition between and among network service providers should be developed to promote continued price competition and the provision of high-quality service.
- 6. Technological Neutrality.** Interconnection policies and other policies that are necessary to promote competition must focus on the function of the services provided and not on the technology used to provide those services.
- 7. Voice Remains Important.** Interconnection and competition policies must recognize that voice communication is a unique and important form of communication.
- 8. Universal Service is Essential.** Interconnection and competition policy must ensure that all consumers have access to reasonably comparable and affordable voice and data services of

sufficient capacity and quality to allow them to fully participate in economic, social, and political life.

**9. Oversight Required to Reduce Barriers to Entry and Prevent Discrimination.** Meaningful State and federal regulatory oversight of the industry is required to maintain competitive telecommunications markets and to create new ones; such oversight is necessary to reduce barriers to entry.

**10. State Oversight Required.** States are best positioned to bring local resources and local knowledge to bear for efficient and rapid resolution of inter-carrier disputes and customer service complaints. Further, States can provide a rich source of knowledge and experience, valuable in the development of federal policy. A federal-State partnership is essential to the promotion of network ubiquity, network reliability, efficiency, and service quality.