

**WHEREAS**, The Federal-State Joint Board in CC Docket No. 80-286 released a Recommended Decision ("RD") on July 21, 2000, recommending a freeze in the factors and category relationships for Price Cap carriers and the factors for non Price Cap companies; and

**WHEREAS**, The Federal-State Joint Board and its Staff have spent the past three years examining the manner in which legislative, technological, and market changes warrant comprehensive reform of the separations process; and

**WHEREAS**, The RD proposed adjusting the frozen local Dial Equipment Minutes ("DEM") factor by a default amount of 5 percent provided the Federal Communications Commission ("FCC") continues on remand to classify Internet dial-up minutes as interstate; and

**WHEREAS**, It is uncertain whether the 5 percent local DEM adjustment is an appropriate estimate of the effects of the Internet on local usage and what adjustments will be sufficient to reflect the impact of the Internet on jurisdictional use of all portions of the network; and

**WHEREAS**, The RD recommended the FCC seek further comment and data regarding the level of local DEM changes caused by Internet effects; and

**WHEREAS**, The FCC is expected to release a Public Notice requesting comment on this issue in the near future; *now therefore be it*

**RESOLVED**, The Board of Directors of the National Association of Regulatory Utility Commissioners ("NARUC"), convened at its 2000 Summer Meetings in Los Angeles, California, urges the FCC to act expeditiously to release a Public Notice requesting comment on the RD and to implement the recommended separations freeze as soon as possible; *and be it further*

**RESOLVED**, That NARUC encourages states to review the RD and provide data and comments in this matter.

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Sponsored by the Committee on Telecommunications  
Adopted by the NARUC Board of Directors, July 26, 2000.