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Federal Communications Commission
1919 - M Street, N.W.
Washington, D. C. 20554

This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See *MCI v. FCC*, 515 F.2d 385 (D.C. Cir. 1974).

Report No. CC 98-2

COMMON CARRIER ACTION

January 29, 1998

**COMMISSION PROPOSES STREAMLINED REQUIREMENTS FOR BOC
PROVISION OF INFORMATION SERVICES;
Changes Would Promote Competition and Speed Deployment of New Services
(CC Docket Nos. 95-20, 98-10)**

The Commission today proposed to streamline the safeguards under which the Bell Operating Companies (BOCs) provide information (or enhanced) services, such as voice mail and electronic messaging.

The safeguards exist to encourage BOC provision of new technologies and innovative information services, while ensuring that the BOCs make their networks available for use by competitive providers of such services. Today's proposals aim to strike a balance between the Commission's goal of deregulating where competition has developed, and its recognition that until full competition is realized, certain safeguards may still be necessary. The proposals are also designed to harmonize the Commission's existing safeguards established in the Computer III proceeding with the Telecommunications Act of 1996.

This action is part of the Commission's 1998 biennial review, which requires the elimination or modification of rules that no longer serve the public interest. To that end, the Commission proposed to eliminate certain requirements that may no longer be necessary to protect consumers and competition.

In a Further Notice of Proposed Rulemaking (FNPRM) adopted today, the Commission asked for comment on various tentative conclusions. For example, under Computer III, the BOCs are currently permitted to provide information services within their own local access and transport area (LATA) on an "integrated" basis (i.e., through the regulated telephone company), subject to certain nonstructural safeguards. Under this proposal, BOCs would not be required to establish separate corporate affiliates to provide such services.



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The Commission tentatively concluded that, notwithstanding the 1996 Act's separate affiliate requirements for BOC provision of interLATA information services, the Act's overall pro-competitive, deregulatory framework supports the continued application of the Commission's nonstructural safeguards to BOC provision of intraLATA information services. The FNPRM tentatively concludes that, since the 1996 Act's requirements do not cover BOC provision of intraLATA information services, the Commission's existing rules for such services are sufficient to protect competition and consumers.

The Commission also tentatively concluded that, given the protections established by the 1996 Act and the Commission's rules, the requirement that BOCs file Comparably Efficient Interconnection (CEI) plans and obtain approval for those plans prior to providing new intraLATA information services should be eliminated in some or all circumstances. Permitting the BOCs to provide information services without seeking regulatory approval should speed deployment of new services.

In addition, the Commission tentatively concluded that the 1996 Act's network information disclosure requirements should supersede certain of the Commission's previous network information disclosure rules. This proposal is intended to eliminate unnecessary rules and make it easier for carriers to comply with the network information disclosure requirements.

Finally, the FNPRM seeks to build a record on which to respond to a partial remand of certain Computer III orders by the Court of Appeals for the Ninth Circuit. The Ninth Circuit asked whether the Commission should fully relieve the BOCs of previous structural separation requirements given the level of unbundling required under Computer III. The FNPRM asks whether the 1996 Act's unbundling requirements, as well as other factors, address the Court's concern.

Action by the Commission January 29, 1998, by Further Notice of Proposed Rulemaking

(FCC 98-8). Chairman Kennard, Commissioners Ness, Furchtgott-Roth, Powell, and Tristani, with Commissioner Furchtgott-Roth issuing a separate statement.

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