

## **Resolution on Proposed Title VII to the Communications Act of 1934**

**WHEREAS**, The Administration has proposed to amend the Communications Act of 1934 (Act) by adding a new Title VII; and

**WHEREAS**, Among the stated goals of Title VII are widespread deployment of broadband services, competitive fairness and efficient regulation, consistent with universal service, consumer protections and just and reasonable rates for basic services; and

**WHEREAS**, Under Title VII, any firm which offers broadband, interactive, switched digital services (Title VII services) to 20% of its subscribers is eligible to elect for regulation under Title VII, including all services currently regulated under Title II and Title VI; and

**WHEREAS**, Rates for Title VII services may not be regulated by the Federal or State jurisdictions unless the Federal Communications Commission (FCC) finds a Title VII firm has market power and neither the Title VII firm nor the Title VII services may be regulated under Title II or Title VI of the Act; and

**WHEREAS**, States may regulate rates for intrastate broadband Title VII services only if the FCC finds that the Title VII firm has market power and then, State regulation must be pursuant to models or standards established by the FCC; and

**WHEREAS**, The current draft of Title VII is difficult to interpret as to whether the FCC would be permitted under Title VII to deregulate current Title II and Title VI services -- including basic telephone service -- and preempt State regulation of intrastate services offered in conjunction with Title VII broadband services, even where those same services would be subject to Title II and Title VI regulation by non-Title VII firms; and

**WHEREAS**, Although NARUC supports the goal of bringing the benefit of advanced telecommunications to all Americans, Title VII as proposed does not appear to achieve this goal in a manner that best protects the public interest; and

**WHEREAS**, NARUC has sent a letter to the Administration seeking clarification or answers to numerous concerns and questions and the will undoubtedly need further clarification and dialogue as Title VII continues to evolve; 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., supports the stated goals of Title VII with respect to infrastructure deployment, competitive fairness and efficient regulation, consistent with ensuring universal service, consumer protections and just and reasonable rates for basic services; and be it further

**RESOLVED**, As currently drafted, Title VII will not adequately meet its stated goals, may lead to greater disparity in regulatory oversight, undercut the goals of common carriage, and will impede the smooth transition to a competitive market. Thus, NARUC cannot

support Title VII in its current form; and be it further

**RESOLVED**, That NARUC looks forward to continued dialogue with the Administration on Title VII and a working group of its Communications Committee and other commissioners will be designated by the President to continue that dialogue.

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Sponsored by the Committee on Communications  
Adopted March 3, 1994  
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