

**STATEMENT OF  
CHAIRMAN JULIUS GENACHOWSKI**

Re: *Petition of CRC Communications of Maine, Inc. and Time Warner Cable Inc. for Preemption Pursuant to Section 253 of the Communications Act, as Amended; A National Broadband Plan for Our Future; Developing a Unified Intercarrier Compensation Regime; T-Mobile et al. Petition for Declaratory Ruling Regarding Incumbent LEC Wireless Termination Tariffs*, WC Docket No. 10-143, GN Docket No. 09-51, CC Docket No. 01-92

This Declaratory Ruling resolves uncertainty regarding the rights of new market entrants to interconnect with incumbent telephone companies, facilitating increased competition and broadband deployment. We affirm that new entrants seeking to interconnect with the incumbent's network may require the incumbent carrier to negotiate terms of access, and, if the negotiations prove unsuccessful, new entrants may invoke rights to state arbitration. These rights to negotiation and arbitration apply even if the incumbent carrier is a rural carrier, and thus exempt from certain interconnection and other obligations (section 251(c) obligations).

Carriers and state commissions look to the Commission for guidance about ambiguous provisions of the Communications Act, such as the relationship between the rural exemption and the interconnection negotiation and arbitration provisions, which is at issue here. Over the past few years, different jurisdictions have reached varying conclusions on this issue, creating uncertainty, fostering disputes, and inhibiting competition and broadband deployment. Other states will likely face the issue in the future.

Our statutory interpretation is fully consistent with the pro-competitive goals of the Communications Act: It will enable competitors to offer triple play packages – voice, video, and broadband – by interconnecting with incumbent telephone networks, which may be necessary to offer voice service to rural consumers.

Congress gave state commissions primary responsibility for determining when a carrier should be exempt from specific interconnection obligations, and today's ruling does not alter that authority. The ruling instead provides clarity about how to apply other aspects of the Communication Act's local competition requirements when a carrier is entitled to such an exemption.