

***Resolution Concerning the MAG Plan for Access Charge Reform***

**WHEREAS**, On January 5, 2001, the Federal Communications Commission requested comment on an industry-proposed plan (Multi-Association Group or “MAG” plan) for interstate regulatory reform, including access reform, for local exchange carriers subject to rate of return regulation; *and*

**WHEREAS**, The FCC is considering whether the MAG proposal contains an appropriate method for interstate access restructuring, and whether it should be accomplished by increasing the federal universal service fund; *and*

**WHEREAS**, An appropriate access reform plan should seek to preserve geographically averaged toll rates in all areas of the country and to make optional calling plans ubiquitously available; *and*

**WHEREAS**, Experience has shown interexchange carriers will likely surcharge any increases in universal service funding to their customers, and an acceptable access charge reform plan should ensure that appropriate offsetting reductions in long distance rates or increased availability of optional calling plans will result; *and*

**WHEREAS**, A regulatory reform plan should provide reasonable explanation of how incentive regulation will reduce cost of service or promote expanded services in the long run; *and*

**WHEREAS**, A regulatory reform plan should contain provisions that encourage carriers to make investments at an appropriate time based on market demand and the availability of technology; *and*

**WHEREAS**, One of the principal benefits of competition is lower customer charges; however, the primary manner in which the MAG plan proposes to encourage competitors to serve rural areas may significantly increase SLCs and other customer charges; *and*

**WHEREAS**, Any plan to reform interstate access charges must balance the interests of carriers and consumers; *now, therefore, be it*

**RESOLVED**, That the Board of Directors of the National Association of Regulatory Utility Commissioners (NARUC), convened in its 2001 Winter Meetings in Washington, D.C., finds that the FCC should carefully consider whether the MAG regulatory reform plan is consistent with sound regulatory principles; *and be it further*

**RESOLVED**, That NARUC supports the goals of providing geographically averaged toll rates in all areas of the country, increased incentives to efficiently expand advanced services in rural America, and providing increased incentives for efficiency of rural LECs; *and be it further*

**RESOLVED**, That NARUC supports further examination of the MAG plan and how it balances carrier and customer interests; *and be it further*

**RESOLVED**, That at the very minimum, the FCC should either refer those portions of the MAG plan that impact universal service to the Federal-State Joint Board on Universal Service for further review, or consult with the Joint Board, and should consider issue workshops and other ADR options to improve this plan; *and be it further*

**RESOLVED**, That NARUC General Counsel is directed to file comments with the FCC consistent with this resolution.

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*Sponsored by the Committee on Telecommunications  
Adopted by the Board of Directors February 28, 2001*