Resolution Concerning
the Monitoring of the Effects of
Interstate Price Caps for Local Exchange Carriers

WHEREAS, The Federal Communications Commission (FCC) released an order on October 4, 1990, instituting interstate price cap regulation for local exchange carriers (LECs); and

WHEREAS, In the order, the FCC stated that it is "committed to assuring the availability of high quality, innovative communications services, and to the development of the telecommunications infrastructure" and that its price cap regulation would encourage local exchange carriers in providing "network modernization, advanced applications, and new services;" and

WHEREAS, The FCC also stated in the order that there is a "theoretical concern that LECs under price cap regulation might seek to increase their profits not by becoming more productive, but by lowering the quality of the service they provide;" and

WHEREAS, The FCC proposed in the order to expand significantly the FCC's monitoring of infrastructure development and service quality, and to evaluate its price cap regulatory scheme with respect to its affects on efficiency, service quality, and infrastructure; and

WHEREAS, The FCC's price cap regulation also affects intrastate efficiency, service quality, and infrastructure; and

WHEREAS, The FCC intends to initiate soon a rulemaking which would begin the data gathering for monitoring the effects of interstate price cap regulation, and State commissions and others have an interest in the data gathered being sufficient to reasonably examine those effects; now, therefore, be it

RESOLVED, That the Executive Committee of the National Association of Regulatory Utility Commissioners (NARUC), convened at its Winter Meeting in Washington, D.C., recommends that the FCC collect and examine the following data to monitor the effects of price cap regulation:

1) Numbers and types of customer complaints by local wire center;
2) Rates for popular services, including rates back to January 1, 1988;
3) Depreciation records, retirements, and new construction, by local wire center for switching equipment and by study area for cable and wire facilities, on an annual basis;
4) For local switching equipment, the exchange name, local wire center name, number of telephone numbers used, number of access lines, switch type, class of switch, switch technology, and equal access availability by NPA-NNX on a semiannual basis;
5) Services deployed by NPA-NNX, including service description and generic name, on a semiannual basis;
6) Signaling System 7 (SS7) availability by type of access (e.g., loop access only) by local wire center on a quarterly basis;
7) Switches equipped for ISDN, ISDN functionalities installed and available for purchase, and numbers and types of ISDN lines sold (e.g., basic rate versus primary rate) by ISDN vintage and local wire center on a quarterly basis;
8) Sheath miles, gross investment, net investment, voice grade pairs, and percent used of copper cable exchange lines by study area on a quarterly basis;
9) Sheath miles, gross investment, net investment, equivalent voice grade pairs, and percent used of fiber cable exchange lines by study area on a quarterly basis;
10) Circuit equipment installed by technology and bandwidth, by local wire center on a quarterly basis;
11) Interoffice transmission facilities, listed as circuit links (baseband, analog CXR, and digital CXR) and carrier links (analog copper or radio, digital copper, radio, or fiber) by study area on an annual basis;
12) Local loop transmission facilities, listed as total working channels, copper working channels (baseband, analog CXR, digital CXR), fiber digital CXR working channels, and other working channels by study area on an annual basis;
13) Local loop transmission facilities, listed as total equipped channels, copper equipped channels (baseband, analog CXR, digital CXR), fiber digital CXR equipped channels, and other equipped channels by study area on an annual basis;
14) Local loop transmission facilities, listed as copper pairs terminated at main frame, fiber strands in central offices, and fiber to customers by study area on an annual basis;
15) Annual reports filed in State jurisdictions; and
16) Numbers of held orders by study area on a monthly basis; and be it further

RESOLVED, That, in addition, the FCC, States, and other interested parties should consider using the following data to monitor the effects of interstate price cap regulation, some of which the FCC has already stated it intends to use:

1) ARMIS;
2) TRP filings;
3) Form M;
4) FCC notices and tariff applications;
5) IILC ONA Cross-Referencing Guide;
6) Press releases of other jurisdictions;
7) NECA reports;
8) Reports by the FCC's Industry Analysis Division; and
9) Federal/State Joint Board Monitoring Reports; and
10) The LEC annual price cap filing; and be it further

RESOLVED, That the NARUC asks the FCC to initiate an open
docket, similar to the Joint Board monitoring docket, including
semi-annual reports in which interested parties can file data,
reports, and analyses at any time on the effects of interstate
price cap regulation; and be it further

RESOLVED, That the NARUC General Counsel be instructed to file
comments stating the above in appropriate FCC proceedings.

Sponsored by the Committee on Communications
Adopted February 27, 1991
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