

**Resolution Regarding S. 1086,
"The Telecommunications Infrastructure Act of 1993"**

WHEREAS, On June 9, 1993, Senators Danforth (R-MO) and Inouye (D-HI) introduced S. 1086, the "Telecommunications Infrastructure Act of 1993"; and

WHEREAS, The bill's stated objectives are to: encourage the continued development and deployment of advanced and reliable capabilities and services in telecommunications networks; ensure the availability of the widest possible range of competitive choices in the provision of telecommunications and cable television services and encourage the universal availability of telephone service; and

WHEREAS, Numerous states are at the forefront in upgrading their telecommunications infrastructure, encouraging new services, and promoting competition; and

WHEREAS, The characteristics of the marketplace and the costs of providing telephone service vary geographically and affect the competitive and regulatory environments among the states; and

WHEREAS, Cooperation between state and federal regulators is the best means to ensure that the benefits of competition and infrastructure development will be realized, consistent with the preservation of universal service, reasonable rates and maintenance of high quality service; and

WHEREAS, Until such time as competition is achieved, states must have the authority to ensure against the emergence of unregulated monopolies; and

WHEREAS, The bill as currently drafted contains numerous provisions of concern to state regulators including, but not limited to, the following examples:

- requiring that within one year, no State statute or regulation, or other state legal requirement shall prohibit or limit the ability of any entity to provide telecommunications services;
- directing that interconnection to a carrier's facilities at any technically feasible point for provision of telecommunications services must be permitted;
- authorizing the FCC to preempt state regulatory measures if determined by the FCC that the measures prevent the realization of the goal of ensuring that customers in rural and noncompetitive markets have access to high quality telecommunications network facilities and capabilities, regardless of the states evaluation of the propriety of such measures;
- providing the FCC with the authority to define intrastate competitive services for purposes of pricing flexibility;

- identifying universal availability, rather than universal service, as one of the seven stated purposes of the bill;
- requiring state and federal coordination in preserving universal service, without clarifying whether the FCC could establish universal service policies which the state must implement;
- providing no clearly defined role for states: (1) in assuring that appropriate intrastate compensation arrangements between telecommunications carriers are implemented; (2) developing intraLATA equal access and presubscription requirements for cellular and two-way wireless service providers;
- preempting state regulations relating to the provision of intrastate information services;
- allowing local exchange carriers to provide video services without addressing how the cost of network facilities used jointly to provide basic telephone services and video services will be allocated;
- promoting network redundancy without addressing potential impacts on the rate making process;
- encouraging pricing flexibility for competitive services without addressing the effects of deaveraging on rates in noncompetitive and high cost areas; now, therefore be it,

RESOLVED, That the Executive Committee of the National Association of Regulatory Utility Commissioners (NARUC), convened in its 1993 Summer Meetings in San Francisco, California, supports the efforts of Congress to encourage the development of a modern, efficient and high quality public telecommunications infrastructure and to promote competition, consistent with the preservation of universal service, reasonable rates and maintenance of high quality service; and be it further

RESOLVED, That S. 1086 be amended to address the bill's lack of clear definition regarding the states' authority to prescribe intrastate telecommunications policies and other concerns expressed in this resolution; and be it further

RESOLVED, That S. 1086 preserve the states' authority to implement policies that reflect market conditions within each state, consistent with the public interest objectives of encouraging infrastructure development and promoting competition, the preservation of universal service, reasonable rates and maintenance of high quality service; and be it further

RESOLVED, That NARUC encourages cooperation between state and federal regulators and welcomes the opportunity to work with Congress in order to achieve these public interest objectives; and be it further

RESOLVED, that the NARUC Washington office be directed to convey these views on S. 1086 to Congress.

Sponsored by the Committee on Communications

Adopted July 28, 1993

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