

***TC-5 ADDENDUM: Executive Summary  
Interconnection Resolution***

It is indisputable that interconnection between the incumbent local exchange carriers (ILECs) and other telecommunications carriers is necessary to a competitive telecommunications environment. NARUC has long supported the non-discriminatory interconnection of networks for the exchange of voice traffic as fundamental to the emergence of a “network of networks.” The purpose of this Resolution is to prevent federal pre-emption of State commissions’ authority to mediate, arbitrate, and approve interconnection requests for the exchange of voice traffic, consistent with the federal Telecommunications Act of 1996, as Next Generation Network technology replaces circuit-switched technology for the transmission of voice calls.

Next Generation Network technology promises to accelerate the deployment of advanced networks and transform the traditional public switched telephone network into a packet-based network. Next Generation Networks are designed to identify and route voice packets using specific protocols and routing instructions to meet the real-time needs of voice services. In this way, Next Generation Networks avoid the quality and security issues that limit the usefulness of the public Internet to provide reliable voice services.

Initially, the deployment of Next Generation Networks has occurred in the form of isolated islands which individual carriers had designed to ensure within-network quality-of-service for their voice service products. Next Generation Networks are now being deployed by both ILECs and competitors, with voice traffic volumes transported in packet form growing rapidly. Today, these networks must convert voice traffic to a circuit-switched format at the edge of the ILEC’s network in order to complete the exchange of such voice traffic, even where both the ILEC and its competitor have deployed Next Generation Network technology in their transport network. The nation is approaching the tipping-point, however, where it will be more efficient to exchange voice traffic in packet form between both carriers’ networks, with service quality assured on an end-to-end basis.

Just as technologically neutral federal and State interconnection policies promoted the transformation from analog to digital transmission, these same policies should govern the transition from circuit-switched transmission to packet format. Preserving reliable and high-quality voice services as the nation’s networks evolve to a packet-architecture must remain a public policy goal. Quality voice service is uniquely important to our lives, security, social structure and our economy. As such, assuring the efficient interconnection of Next Generation Networks is no less important to achieving quality voice service in the future than the interconnection of circuit-switched networks has been in the past.

The proposed Resolution makes clear that NARUC supports technologically-neutral interconnection policies, under Section 251 of the federal Telecommunications Act, that do not distinguish between the legacy circuit-switched network architecture of the past over the Next Generation Network architecture being deployed today. Moreover, the Resolution reinforces NARUC’s commitment that the important role of State commissions, set forth in Section 252, to act as the arbiter of interconnection disputes must be preserved. This Resolution will remove any uncertainty with the Federal Communications Commission that NARUC stands behind the continued application of Sections 251 and 252 to the interconnection of networks for the exchange of voice traffic irrespective of the technology being used.

***TC-5 Resolution Regarding the Interconnection of New Voice Telecommunications Services Networks***

**WHEREAS**, The benefits of competition can be measured by the continuous delivery of voice and advanced services to market from numerous types of telecommunications carriers as defined by the Telecommunications Act of 1996 (the Act) 47 U.S.C. 153 (44). These benefits are largely being realized across the United States due to innovations in technology guided by the principles set forth in the Act; *and*

**WHEREAS**, NARUC applauds the numerous advances in technology achieved by the telecommunications industry to enable the efficient transmission of voice telecommunications traffic and the continued successes in developing innovative means to deliver voice telecommunications services to consumers across the nation; *and*

**WHEREAS**, Interconnection of telecommunications carriers' networks for the exchange of voice traffic is essential to ensure that consumers continue to enjoy the benefits of robust competition and to receive voice services that are universally connected, reliable, secure, and of high quality; *and*

**WHEREAS**, Section 251 of the Act requires all telecommunications carriers to interconnect with the facilities and equipment of other telecommunications carriers; *and*

**WHEREAS**, The Act, in its imposition of interconnection requirements is technologically neutral and does not distinguish between circuit switched facilities and other network facilities that may be used to exchange voice telecommunications traffic; *and*

**WHEREAS**, Telecommunications carriers are substituting Next Generation Network technology in their networks in place of circuit switched technology in order to reduce the costs of providing voice telecommunications services and for other network management purposes; *and*

**WHEREAS**, The Federal Communications Commission (FCC) has determined that the exchange of voice telecommunications traffic between telecommunications carriers is subject to the interconnection obligations under Section 251 irrespective of the regulatory classification of the retail service provided to the ultimate end user; *and*

**WHEREAS**, NARUC recognizes that this resolution does not address the regulatory classification of telecommunications carriers, nor is it intended to influence any proposals to change said classification; *and*

**WHEREAS**, Section 252 of the Act provides State commissions with the primary responsibility to mediate, arbitrate and approve interconnection agreements between incumbent local exchange carriers and other telecommunications carriers; *and*

**WHEREAS**, NARUC recognizes that State commissions and the FCC will continue to work together to evaluate what rules, guidelines or performance standards are needed to ensure that telecommunications carriers are able to compete fairly with incumbent local exchange carriers; *and*

**WHEREAS**, NARUC recognizes that in emerging and competitive markets, incumbent and competitive telecommunications carriers each benefit from appropriate technologically neutral policies; *and*

**WHEREAS**, NARUC supports technical standards that allow all telecommunications carriers to interconnect with each other as the “network of networks” develops and that do not mandate the use of a particular technology or a specific network configuration; *and*

**WHEREAS**, Congress has clearly intended and NARUC has consistently advocated that the State commissions have a clear role to exercise their explicit authority under Sections 251 and 252; *and*

**WHEREAS**, NARUC recognizes that it is in the public interest for telecommunications carriers to interconnect their networks to exchange traffic in a technologically neutral manner, as provided for under Sections 251 and 252; *and*

**WHEREAS**, Insofar as State commissions have been at the forefront of implementing and enforcing the open market requirements of the Act and in working with the incumbent local exchange carriers and competitive telecommunications carriers alike to advance local exchange competition; *now, therefore, be it*

**RESOLVED**, That the Board of Directors of the National Association of Regulatory Utility Commissioners (NARUC), convened at its 2008 Summer Meetings in Portland, Oregon, recognizes that State commissions should continue their active role in ensuring that consumers enjoy the full and unconstrained benefits of local competition for voice telecommunications services; *and be it further*

**RESOLVED**, That the NARUC General Counsel be directed to take any appropriate actions which protects the authority, under Sections 251 and 252, of State commissions and the preservation of telecommunications carriers’ interconnection rights and traffic exchange obligations, under Sections 251 and 252, in a technologically neutral manner.

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*Sponsored by the Committee on Telecommunications*  
*Adopted by the Board of Directors July 23, 2008*