Resolution Regarding Switched 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 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 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 FCC also released a NOI to gather additional
information before proceeding with a proposal for collocation and
expanded interconnection for interstate switched transport service;
and

WHEREAS, The NOI 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
  interstate 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 de-averaging 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? and

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), assembled at its 103rd Annual Convention 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.

Sponsored by the Committee on Communications
Adopted November 13, 1991