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RECEIVED

SEP 28 1999

April 6, 1999

Federal Communications Commission  
Office of Secretary

Hon. William Kennard, Chairman  
Federal Communications Commission  
The Portals  
445 12<sup>th</sup> Street, SW  
Washington DC 20554

CC 99-294

Re: Section 706 Joint Conference

Dear Chairman Kennard:

I write to propose that the FCC establish a federal-state joint conference concerning the promotion of advanced telecommunications capabilities under the Telecommunications Act, specifically Section 706.

As a starting point, I suggest the joint conference be chartered to facilitate the cooperative development of mechanisms and policies to promote on a reasonable and timely basis the deployment of advanced telecommunications capabilities to all Americans. The joint conference could develop a set of best practices and program proposals, monitor results, and measure the degree to which deployment of and subscription to advanced services is achieved.

Both the FCC and the state commissions devote substantial resources to ensuring access to advanced technology. States have taken a variety of different approaches, reflecting varying state circumstances and goals. For instance, states have identified that some obstacles to advanced services deployment have significant variations between rural and urban settings. Both the FCC and states would benefit from closer coordination between our work, and more focused efforts to achieve the results Congress expected. A joint conference should be hands-on and action-oriented. For example, a joint conference might identify and provide support to particular advanced technology access projects, and then share information about successful projects with others.

I recommend a joint conference as a less formal and less procedurally constrained alternative to a joint board. The shared obligation of encouraging reasonable and timely deployment of high speed, high capacity bandwidth to all Americans is an important one. Therefore, I believe it requires the continuity and stability that a core of FCC and state commissioners and staff assigned to participate in the conference on an ongoing basis would provide. I also hope the joint conference would be empowered to maintain close liaisons with other governmental associations, industry and consumer groups. In some respects, the successful State and Local Advisory Committee is a model.



**Jim Sullivan**  
*President*  
Alabama Public Service Commission

**Bob Rowe**  
*First Vice President*  
Montana Public Service Commission

**Nora Mead Brownell**  
*Second Vice President*  
Pennsylvania Public Utility Commission

Hon. William Kennard  
March 22, 1999  
Page 2

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I have enclosed a resolution adopted by the National Association of Regulatory Utility Commissioners at its February 1999 meeting, requesting establishment of a federal/state forum for promotion of access to advanced telecommunications capabilities. I understand that there are many urgent matters before the FCC at this time. However, the prominence of the promotion of advanced services within the Telecommunications Act itself and on the agendas of many Members of Congress makes this a priority. Because the joint conference will have unique tasks and goals and its mission is so timely, I believe there is a need to expedite action.

I appreciate your deep commitment to this common goal. I look forward to hearing from you.

Sincerely,

**Bob Rowe**  
Chairman  
NARUC Telecommunications Committee

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Enc.

- c. **Commissioner Harold Furchtgott-Roth**
- Commissioner Michael Powell**
- Commissioner Susan Ness**
- Commissioner Gloria Tristani**

**RECEIVED****SEP 28 1999****Federal Communications Commission  
Office of Secretary**

August 9, 1999

The Honorable William Kennard  
Chairman  
Federal Communications Commission  
The Portals  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Re: Section 706 Federal-State Joint Conference

Dear Chairman Kennard:

I write to request that the FCC issue an order establishing a Section 410(b) Federal-State Joint Conference (an ongoing task force) concerning implementation of Section 706. Section 706 instructs the FCC and state commissions to encourage the deployment on a reasonable and timely basis of advanced telecommunications capability to all Americans.

I have enclosed a NARUC resolution and design proposal for the conference, adopted at our meeting this July. As you may recall, last Winter NARUC passed a resolution proposing a Section 706 Joint Conference. Over the intervening months we have worked with various interested parties to develop an appropriate structure. The attached proposal reflects that work. Given the high level of interest, it might be advisable to have three FCC commissioners and four state commissioners as members of the conference.

The Honorable William Kennard  
Section 706 Federal-State Joint Conference  
August 9, 1999  
Page 2

I hope we will be able to undertake this effort, and that we will be able to get it underway with deliberate speed. *I very much look forward to working with you on this exciting project!*

Sincerely,

Bob Rowe  
Chairman  
NARUC Telecommunications Committee

Enclosure

- c. The Honorable Susan Ness
- The Honorable Harold Furchtgott-Roth
- The Honorable Michael Powell
- The Honorable Gloria Tristani
- Mr. Larry Strickling

***Resolution Endorsing a Federal-State Joint Conference on Advanced Services***

**WHEREAS**, The NARUC has consistently maintained the promotion of advanced services deployment under S. 706 is a joint federal and state responsibility, and

**WHEREAS**, Pursuant to its resolution at its 1999 Winter Meetings, the NARUC has requested of the FCC that it convene a federal-state joint conference under S. 410(b) of the Act to address the complexities of promoting deployment of advanced telecommunications capabilities under the Act, and

**WHEREAS**, The Alliance for Public Technology (APT) has also requested such a joint conference of the FCC and has been critical in the effort to develop the proposal, and

**WHEREAS**, The proposal for a Strategic Dialog on Innovative Approaches to Promote Universal Access to Advanced Telecommunications Capabilities is timely and addresses an urgent need, and

**WHEREAS**, Representatives of Federal agencies, such as the Rural Utilities Service of the Department of Agriculture and the National Telecommunications and Information Administration and the Alliance for Public Technology have participated with members of the NARUC Telecommunications Committee and representatives of the FCC to flesh out the proposal for operation of the Joint Conference; and

**WHEREAS**, Through the combined efforts of many parties, a proposal has been developed for an expedited and focused Federal/State Joint Conference on Advanced Services ("Joint Conference Proposal") that covers the organization, objectives and a workplan, *now therefore be it*

**RESOLVED**, That the National Association of Regulatory Utility Commissioners (NARUC), assembled at its 1999 Summer Meetings in San Francisco, California, urges the FCC to adopt and implement a Joint Conference on Advanced Services and give due consideration to the proposal of NARUC in defining its organization, objectives and a workplan, *and be it further*

**RESOLVED**, That the NARUC submit to the FCC, under appropriate cover letter, this resolution and the Joint Conference Proposal.

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*Sponsored by the Committee on Telecommunications*

*Adopted By the NARUC Board of Directors July 23, 1999*

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***Attachment - Federal State Joint Conference on Advanced Services***

## **A Strategic Dialog on Innovative Approaches to Promote Universal Access to Advanced Telecommunications Capabilities**

### **I. OVERALL OBJECTIVE: *Speed Advanced Services Deployment To Under-Served Areas And Customers Through Coordinated Action Among Federal, State, Local, Industry And Non-Profit Initiatives And Defining Policies, Mechanisms And Resource Allocation Needs To Support Universal Access To Such Services.***

The Telecommunications Act of 1996 ("Act") requires that all Americans have access to both basic and advanced telecommunications services, that are reasonably comparable in price and quality to those services provided in urban areas.<sup>1</sup> The task of providing rural, low-income, disabled, and other under-served populations with affordable access to advanced services is particularly challenging.<sup>2</sup>

A Joint Conference, as authorized in Section 410(b) of the Act, 47 U.S.C. § 410(1982), can respond, in part, to obligations assigned to state and federal regulators under § 706 of the Act. 47 USC § 706 (1996). The FCC has completed its first NOI and report concerning the availability of advanced services required by § 706(b). A Joint Conference can complement the FCC's actions to date and focus on the requirements in § 706(a) for the FCC and "each state commission

... [to] encourage the deployment on a reasonable and timely basis of advanced telecommunications capability to all Americans (including, in particular, elementary and secondary schools and classrooms) by utilizing, in a manner consistent with the public interest, convenience and necessity, price cap regulation, regulatory forbearance, measures that promote competition in the local telecommunications market, or other regulating methods that remove barriers to infrastructure investment."

Both § 706 and § 254(b) of the Act speak directly to State and federal obligations to promote deployment of advanced service capabilities to all Americans.<sup>3</sup> In pursuit of timely achievement of these goals, NARUC and the Alliance for Public Technology have urged the FCC to establish a Federal/State Joint Conference on Advanced Services. The Conference will promote ongoing strategic dialog between the FCC and states, territories and the District of Columbia and provide a forum for consultation with industry, consumer interests, the Rural Utilities Service, The National Telecommunications Information Agency, tribal authorities, and key stakeholders. The purpose of the conference is to define policies, mechanisms and resource allocation needs to support universal access to advanced telecommunications capabilities. The FCC will, in turn, promptly act on the nominations. Conferees will emphasize creative actions to accelerate the deployment of affordable advanced telecommunications services to rural, low-income, disabled and other under-served populations.

#### **[Footnotes to Page 1 –**

1 47 USC § 706 of the Act defines "advanced telecommunications capability" as "...high-speed, switched, broadband telecommunications capability that enables users to originate and receive high-quality voice, data, graphics, and video telecommunications using any technology.

2 NTIA, for example, documents that PC penetration rates and on-line access are substantially lower for rural, low-income and minority users, everything else being equal. The people with the highest percentage of on-line access are those earning \$75,000 or more in urban areas (50.3%). This compares with less than 2.3 percent with on-line access for rural residents earning between \$5,000 and \$10,000.

3 Section 254(b), 47 U.S.C. § 254(b) (1996), says that (1) "Quality services" should be available at "just, reasonable, and affordable rates," (2) "access to advanced telecommunications and information services should be provided in all regions," and that (3) Consumers in all regions of the Nation, including low-income consumers and those in rural, insular, and high cost areas, should have access to telecommunications and information services, including interexchange services and advanced telecommunications and information services, that are reasonably comparable to those services provided in urban areas and that are available at rates that are reasonably comparable to rates charged for similar services in urban areas."]

**II. STRUCTURE: *Section 410(B) Joint Conference Acting As A Steering Committee To Organize A Task Force, And Develop An Inclusive Work Plan And Time Line.***

The FCC should promptly convene a Joint Conference under 47 U.S.C. § 410(b) of the Act consisting of two FCC commissioners and three commissioners from states, territories or the District of Columbia. The members of the Joint Conference would act as a steering committee guiding a larger task force whose members would include representatives from the FCC, State Commissions, NTIA, RUS, and other potential, federal, State, regional, tribal or local governmental entities. The Joint Conference would also solicit full participation in Task force meetings by all other non-governmental interested stakeholders, e.g., consumer organizations, advocates for the disabled, and industry providers - including the small companies which serve rural areas. Within 30 days of its appointment, the steering committee, working with other groups that have already evinced interest in the project, would recommend to the FCC a detailed work-plan and timeline for Conference activities and nominate the governmental task force participants. The Joint Conference would provide the FCC with a report and organizational recommendations no later than 60 days after its formation.

**III. SCOPE: *The Joint Conference's Activities will include Monitoring, Coordinating, Disseminating, and Deployment Functions.***

The Joint Conference scope will include discussion of the shared obligations of State and federal regulators to promote access to advanced services under Sections 706 and 254 of the Act and to identify specific policies, mechanisms, resource allocation needs and other actions to fulfill that obligation. The Conference will consider strategies, including forbearance from regulation; leveraging established programs such as those for schools, libraries and rural health care providers; demand aggregation strategies; and, where necessary, public funding to support the deployment of advanced services and other options. In considering options, the Joint Conference will evaluate how specific policies, mechanisms or actions are likely to affect access to advanced telecommunications services by rural, low income, disabled or other under-served populations.

Achieving timely deployment of affordable advanced telecommunications services to under-served populations may require coordination with new partners such as federal, state, regional and local economic development organizations. The Joint Conference will consider how strategic partnerships with local government and economic development organizations may enhance the effectiveness of traditional regulatory options. To the extent possible, recommendations of the Joint Conference should emphasize opportunities to utilize private market development and leveraging of the competitive marketplace to promote affordable access to advanced services for all Americans. However, where it is apparent that the private market may fail to deliver timely advanced telecommunications service offerings to rural, low-income, disabled, and other under-served populations, conferees may examine and recommend alternative approaches.

#### **IV. SPECIFIC JOINT CONFERENCE FUNCTIONS:**

##### **1. MONITOR**

a) Collect data on where and what advanced services are being deployed; data collection will be conducted in a variety of methods, including existing federal and state commissions' data collection procedures and "Regional Hearing" sponsored by the Joint Conference.

b) Measure demand and supply of advanced telecommunications services in various markets to determine key elements of successful deployment strategies.

c) Identify Deployment Strategies and collect information on programs to deploy advanced services, including (1) private initiatives (2) National Telecommunications Information Administration programs, (3) Rural Utilities Service programs, (4) FCC initiatives (4) Other federal programs such as Small Business Administration (6) State PUC de-regulatory programs, universal service programs and other approaches (7) State and local government economic development strategies (8) Other "best practices" that facilitate deployment.

##### **2. ACTIVATE**

a) Initiate special forums and use other venues to promote the Joint Conference objectives.

##### **3. COORDINATE**

a) Coordinate federal/state and public/private initiatives by looking for synergies between programs. Areas for special focus include the interactions of Sections 254, 251, and 252 with Section 706.

b) Identify obstacles to various programs' deployment and facilitate their removal.

c) Develop ways to transfer implementation to appropriate stakeholders.

4. DISSEMINATE

a) Assure that the best practices and grant information of state, municipal, federal, and industry stakeholders is disseminated to those who can put it to use, such as small businesses, economic development organizations, technology groups, and others.

b) Assure that FCC, RUS, and NTIA recurring reports on advanced services are incorporated in the Joint Conference process and widely distributed.

5. DEPLOYMENT - "706 Zones"

Select several under-served communities (both rural and urban) as "706 zones," where the Joint Conference can, where appropriate, encourage the focus of public and private resources, regulatory changes, consumer education efforts, and other initiatives to demonstrate how deployment and use can be advanced.