

## Resolution on Billed Party Preference

**WHEREAS**, On June 6, 1994, the Federal Communications Commission (FCC) released a Further Notice of Proposed Rulemaking (FNPRM) tentatively concluding that the benefits of its Billed Party Preference (BPP) proposal outweighs its costs and, requesting further comment to update the record on that tentative conclusion; and

**WHEREAS**, The National Association of Regulatory Utility Commissioners (NARUC) adopted a resolution on July 23, 1992 (as amended on August 5, 1992) which supported BPP in concept, but conditioned that support upon the FCC's adequate consideration of the mechanics of, and costs of implementation, as well as the recovery of those costs; and

**WHEREAS**, The FCC has both considered and reached a tentative conclusion on BPP's costs and implementation, but has not specified how the costs of BPP will be recovered; and

**WHEREAS**, It appears, based on paragraph 60 of the Order, that the FCC has based its cost/benefit analysis upon the application to all "interLATA traffic", including interLATA intrastate, therefore apparently preempting State oversight of interLATA intrastate 0+ traffic; and

**WHEREAS**, The FCC has also completely eliminated State involvement in examining separations issues, concluding that no Joint Board is required "to re-examine current separations rules", suggesting, at paragraph 60 of the Order, that "existing usage factors" will "yield a reasonable allocation of costs as between the jurisdictions for cost categories affected by BPP"; and

**WHEREAS**, Existing separations rules are not specifically designed to account for costs and allocations required by BPP implementation and therefore it appears that the bulk of the costs may be inappropriately allocated to the intrastate jurisdiction; now, therefore, be it

**RESOLVED**, The NARUC Executive Committee, convened at its 1994 Summer Meetings in San Diego, California, respectfully suggests that, at a minimum, should the FCC ultimately conclude to implement BPP, referral of separations issues to a Joint Board is absolutely necessary; and be it further

**RESOLVED**, That the FCC should thoroughly examine the updated record and the critiques of its cost/benefits analysis to assure that it clearly supports BPP implementation before taking any further action; and be it further

**RESOLVED**, That, should the FCC determine to implement BPP, it should also clarify that States authority to control implementation at the intrastate and intraLATA level is not impaired; and be it further

**RESOLVED**, That the FCC must give further consideration to the reasonable measures that should be taken to prevent fraud associated with BPP, particularly from inmate institutions, and that the costs of those measures much be considered as part of the overall expense of BPP implementation.

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Sponsored by the Committee on Communications  
Adopted July 27, 1994  
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