

Convention Floor Resolution. 3

RESOLUTION ON REVISED REA PROPOSED RULE

WHEREAS, the Rural Electrification Administration (REA), in response to the comments and concerns of numerous parties regarding its initial interim-final rule, has reissued its Proposed Rules on October 27, 1994 and has asked for comments to be filed by interested parties on or before November 28, 1994, and;

WHEREAS, the REA should be commended for revising its plan to incorporate many of the concerns raised by parties in their initial comments of February 20, 1993 including:

Exclusion of non-REA borrowers
Removing the reference to specific technologies
Removing the zone/mileage elimination requirement from the modernization plan
Removing all references to the 150 Mb/sec transmission rate
Extension of time (1 year) for states to develop rural modernization plans, and;

WHEREAS, state modernization plans may have significant future impact on intrastate rates, including local service and intrastate access and toll, now; therefore, be it;

RESOLVED, that the Executive Committee of the National Association of Regulatory Utility Commissioners (NARUC), assembled at its 106th Annual Convention in Reno, Nevada, commends the REA for revising its rules in an attempt to help balance the concerns of parties who would implement the REA State Telecommunication Modernization Plan (STMP) requirements, if adopted, and; be it further

RESOLVED, that the member state agencies of NARUC, given their specific statutory regulatory authority of small telephone companies, be encouraged to individually respond to the REA during the specified comment cycle and include: an assessment of their potential participation in the REA modernization plan; their position on deference to the REA for setting policy on modernization; and the potential effects of the rule on costs and universal service and; be it further

RESOLVED, that the General Counsel of NARUC be directed to actively pursue future legislative proposals that would give states the additional flexibility to tailor modernization plans for REA borrowers to individual state demands, demographic needs and ratemaking authority.