

APR 19 1996

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
)
Policy and Rules Concerning the)
Interstate, Interexchange Marketplace)
)
Implementation of Section 254(g) of the)
Communications Act of 1934, as amended)

CC Docket No. 96-61

DOCKET FILE COPY ORIGINAL

COMMENTS OF THE COMMONWEALTH
OF THE NORTHERN MARIANA ISLANDS

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TABLE OF CONTENTS

	<u>Page</u>
Summary of Comments	ii
I. INTRODUCTION	1
II. THE COMMONWEALTH SUPPORTS THE COMMISSION'S CONCLUSION THAT THE 1996 ACT EXTENDS RATE INTEGRATION TO THE COMMONWEALTH	7
III. IMPLEMENTATION AND ENFORCEMENT OF RATE INTEGRATION	11
IV. CONCLUSION	15
Exhibit A	

SUMMARY OF COMMENTS

As demonstrated in its Comments, the Commonwealth of the Northern Mariana Islands ("Commonwealth") enthusiastically supports the Commission's proposal to adopt a rule mandating rate integration for the Commonwealth pursuant to Section 254(g) of the Telecommunications Act of 1996 ("1996 Act"). The Commonwealth urges the Commission to proceed without delay in integrating the Commonwealth into the domestic rate plan. The Commission's action in this proceeding should result in the meaningful implementation of integrated rates in the Commonwealth.

As the Commission's Notice of Proposed Rulemaking ("Notice") in the instant proceeding recognizes, Section 254(g) of the 1996 Act mandates that the Commonwealth be included within the rate integration policy. According to the Notice, "the 1996 Act extends rate integration to U.S. Territories and possessions, such as Guam and the Northern Mariana Islands" The Commonwealth totally endorses this conclusion. This conclusion is consistent with both previous Commission precedent as well as a 1982 Presidential Proclamation declaring the Communications Act of 1934, as amended, applicable to the Commonwealth.

However, the regulatory status of the Commonwealth has not always been clear under the Communications Act of 1934, as amended. For example, while a domestic point as a U.S. commonwealth, telecommunications services between the Commonwealth and the mainland U.S. have traditionally been tariffed as international services. In order to avoid confusion and regulatory uncertainty of this nature in the future, the Commonwealth proposes that the Commission *expressly* indicate, either in the rate integration rule which the Commission is proposing to adopt or in its decision adopting the rule, that the rule applies to the Commonwealth.

The Commonwealth also supports the proposals advanced by the Notice to implement rate integration. Specifically, the Commonwealth believes that facilities-based carriers should be required to certify their compliance with the rate integration rule no less than once annually. In addition, the Commonwealth also supports the Commission's proposal that AT&T be subject to any rate integration rule adopted in the instant proceeding in lieu of being permitted to adhere to its "voluntary commitment."

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**COMMENTS OF THE COMMONWEALTH
OF THE NORTHERN MARIANA ISLANDS**

The Commonwealth of the Northern Mariana Islands ("Commonwealth"),¹ by its attorneys, respectfully submits its comments in response to the Commission's Notice of Proposed Rulemaking ("Notice"), released on March 25, 1996 in the above-captioned matter.

I. INTRODUCTION

The Commonwealth consists of 14 islands strategically located in the North Pacific Ocean approximately 3,300 miles west of Honolulu, 1,200 miles southeast of Tokyo and 50 miles north of the Territory of Guam ("Guam"). The total land area of the Commonwealth is slightly larger than 2.5 times the size of the District of Columbia.² The populated islands of the Commonwealth (i.e., Saipan, Tinian and Rota) have a total population of 43,345 according to the

¹ Consistent with the Commission's request that parties consolidate their filings in rulemaking proceedings implementing the Telecommunications Act of 1996 (see Public Notice, FCC 96-81, released March 1, 1996), these Comments are filed by the Office of the Governor of the Commonwealth and concurred in by the Commonwealth's Office of the Resident Representative.

² Central Intelligence Agency, World Factbook (1993) at 290.

1990 United States census. Estimates for 1994 reflect ongoing growth and place the population at 56,656 persons.³

The Commonwealth is a self-governing commonwealth in political union with and under the sovereignty of the United States. The relationship between the Commonwealth and the United States is governed by the "Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America."⁴ Among other things, the Covenant provides that persons born in the Northern Mariana Islands both before and after it took effect are citizens of the U.S.⁵ Subject to certain exceptions, federal law applies to the Commonwealth.⁶

Although a U.S. commonwealth, a lack of affordable telecommunications offerings between the Commonwealth and the contiguous U.S. has left the Commonwealth relatively isolated from the U.S. mainland. The high prices that Commonwealth businesses and consumers currently pay for telecommunications services to and from the U.S. mainland is largely attributable to the fact that the Commonwealth is not encompassed within the Commission's rate integration policy. The Commonwealth is one of only three U.S. points which have not yet been

³ A Report on the State of the Islands, U.S. Department of the Interior, Office of Insular Affairs, Aug. 1995, at 27.

⁴ See 48 U.S.C. §1681 note (1987), approved by Congress in Public Law 94-241 (March 24, 1976), 90 Stat. 263 ("Covenant"). The Covenant was entered into following a plebiscite held under the United Nation's supervision in which the residents of the Commonwealth voted to enter into political union with the United States as a commonwealth.

⁵ Covenant at §301.

⁶ A Report on the State of the Islands, at 27.

rate integrated.⁷ Instead, international ratemaking principles are currently applied to calls between the Commonwealth and mainland U.S., and rates for off-island, domestic calls are therefore at least five times higher than the rates charged for calls in the highest rate band between U.S. points included within rate integration.⁸ As a result, Commonwealth residents are deprived of certain telecommunications services available to other Americans and are charged far more for those that are available. Such treatment has inhibited the free flow of telecommunications traffic between the Commonwealth and the mainland U.S. and has adversely affected the Commonwealth's residents, economy, and integration with the rest of the nation.

To rectify this unlawfully discriminatory treatment, on June 7, 1995 the Commonwealth filed a Petition with the Commission requesting that the Commission incorporate the

⁷ The two other U.S. points without rate integration, Guam and American Samoa, are also U.S. Pacific territories. By contrast, the Commonwealth of Puerto Rico ("Puerto Rico"), the U.S. Virgin Islands ("USVI"), Alaska and Hawaii have all been incorporated into the domestic U.S. rate plan.

⁸ Micronesian Telecommunications Corporation ("MTC"), a subsidiary of GTE, is the local exchange carrier which serves the Commonwealth and the predominant provider of off-island services. MTC's direct-dialed rates are \$1.85 for the first minute and \$1.55 for each additional minute for direct-dialed daytime calls (Tues. - Fri.) for Message Toll Telephone Service between the Commonwealth and U.S. mainland (excluding Alaska). See MTC Tariff F.C.C. No. 1, 3rd. Original Page 16B, dated February 1, 1996. By contrast, U.S. Sprint charges \$0.35 for the first minute and \$0.35 for each additional minute for direct-dialed daytime calls for MTS service to locations within the contiguous U.S. up to 4,251 miles apart. See U.S. Sprint F.C.C. No. 1, page 168. Thus, a 15 minute call from the Commonwealth to a contiguous U.S. domestic point could cost \$23.55 under the MTC tariff, as opposed to \$5.25 under the Sprint tariff. While it is difficult to compare MTC's rates with those of domestic U.S. carriers, suffice it to say that MTC's charges for calls between the Commonwealth and the mainland are several magnitudes higher than typical rates for calls between domestic, contiguous points. Indeed, this was generally the case for calls between Hawaii and Alaska and the mainland U.S. (where rates were approximately twice as high) before rate integration was implemented for these points.

Commonwealth in the U.S. domestic rate integration plan.⁹ The Commonwealth's Petition was pending before the Commission when the Telecommunications Act of 1996 ("1996 Act"),¹⁰ which clearly addresses this issue, was enacted.

The Commonwealth is one of only three U.S. territories that are not yet members the North American Numbering Plan ("NANP"). The Commonwealth is presently situated in World Numbering Zone 6 along with a number of other countries in the Southern Pacific, including Australia, New Zealand, the Republic of Singapore, and Thailand, among others. Whereas calls within the NANP can be placed by dialing "1+" the area code and seven digit number, calls between the Commonwealth and the U.S., as well as other NANP destinations, currently must be placed using the international dialing pattern, "011". This necessitates use of an awkward thirteen-digit dialing protocol, as well as the potentially confusing international routing of the Commonwealth's telecommunications traffic. Additionally, the Commonwealth is not yet listed in NANP telephone books as a domestic point.

In a further effort to encourage improved communications between the Commonwealth and the U.S. mainland, the Commonwealth petitioned the Industry Numbering Committee ("INC")

⁹ See Petition for Rulemaking to Implement Domestic Rate Integration for the Commonwealth of the Northern Mariana Islands, filed June 7, 1995 ("Petition") (which contains additional background on telecommunications in the Commonwealth). Similar petitions requesting that Guam be integrated into the domestic rate plan were filed by the Governor's Office of the Territory of Guam (see Rate Integration for the Provision of Communication between the United States Mainland, Hawaii, Alaska, Puerto Rico/Virgin Islands and Guam, filed May 9, 1995) and JAMA Corporation (see Petition for Rulemaking to Implement Domestic Rate Integration Policies for Guam, filed May 1, 1995). The Commission placed the petitions on public notice last summer. See, e.g., Public Notice, DA 95-1361, released June 16, 1996. The Commonwealth's Petition is incorporated by reference herein.

¹⁰ Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 (1996)(to be codified at 47 U.S.C. §§ 151 et seq.).

of the North American Numbering Plan Administrator ("NANPA") to include the Commonwealth in the NANP.¹¹ As a result of recent developments before the NANPA and the INC, the Commonwealth's request for NANP entry (and issuance of an area code) is now in the process of being implemented. A joint press release describing such recent developments before the NANPA and INC is attached hereto as Exhibit A. This development, of course, is entirely consistent with the Commonwealth's effort to become rate integrated.

The Commonwealth applauds the objectives of the instant proceeding, particularly as they relate to rate integration. The implementation of rate integration in the Commonwealth will lead to numerous important benefits and, therefore, is in the public interest. First, implementing rate integration for the Commonwealth will result in lower communications prices for Commonwealth ratepayers.¹² Second, rate integration can be expected to promote increased competition between interexchange carriers, leading to the adoption of new technologies, the development of new and innovative services, and improved customer service.¹³ Third, rate integration will enhance economic growth in the Commonwealth, consistent with the obligation of the U.S. under the Covenant to assist the Commonwealth in achieving a higher standard of living for U.S. citizens residing there and to develop the economic resources needed to meet the financial responsibilities

¹¹ Letter from Governor Froilan C. Tenorio, Commonwealth of the Northern Mariana Islands, to Ronald R. Conners, Director, North American Numbering Plan Administration, Bellcore (March 31, 1995). The Commonwealth's request before the INC was strongly supported by the Commission, the U.S. Department of State, and the U.S. Department of Interior. Inclusion within the NANP will also facilitate the Commonwealth's inclusion within the U.S. 1-800 toll free network.

¹² See, e.g., Petition at 13.

¹³ Id.

of self-government.¹⁴ Fourth, rate integration will ensure that U.S. citizens in the Commonwealth have access to the Nation's communications infrastructure.¹⁵ Finally, rate integration will recognize the Commonwealth as a domestic point--which, of course, it is.¹⁶

Rate integration is also of particularly unique importance to the Commonwealth due to its remote geographic location and consequently greater dependence upon telecommunications to interconnect with the contiguous U.S. Since travel to and from the Commonwealth is both time consuming and expensive, and since mail and package services are slowed by the distance they must travel, telecommunications services are the Commonwealth's one means of immediate contact with mainland (and other off-shore) points.¹⁷

The Commonwealth, therefore, urges the Commission to avoid delay in implementing rate

¹⁴ According to Section 701 of the Covenant, "the Government of the United States will assist the Government of the Northern Mariana Islands in its efforts to achieve a progressively higher standard of living for its people as part of the American economic community and to develop the economic resources needed to meet the financial responsibilities of local self-government." Covenant at §701.

¹⁵ Petition at 14-15. In addition, rate integration will help promote universal service in the Commonwealth. See, e.g., Policy and Rules Concerning Rates for Dominant Carriers, 4 FCC Rcd 2873, 3132 at para. 537 (1989).

¹⁶ See Petition at 8-9.

¹⁷ By extending rate integration to the Commonwealth, the Commission will acknowledge the de-emphasis of distance as a cost factor. See Petition at 9-10. According to an article in The Economist entitled "The Death of Distance," "[m]ore significant, carrying a call from London to New York costs virtually the same as carrying it from one house to the next. The death of distance as a determinant of the cost of communications will probably be the single most important economic force shaping society in the first half of the next century. It will alter, in ways that are only dimly imaginable, decisions about where people live and work; concepts of national borders; patterns of international trade. Its effects will be as pervasive as those of the discovery of electricity." A Survey of Telecommunications: The Death of Distance, The Economist, September 30, 1995, at 4. By extending rate integration to the Commonwealth, Congress and the Commission will have ensured that the Commonwealth too will benefit from these profound technological forces.

integration in accordance with Section 254(g) of the 1996 Act. The Commission's action in this proceeding should result in the meaningful implementation of integrated rates in the Commonwealth.

**II. THE COMMONWEALTH SUPPORTS THE
COMMISSION'S CONCLUSION THAT THE 1996 ACT
EXTENDS RATE INTEGRATION TO THE COMMONWEALTH**

In its Notice, the Commission seeks comment on its proposed rule which would require a provider of interstate interexchange telecommunications services "to provide such services to its subscribers in each State at rates no higher than the rates charged to its subscribers in any other State."¹⁸ Notice at para. 76. As indicated below, the Commonwealth fully supports the Commission's proposal. However, the Commonwealth urges the Commission to expressly clarify--either directly in any rule it adopts or in its decision adopting the rule--that the Commonwealth is encompassed within the rate integration policy.

The Commonwealth enthusiastically supports the Commission's conclusion that rate integration extends to the Commonwealth. In its Notice, the Commission states:

We note that the Communications Act, as amended, defines the term "State" as including "the District of Columbia and the Territories and possessions [footnote omitted]." Accordingly, *the 1996 Act extends rate integration to U.S. Territories and possessions, such as Guam and the Northern Mariana Islands*, that currently are not subject to the Commission's domestic rate integration policy.

Notice at para. 77 (emphasis added).

A careful reading of Section 254(g) of the 1996 Act makes clear that there can be no doubt that rate integration now extends to the Commonwealth and Guam.

¹⁸ See 1996 Act at §254(g).

Section 254(g) states as follows:

(g) INTEREXCHANGE AND INTERSTATE SERVICES.--Within 6 months after the date of enactment of the Telecommunications Act of 1996, the Commission shall adopt rules to require that the rates charged by providers of interexchange telecommunications services to subscribers in rural and high cost areas shall be no higher than the rates charged by each such provider to its subscribers in urban areas. *Such rules shall also require that a provider of interstate interexchange telecommunications services shall provide such services to its subscribers in each State at rates no higher than the rates charged to its subscribers in any other State.*¹⁹

The Commission's conclusion that Section 254(g) of the 1996 Act extends rate integration to the Commonwealth is consistent with both Commission precedent²⁰ and a 1982 Presidential Proclamation which declared the Communications Act of 1934, as amended,²¹ applicable to the Commonwealth.²² The conclusion is also consistent with Commission action treating another U.S. commonwealth, Puerto Rico, as a state under the 1934 Act.²³

¹⁹ 1996 Act at §254(g) (emphasis added).

²⁰ See, e.g., In the Matter of Micronesian Telecommunications Corporation, 9 FCC Rcd 2032 (1994) (authorizing MTC to establish a "study area" in the Commonwealth); In the Matter of Waiver, 70 F.C.C. 2d 2256 (1979) (applying the Act to the Commonwealth for purposes of radio station authorizations); and In the Matter of Amendments, 70 F.C.C. 2d 1995 (1979). The Commission has also made clear that it considers facilities between the Commonwealth and domestic mainland/U.S. off-shore points to be domestic, not requiring an international authorization. In the Matter of Micronesian Telecommunications Corporation, 2 FCC Rcd 1105 (1987), citing 95 F.C.C. 2d 554 (1983). According to the Commission, "we deem no additional authority is necessary [for MTC] to serve Guam, Hawaii and the United States mainland." 2 FCC Rcd 1105 at n.1.

²¹ Communications Act of 1934, as amended, codified at 47 U.S.C. §151 et seq. (hereinafter "1934 Act").

²² See Proclamation No. 4938, Application of Certain United States Laws to the Northern Mariana Islands (1982) ("The Communications Act of 1934, as amended [47 U.S.C. §§151 et seq.] is applicable to the Northern Mariana Islands").

²³ See, e.g., In the Matter of American Telephone and Telegraph Acquisition of ITT, 2 FCC Rcd 3948 (1987) at n.22.

Moreover, the Joint Explanatory Statement of the Committee of Conference²⁴ clearly identifies that Congress' intent in enacting Section 254(g) was to bring the Commonwealth within the scope of rate integration. According to the Joint Statement:

New section 254(g) is intended to incorporate the policies of geographic rate averaging and rate integration of interexchange services *in order to ensure that subscribers in rural and high cost areas throughout the Nation* are able to continue to receive both intrastate and interstate services at rates no higher than those paid by urban subscribers.²⁵

See also Notice at para. 76, n.168. A reading of Section 254(g) combined with the Joint Statement shows that nowhere did Congress intend to limit the scope of rate integration to only those states and territories to which it applied prior to enactment of the 1996 Act (i.e., Alaska, Hawaii, Puerto Rico and the USVI). To the contrary, the clear intent is to apply the benefits of rate integration expansively "throughout the Nation", which would include the Commonwealth. The balance of Section 254(g) reinforces the notion that Congress intends to encompass the Commonwealth within the Commission's policies.²⁶

Finally, interpretation of Section 254 in a manner such that the Commonwealth is not included within rate integration would blatantly discriminate between the Commonwealth and

²⁴ Joint Explanatory Statement of the Committee of Conference, 104th Cong., 2nd Sess. at 132 (1996) ("Joint Statement").

²⁵ Id. (emphasis added)

²⁶ The primary objective of Section 254 is to extend advanced telecommunications and information services to "[c]onsumers in all regions of the Nation...". Section 254 clarifies that "all regions of the Nation" includes "insular" areas. The Joint Statement goes on to expressly state that the term "insular areas" includes the "Pacific Island territories". Joint Statement at 131. In short, as a commonwealth of the U.S. whose citizens are U.S. citizens (see supra at 2), the Commonwealth is unquestionably one of regions of the Nation to which the provisions of Section 254 must apply.

other insular points which have been brought within rate integration.²⁷ As the Commission recognized in its Notice, "[t]he U.S. Virgin Islands and Puerto Rico are the only territories or possessions subject to the Commission's domestic rate integration policy at the present time." See Notice at para. 77. The Commonwealth of Puerto Rico was a U.S. commonwealth at the time it was included within rate integration and continues to enjoy the substantial benefits of rate integration. Rate integration has served to facilitate communications between the contiguous U.S. and Puerto Rico; benefit Puerto Rico's economy; and integrate Puerto Rico with the mainland U.S. The Commonwealth is entitled to the same benefits which will flow from rate integration.

Accordingly, the Commonwealth supports the Commission's proposed rule which would require interexchange service providers to provide services to subscribers in each State at rates no higher than rates charged to subscribers in any other State. However, given the historical confusion over whether domestic or international policies apply to the Commonwealth,²⁸ the Commonwealth favors special clarification with respect to the proposed rule. Specifically, the Commonwealth urges the Commission to *expressly* indicate, either in the rule itself or its decision adopting any such rule, that the rule applies to the Commonwealth.

To the extent that a rule is adopted in the instant proceeding which makes expressly clear

²⁷ See Petition at 15-17.

²⁸ See, e.g., Petition at 5-6, 15, n.41. In many respects, the Commonwealth is treated as a domestic point for regulatory purposes. For example, the Commission's access charge plan is applied in the Commonwealth (and subscribers are assessed subscriber line charges). In addition, the Commission's Personal Communications Service licensing plan extends to the Commonwealth. See 47 C.F.R. §24.102(c)(2) and (8). Notwithstanding its proper treatment as a domestic point, international ratemaking principles are currently applied to calls between the Commonwealth and mainland U.S., and tariffs covering such traffic are filed as international tariffs. Such bifurcated treatment causes substantial regulatory confusion and potentially inhibits the entry of new service providers in the Commonwealth. See also Petition at 15, n.41.

To the extent that a rule is adopted in the instant proceeding which makes expressly clear that the Commonwealth is subject to rate integration, the Commonwealth agrees with the Commission's statement that implementation of Section 254(g) of the 1996 Act will result in the Commonwealth's Petition becoming moot. Notice at n.170.

Without rate integration, U.S. citizens in the Commonwealth will otherwise be unable to access a comparable level of affordable telecommunications services, causing them to be left economically and socially isolated from the mainland U.S. Given the historical ambiguity regarding the extent to which the Commission's general policies have applied to the Commonwealth prior to passage of the 1996 Act, the Commonwealth requests that the Commission make *expressly* clear in its decision in this matter that rate integration applies to the Commonwealth.

III. IMPLEMENTATION AND ENFORCEMENT OF RATE INTEGRATION

In its Notice, the Commission seeks comment on appropriate mechanisms to implement rate integration for U.S. territories and possessions that currently are not subject to the Commission's domestic rate integration policies. Notice at para. 77. The Commission's Notice tentatively concludes that providers of interstate, interexchange telecommunications services should be required to file certifications stating that the carrier is in compliance with the Commission's statutory rate integration obligations. Id. at 78. This certification would replace the tariff filing process as the mechanism for enforcing rate integration. The Notice also tentatively concludes that AT&T will be subject to the proposed rate integration rule and would be released from the voluntary commitment which it made with respect to rate

integration. Id. at para. 79. The Commonwealth endorses the above proposals to implement and enforce rate integration.

In lieu of enforcing rate integration through the tariffing process, the Commonwealth strongly believes that the proposed certification will 1) maximize fairness to all parties that stand to be affected by any future change in a carrier's application of the rate integration policy; and 2) minimize the burden placed upon government and industry.

Reviewing tariff filings to determine changes in even a single carrier's rates or policies--let alone those of multiple carriers--is an extremely burdensome and expensive process. Carriers, especially the larger carriers, file tariff revisions frequently, sometimes more than once a week. Obtaining copies of these filings, reviewing the sometimes complex rate structures and policies, and comparing filings to previously filed tariffs, can expend a tremendous amount of labor and expense.²⁹ Only those parties which have the resources to participate in tariff monitoring would be able to potentially utilize the tariffing process for enforcement purposes.

²⁹ In the case of most carrier tariff filings, tariffs now take effect on one day's notice. See Report and Order (FCC No. 96-79), IB Docket No. 95-118 (released March 13, 1996) at para. 80. Thus, even if a carrier's filing can expeditiously be obtained from the Commission's public files, it is highly unlikely that adequate time will exist to allow the preparation and filing of a petition to reject and/or suspend the tariff filing. In short, the substantial streamlining of the tariffing process has all but eliminated the ability of this process to serve as a reliable enforcement mechanism with respect to this important issue. Moreover, the Commission is proposing in the instant proceeding to forbear from requiring non-dominant interexchange carriers to file domestic tariffs. Notice at paras. 27-31. It is not inconceivable that, as competition in the international marketplace grows, the Commission will similarly forbear from requiring carriers to file international tariffs. To the extent that this is a possibility, it would make better sense to establish an enforcement mechanism applicable to rate integration which does not rely upon the tariffing process.

The proposed certification procedure³⁰ would alleviate the necessity of tariff monitoring by governments such as the Commonwealth as well as other interested organizations which undoubtedly do not routinely monitor--nor wish to monitor--carrier tariff filings. In this regard, certification would avoid the imposition of an unnecessary regulatory burden on the Commonwealth and other governments and organizations interested in ensuring that ratepayers in their area receive the benefits of rate integration. In addition, certification is fair to all involved since it constitutes a reliable means by which effective notice of compliance can be provided, something the tariff process no longer effectively does.

The Commonwealth also supports the Commission's tentative conclusion that AT&T should be bound by the Commission's proposed rate integration rule and released from its earlier voluntary commitment.³¹

AT&T's earlier voluntary commitment applied to the Commission's rate integration policy and the points to which it had been extended prior to the 1996 Act. As demonstrated supra, the 1996 Act emphasizes a renewed national commitment to rate integration and now

³⁰ The Commission should require facilities-based carriers to serve a copy of the certification on interested governments and any other interested parties. Moreover, the certifications should be filed no less than once annually.

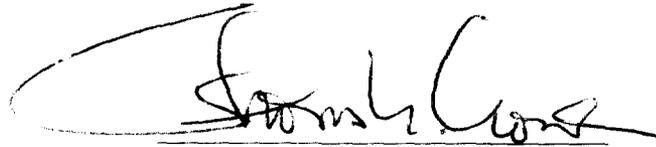
³¹ In a separate proceeding, the Commonwealth filed Comments in support of the Petition for Reconsideration of the State of Hawaii which requested that AT&T's voluntary commitment be strengthened, and, to the extent necessary, AT&T be required to provide notice to Alaska and Hawaii of any tariff revisions, pleadings, or other filings which purport to alter or amend the rate integration policy. See Comments of the Commonwealth of the Northern Mariana Islands, CCBPol. 95-25 (December 29, 1995). The Commonwealth also argued that AT&T be required to serve it too with any filings which potentially amend or alter the rate integration policy. Id. However, the Commonwealth believes that implementation of the proposals contained in the Commission's Notice in the manner proposed by the Commonwealth would satisfactorily address these concerns.

extends it to new points, i.e., the Commonwealth and Guam. See supra at 7. AT&T's previous voluntary commitment, therefore, must be voided since it only extended to an earlier version of the policy which pre-dates the 1996 Act and which did not apply to the Commonwealth and Guam. Clearly, AT&T's voluntary commitment has been superseded by the 1996 Act, and for this reason, its previous commitment must be superseded by any rules which the Commission adopts with respect to rate integration. The Commonwealth believes that the Commission should, as it proposes, expressly indicate that AT&T is no longer subject to its voluntary commitment, and will instead be subject to any rule adopted by the Commission in this matter.

IV. CONCLUSION

As demonstrated above, the Commonwealth urges the Commission to proceed without delay in meaningfully implementing rate integration for the Commonwealth in accordance with Section 254(g) of the Act. The Commonwealth also requests that the Commission expressly recognize that the 1996 Act encompasses the Commonwealth within the rate integration policy. Moreover, in implementing rate integration, the Commission should 1) establish a reliable certification process under which facilities-based carriers can certify their compliance with the new rate integration policy; and, 2) declare that AT&T will be subject to any rate integration rules adopted in the instant proceeding, not its previous voluntary commitment.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Thomas K. Crowe", written over a horizontal line.

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Dated: April 19, 1996

EXHIBIT A

April 16, 1996

FOR IMMEDIATE RELEASE:

**WASHINGTON, D.C.--"GREEN LIGHT GIVEN TO AREA CODES FOR GUAM AND
THE CNMI"**

The North American Numbering Plan Administrator ("NANPA") agreed to withdraw its study of whether to issue area codes for the Commonwealth of the Northern Mariana Islands ("Commonwealth") and the Territory of Guam ("Guam"), and to proceed with issuance of the codes. The action clears the way for the Commonwealth and Guam to join the North American Numbering Plan ("NANP"), with Guam to receive area code 671 and the Commonwealth to receive 670.

The NANPA's action was precipitated by the withdrawal of Canadian concerns over entry of Guam and the Commonwealth into the NANP. After a meeting several weeks ago with a representative from Canadian carrier Teleglobe, the Governor's offices of both the Commonwealth and Guam were able to resolve differences with Teleglobe. As a result, Teleglobe forwarded a letter to the NANPA on April 9, 1996 withdrawing in full its opposition to Commonwealth/Guam entry to the NANP.

The NANPA's action today essentially concludes a process which was commenced by the Governor's Offices of the Commonwealth and Guam over one year ago. The Guam and Commonwealth Governor's Offices separately submitted requests to the NANPA for NANP entry and issuance of area codes in March 1995. The requests received important support from the U.S. Department of Interior, the Federal Communications Commission and the U.S.

Department of State. The efforts of both Governor's Offices have also been supported by Congressman Robert A. Underwood and the Commonwealth's Resident Representative, Juan N. Babauta.

"The inclusion of Guam and the CNMI in the North American Numbering Plan is the result of hard work and cooperation. We are very grateful for the support of the U.S. State Department, the U.S. Department of Interior, and the Federal Communications Commission," said Governor Carl T.C. Gutierrez.

The NANPA's action anticipates a withdrawal by the Canadian Steering Committee on Numbering ("CSCN") of an objection which it had lodged with the NANPA last summer. Last week, Teleglobe forwarded a letter to CSCN indicating that it had reached a resolution with Guam and the Commonwealth and that it had withdrawn its opposition. The Commonwealth and Guam expect the CSCN to similarly withdraw its objections before the INC, perhaps as early as next week.

Entry into the NANP and assignment of area codes (known in the industry as Numbering Plan Area or NPA codes) means that it will no longer be necessary to use the international dialing protocol (i.e., "011") to call Guam or the Commonwealth from the mainland U.S. Instead, calls between the Commonwealth/Guam and the contiguous U.S., Canada and Caribbean nations will be placed using the same abbreviated "1+" dialing mechanism which has been implemented throughout the NANP.

According to Governor Froilan C. Tenorio of the Commonwealth, "NANP entry is important for two reasons. First, it helps ensure that the Commonwealth will have access to the enormous benefits of the Information age. And second, it will facilitate closer commercial ties

between the Commonwealth and mainland U.S., benefitting Commonwealth businesses and consumers alike."

The Commonwealth's Resident Representative Juan N. Babauta commented, "I have been optimistic that the passage of the telecommunications bill would signal the end of Canadian opposition. I commend all parties involved in bringing about this positive resolution."

NANP entry will occur pursuant to an implementation plan which is presently set to commence on July 1, 1997. Implementation will begin with a "permissive dialing period" pursuant to which callers placing calls between Guam or the Commonwealth and the NANP points (i.e., the mainland U.S.) can use either the new "1+" dialing arrangement or the existing international dialing protocol. Permissive dialing, commonly used in the telecommunications industry when cutting over new codes, will continue for at least one year in order to allow adequate time for callers to become familiar with the new arrangement. Once the permissive dialing period has ended, all calls to NANP points must be placed by first dialing "1+".

The NANPA has reserved as area codes the same country codes currently utilized by Guam and the Commonwealth. At the end of the permissive dialing phase, the 670/671 country codes will no longer function as country codes, but will operate only as area codes.

With the NANPA's action today, virtually every U.S. insular point will now be part of the NANP. Hawaii, the Commonwealth of Puerto Rico and the U.S. Virgin Islands have all previously been brought within the NANP.

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