

**Resolution on Legislation to Allow
BOC Provision of Interexchange Services**

WHEREAS, H.R. 3626 and S. 1822 would modify the MFJ restriction on Bell Operating Company (BOC) provision of interexchange (interLATA) services; and

WHEREAS, The standards for determining when to permit BOC entry into interexchange markets differ significantly in each bill, with HR 3626 distinguishing between interstate and intrastate services, permitting States to determine BOC entry into intrastate, interexchange markets; giving the FCC and DOJ co-equal status; and requiring the BOCs to wait 18 months to apply for interstate, interexchange resale authority and 5 years to directly provide these services; and

WHEREAS, S. 1822 gives the FCC exclusive authority to decide when a BOC may enter both interState and intrastate, interexchange markets, after consultation with the Department of Justice (DOJ) and after receiving "factual" evidence from the States on local competition in the BOC's service territory; and

WHEREAS, S. 1822 also would impose two types of safeguards that must exist before BOC interexchange entry would be permitted; namely, (1) a BOC is required to engage in further network unbundling and number portability and (2) there must be at least one facilities based competitor providing service of "comparable geographic scope" and serving a "significant number of subscribers"; and

WHEREAS, As is the case with local exchange markets, market conditions will vary among the States with respect to the intrastate, interexchange market; and

WHEREAS, States can be relied upon to impose appropriate conditions on entry that would encourage competition rather than permit anticompetitive behavior by BOCs; now, therefore, be it

RESOLVED, That the Executive Committee of the National Association of Regulatory Utility Commissioners (NARUC), convened at its 1994 Winter Meetings in Washington, D.C., encourages further examination of the two approaches taken by H.R. 3626 and S. 1822 with a view toward identifying common elements and possibly reconciling the two approaches consistent with the principle that States shall retain full jurisdiction over entry into intrastate interLATA toll markets; and be it further

RESOLVED, That NARUC welcomes the opportunity to participate in that discussion.

Sponsored by the Committee on Communications
Adopted March 2, 1994
Reported NARUC Bulletin, No. 11-1994, p. 7