

**Resolution Regarding Special Access Charge Rate Design  
and Expanded Interconnection**

**WHEREAS**, On June 26, 1991, the Federal Communications Commission (FCC) released a Notice of Proposed Rulemaking (NPRM) and a Notice of Inquiry (NOI) in CC Docket No. 91-141 in response to a petition for rulemaking filed by Metropolitan Fiber Systems on November 14, 1989; and

**WHEREAS**, The National Association of Regulatory Utility Commissioners (NARUC) filed comments with the FCC on August 6, 1991, in reference to the above listed matter; and

**WHEREAS**, The NPRM proposed to allow independent parties including, but not limited to, competitive access providers (CAPs), interexchange carriers and end users to connect their special access facilities to those of Tier 1 Local Exchange Carriers (LECs) either through a physical or virtual collocation arrangement; and,

**WHEREAS**, The FCC indicated that it has substituted this proceeding to remove barriers that currently impede the development of greater competition in the provision of interstate access that will produce substantial benefits through:

- Expanded customer choice.
- Improved efficiency.
- More rapid development of new technology.
- Lowering prices and bringing pressure to bear on any noneconomic support flows; and

**WHEREAS**, The LECs would initially be required to implement expanded interconnection through rate structure changes for DS1 and DS3 and for other special access services on a service-by-service implementation based on receipt of a request for expanded interconnection; and

**WHEREAS**, The FCC's plan would allow for a contribution element paid by the interconnecting parties established at a specified level but subject to change only through order or recalculation pursuant to prescribed formula; and

**WHEREAS**, The NPRM raises the following questions that need to be addressed:

- Is intrastate policy regarding competitive entry preempted?
- To what extent do these actions alter the overall access rate structure and pressure the States to alter their access rate structure?
- Will this result in additional jurisdictional measurement problems and the inability to audit traffic measurement?
- To what extent will these actions alter and reduce inter-

state access rate levels, encouraging arbitrage and causing pressure to lower intrastate rate levels?

- Could this potentially result in jurisdictional cost shifts to this intrastate jurisdiction as well as to other access elements?

- Is this likely to encourage and result in deaveraging of toll, access and local rates?

- What is the impact on common line pool support payments and the Universal Service Fund?

- What is the extent of the lost special or switched contribution in the Federal jurisdiction, how it should be recovered, and how does this affect the intrastate jurisdiction?

**WHEREAS**, Interconnection policies vary across the States, with some States having already adopted expanded interconnection policies; and

**WHEREAS**, Cooperation between State and Federal regulators is crucial to securing the full benefits of expanded interconnection while minimizing possible adverse effects; now, therefore, be it

**RESOLVED**, That the National Association of Regulatory Utility Commissioners (NARUC), convened at its 103rd Annual Convention and Regulatory Symposium in San Antonio, Texas, recommends that the FCC be urged not to mandate nationwide expanded interconnection rules; and be it further

**RESOLVED**, That these issues be referred to the CC Docket 80-286 Joint Board to:

- Evaluate thoroughly the collocation efforts initiated in the States;

- Thoroughly evaluate the issues discussed above and others pertaining to collocation;

- Provide recommendations for the joint Federal, State resolution of the issues;

- Initiate this review immediately and conclude within a reasonable time frame; and be it further

**RESOLVED**, That the FCC be encouraged to work with and support individual State experimentation regarding collocation and interconnection, including issuance of policy guidelines for the filing of complementary interstate collocation tariffs.

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Sponsored by the Committee on Communications

Adopted November 13, 1991

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