

Resolution Regarding Access Restructuring

WHEREAS, The Access Issues Work Group (AIWG) was formed during the Fall of 1991 to address and develop policy recommendations associated with changes in the access environment and focus on a possible comprehensive review of the access rules; and

WHEREAS, The AIWG has received comments on future access policy issues from twenty-three parties representing local exchange carriers (LECs), interexchange carriers (IXCs), resellers, competitive access providers, consumer organizations, and numerous trade associations since September, 1991; and

WHEREAS, The AIWG also has held meetings and numerous conference calls with these participants to discuss access restructuring; and

WHEREAS, There is broad consensus among these parties that changes to the existing access rules are necessary; and

WHEREAS, The AIWG has prepared a report in which it has presented issues, objectives, and conclusions on a number of important issues, including objectives and direction for the treatment of IXCs, LECs, other access providers and new market entrants that should be considered in any future comprehensive review of access; and

WHEREAS, The AIWG report identifies several objectives, that include, but are not limited to:

- Encouraging a competitive market for access services
- Customer access to emergency services
- Maintaining quality of service standards
- Permitting resale of services
- Monitoring of all providers and verification of monitoring information
- Cost of service pricing for access services
- Transition mechanisms
- Expanding the ubiquity of existing services
- Improving efficiency of mechanisms for universal service
- Developing mechanisms to insure ubiquity of new services
- Flexibility to respond to evolving demands and technologies
- Minimal form of rate regulation for basic telephone services; and

WHEREAS, The AIWG report provides specific recommendations for addressing the concerns with today's access charge environment and requires IXCs to continue to pay into a universal service fund; and

WHEREAS, The AIWG report provides the following recommendations for small LECs that includes:

- Eliminating jurisdictional separations
- Requiring unitary tariffed rates
- Requiring rates based on uniform cost of service standards

- Permitting pooling
- Allowing transitional period for unified tariffing
- Developing transitional support mechanism
- Requiring small LECs to report certain information (financial and operating statistics with regard to the infrastructure) to the FCC and NECA
- An option for small LECs to be treated as large LECs; and

WHEREAS, The AIWG report makes the following recommendations for large LECs:

- Defined as companies with greater than 5% of the access lines in a state
- Continuing jurisdictional separations
- Provides for filing company specific tariffs
- Provides for rates based on cost of service but can be deaveraged if books and records are kept on the same basis
- Provides a transition period for tariffing deaveraged rates
- Requires reporting certain information (financial and operating statistics with regard to the infrastructure) to the FCC and NECA
- Provides for support for qualifying services
- Requires payment into a universal service fund; and

WHEREAS, The AIWG report makes the following recommendations for other access providers and new market entrants:

- Requires payment into a universal service fund
- Provides for support for qualifying services; 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., agrees that a comprehensive review of access is needed, and be it further

RESOLVED, That the AIWG members be commended for their efforts in addressing the complex issues involved in a comprehensive review, and be it further

RESOLVED, That while NARUC takes no position on the AIWG report, it nonetheless believes that the issues, objectives, and conclusions offered for consideration should be used as the basis for a formal comprehensive inquiry by the FCC; and be it further

RESOLVED, That NARUC directs its General Counsel to petition the FCC to initiate a Notice of Inquiry to consider the findings contained in the AIWG report on access rules.