



# NEWS

Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D. C. 20554

News media Information 202 / 418-0500  
TTY 202 / 418-2555  
Fax-On-Demand 202 / 418-2830  
Internet: <http://www.fcc.gov>  
<ftp.fcc.gov>

This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See MCI v. FCC, 519 F.2d 385 (D.C. Cir. 1974).

FOR IMMEDIATE RELEASE:  
October 8, 2004

NEWS MEDIA CONTACT:  
Mark Wigfield, 202-418-0253  
Email: [mark.wigfield@fcc.gov](mailto:mark.wigfield@fcc.gov)

## FCC GRANTS PARTIAL FORBEARANCE FROM ISP REMAND ORDER

Today, the Federal Communications Commission voted to deny in part and grant in part a petition filed by Core Communications (Core) requesting that the Commission forbear from enforcing the provisions of the Commission's 2001 *ISP Remand Order*.<sup>1</sup> On July 14, 2003, Core filed a petition for forbearance, under section 10 of the Communications Act of 1934, as amended (the Act), requesting that the FCC forbear from enforcing the rate caps, growth caps, new markets rule, and mirroring rule of the *ISP Remand Order*.

The FCC finds that Core has not met the statutory criteria for forbearance under section 10 with respect to rate caps and the mirroring rule. These rules remain necessary to prevent regulatory arbitrage and promote efficient investment in telecommunications services and facilities.

The FCC grants forbearance from growth caps and the new markets rule, finding that these rules are no longer in the public interest. The concerns that led the FCC to adopt these rules in 2001 have been eased by market developments and are now outweighed by the public interest in creating a uniform compensation regime. These factors also lead the FCC to conclude that growth caps and the new markets rule are no longer necessary to ensure that charges and practices are just and reasonable, and not unjustly or unreasonably discriminatory. Finally, the FCC determines that the growth caps and new markets rule are not "necessary for the protection of consumers." Accordingly, the statutory criteria for forbearance under section 10 of the Act are satisfied.

The FCC extends forbearance from growth caps and the new markets rule to all telecommunications carriers. An order detailing the FCC's analysis will be forthcoming.

Action by the Commission, October 8, 2004. Chairman Powell, Commissioners Abernathy, Copps, and Martin. Commissioner Adelstein approving in part, dissenting in part. Separate statement to be issued by Commissioner Adelstein.

Docket No.: WC 03-171. Wireline Competition Bureau Staff Contact: Monica Desai at 202-418-7419.

-FCC-

News about the Federal Communications Commission can also be found  
on the Commission's web site [www.fcc.gov](http://www.fcc.gov).

<sup>1</sup> *Intercarrier Compensation for ISP-Bound Traffic*, CC Docket No. 99-68, Order on Remand and Report and Order, 16 FCC Rcd 9151 (2001), *remanded*, *WorldCom v. FCC*, 288 F.3d 429 (D.C. Cir. 2002), *cert. denied*, 538 U.S. 1012 (2003) (*ISP Remand Order*).