Federal Communications Commission Common Carrier Policy Approaches To Selective Market Entry And Alternative Pipelines

E. Laurence Povich

Part 5 of
Basic Data on the Politics and
Economics of the Information Evolution:
Telecommunications Costs and Prices
in the United States

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BASIC DATA ON THE POLITICS AND ECONOMICS OF THE INFORMATION EVOLUTION: TELECOMMUNICATIONS COSTS AND PRICES IN THE UNITED STATES

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EXECUTIVE SUMMARY

Both the House and the Senate have considered new laws to govern the telecommunications industry. New regulatory jurisdiction and functions for the Federal Communications Commission will be designed to encourage competitive initiatives, regulate monopolistic segments, and stimulate technological innovation and market entry. Since about 1960 and in the transition to new legislation, the FCC and the courts have restructured the regulated industry and markets within the scope of existing law.

A large portion of ongoing Commission policy formulation can be viewed in terms of managing the spectrum to provide facility and service alternatives. These alternatives open spectrum uses and transmission pipelines in new information delivery areas. New dimensions of spectrum and capacity are being formulated in regulatory policy, and are reflected by the increasing numbers of alternative carrier services and methods of transmission.

Economic, political, and technological factors are changing the nature of the pipeline for information transfer systems. Technological developments have increased spectrum availability. Technological innovations allow consumers to select among services which cut across the regulatory rules in the traditional broadcast, cable, and telephone common carrier niches. The transmission and information services provide similar and often substitutable carrier alternatives. Further, technological change has dimmed the jurisdictional lines among broadcast, common carrier, private radio, and cable regulation.

The regulatory mechanisms at federal and local levels do not have rules which treat similar or substitutable services equitably. Additionally, entry into the traditional long-distance markets by new carriers creates pressures in those markets toward de-averaging most rates, and toward increased rates for local exchange services. Questions have been raised about what is long-distance and what is local service. Distance and geographical area are no longer sole determinants. The new regulatory battles will focus on interconnecting the varied public and private networks, and on the charges which users and suppliers will find if they achieve access. As these questions are addressed, others on

- joint and common plant costs
- the degree of plant separation between regulated or separated affiliates
- revision of jurisdictional separations cost allocations
- customer premise equipment transfer pricing and investment recovery

will require resolution and implementation in continuing federal and state regulatory proceedings.

The purpose of the paper is to examine and explain the links among often obscure regulatory decisions and to point out where the direction is not clear and where the environment is less than certain. The paper describes common carrier policies in the new regulatory environment and points to a broad range of alternative transmission pipelines and their dependent information systems.

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1. BACKGROUND: MARKET ENTRY OPTIONS IN A CHANGING REGULATORY ENVIRONMENT

Following "Above 890,"[2] which authorized the private ownership of microwave facilities in 1959, and two decades of FCC selective entry policies, Congress undertook to legislate for the future. Both the House and the Senate have considered new laws to govern the industry and to define new regulatory jurisdictions and functions for the FCC and state commissions. Should Congressional wisdom be to repeal much of the 50-year-old Communications Act of 1934, and should Congress replace it with a procompetitive law philosophically hospitable to the growth of new service applications and markets, much of traditional regulation could continue even as new regulatory roles and mechanisms are being honed. In the transition, the FCC has continued on its own to restructure the regulated industry and markets, and to "re-regulate" market-dominant carriers within the scope of existing law.

A large segment of ongoing commission policy formulation can be viewed in terms of managing the spectrum to provide facility and service alternatives. These alternatives open spectrum uses in new and experimental message delivery areas. New dimensions of spectrum and capacity are being formulated in regulatory policy, as suggested by the numbers of alternative carrier services and methods of transmission. Entry into the traditional long-distance markets by new carriers creates pressures in those markets toward deaveraging most rates and towards increased rates for local exchange service.

The consumer of telecommunications services has an increasingly large menu from which to choose. Business, residential, rural, and city users of

electronic carrier services will, in the mid-1980s, select among transmission systems and information services which provide similar and often substitutable carrier alternatives. Consumers and investors will be able to select among combinations of services and technologies which cut across the regulatory rules in broadcast, cable,and telephone common carriers.

The regulatory mechanisms at the federal and local levels do not have rules which treat similar or substitutable services equally. Regulatory tools and precedent today segregate transmission alternatives, directing investors and users toward inefficient or duplicative applications. Technological change has dimmed the jurisdictional lines between broadcast, common carrier, private radio, and cable regulation. There is a drawing together and overlapping of traditional areas of regulation; technical opportunities and institutional responses have begun to blur reallocation of spectrum and service regulatory responsibilities. Technical developments have increased spectrum availability. Smaller and more powerful satellites are being squeezed into expanded space. The new dimensions of spectrum and capacity are being formed by alternative methods of transmission that once were regarded as indigenous to service-definitional boundaries, i.e., where spectrum and technology fit Commission rules. Economic, political, and technological factors are changing the nature of the pipeline for information transfer systems.

The FCC has been re-examining (and, in some cases, examining for the first time) traditionally noncompetitive telecommunications markets and sub-markets to determine whether the public would be better served by competitive or partially competitive market structures. Common carrier regulatory policy is described here through the structural directions and

relationships developed in the Commission's dockets. The dockets or decisions of the Commission reflect a shift, over time, from the regulatory creation of facilities and transmission capacity for services, to reliance on a competitive response to bring investments into fluid markets. In Specialized Common Carrier,[3] the FCC opened private line and non-traditional communications facilities offerings to competitive entry. In Carterfone[4] and the Registration (Interconnection)[5] decisions, the FCC opened the premises terminal equipment markets to competition. In Computer Inquiry,[6] Docket 18128 (cost allocation),[7] and Docket 19129 (overall investigation of AT&T),[8] the FCC adopted policies allowing common carriers with monopoly revenue bases to vie for competitive telecommunications markets and sub-markets "fairly," i.e., without financing their competitive ventures through revenues from their customers in noncompetitive markets and sub-markets.

In some cases, the FCC has been hampered by the existing Communications Act requirement that the common carrier services covered by the Act be regulated. Thus, in Resale and Shared Use,[9] the FCC concluded it was legally required to regulate resale carriers, although none of the attributes of "market dominance", which conventionally point toward regulation,were present. Similarly, in Domestic Satellite (DOMSAT)[10] proceedings, the FCC undertook regulation of the DOMSAT specialized communications offerings, although there appeared to be workable competition in the provision of DOMSAT services, and although a variety of interexchangeable terrestrial offerings tended to extend the boundaries of the market as perceived by buyers.

Most fundamentally, no standard has been set in various forms of proposed legislation or in the Communications Act for determining what

is a competitive common carrier market. For example, is the telephone terminal equipment market today competitive because Registration in 1975 removed barriers to competition in this market?

Using broad rulemaking powers, the FCC has opened competition in the MTS and WATS markets, continuing a transition which began with Hush-a-Phone[11] and Carterfone, and which gained momentum with Specialized Common Carriers and Execunet.[12] And with Computer Inquiry II mandating the deregulation of non-basic, "enhanced" resale services and of most customer premises equipment by 1982, the old rules and relationships are being challenged.

Competition creates pressures toward deaveraging most rates and toward increased rates for local exchange service.[13] These rate changes are subject to statutory requirements for prior regulatory authorization of facility investment and service discontinuation. Federal and state regulatory commissions could be increasingly responsive to judicial and political influences to maintain services and local usage rates. The Commission has the authority to direct the deaveraging process, unbundle services and rates, and make the new rates time- and use-sensitive. Through these regulatory mechanisms the Commission can direct the transition to market entry. And through selective administration of service or investment opportunities, the Commission will define and describe the structure of markets which will develop.

In addressing entry, most dockets consider the appropriate degree and mechanism of entry control. Entry may involve a redefinition of common carrier and a questioning of the principle that tariffs are necessary pricing mechanisms. The Commission's powers, with respect to common carriers, may be categorized as questions relating to entry, to

prices, and to service cost allocation. Several dockets raise these questions[14] in terms of seeking to permit the user the greatest flexibility in determining needs and in using service options selected. Changing treatments of expense allocations are proposed in a cost allocation manual, a revised Uniform System of Accounts,and in a reworking of federal/state jurisdictions and the separations and settlement process.

Independent of changes in politically appointed commissions or administrators, the FCC's thrust through the last two decades has consistently encouraged entry. In the dockets discussed below, entry, tariffs, and accounting are ultimately related to industry structure; the ideology of favoring entry and the use of market mechanisms pervades the Commission's agenda, with the constraint of Execunet II[15] in which the court required that any move toward a "procompetition" policy needed to be tested and proven against the "public interest" legal standard.

Underlying issues being discussed in these dockets include: the future of rate base/rate of return regulation, particularly for the Bell System; the role of depreciation (accounting for nearly a quarter of current costs); capital recovery; what new access charge mechanisms, growing out of Execunet and ENFIA,[16] will augment or replace the current system of separations and settlements; where the markets and services will fall between degrees of "dominance;" and how cost will be measured given changing market and non-market conditions.

2. ENTRY AND INDUSTRY STRUCTURE POLICY INTEGRATION

Resale and Shared Use (20097/80-54, and WATS 80-765)

> Resale and Shared Use of common services and facilities, Docket No. 20097; regulatory policies concerning resale and shared use of common carrier domestic public switched network services (Docket No. 80-54). Tariff and investigation of Wide Area Telecommunications Service (WATS), (Docket No. 80-765).

Regulatory policy concerning resale and shared use--e.g., the question of sharing or reselling both switched and non-switched network services--has long been an administrative workhorse used to achieve structural reform through cost/price mechanisms. The structural devices used in resale and shared use proceedings look toward the elimination of potential barriers to arbitrage contained in tariffs. Differential prices of "similar" services by the carriers have been brought into alignment through resale.[17] In the 1977 "WATS Rejection Order", the Commission expressed its concern that WATS was nothing more than bulk-rate MTS, i.e., "like" communications services within the meaning of Section 202(a). The Commission historically advocated the desirability of usage-sensitive pricing which would differentiate WATS from MTS offerings, and insisted tariffs not be based solely on maintaining consistent rate relationships over distance between MTS and WATS. The Commission's decision in WATS 80-765 to suspend the proposed tariff for the maximum statutory period, reflected concerns over peak/off-peak pricing for WATS and reconsideration of AT&T's time-of-day pricing.

For many years, AT&T and other carriers have imposed various restrictions in their tariffs on the resale and shared use of their facilities or services, including MTS and WATS. Those who have successfully petitioned the Commission in the past in gaining resale in private line appealed to the "unjust and unreasonable, unduly discriminatory, and anticompetitive" statutory standards, charging discrimination between "like" communications services. These petitioners are consumers and suppliers who also charge undue discrimination by common carriers toward users based on size. Extension of resale and sharing decisions opens resale and sharing of interstate WATS and MTS, and permits similar private line services to connect with exchange network facilities for conversion to interstate MTS and WATS equivalent services (e.g., Execunet and Sprint).

Many dockets are strewn with questions about the appropriate regulatory status of carriers[18] which are being answered in Competitive Carrier Services[19] and Computer Inquiry II.[20] The Commission has long favored cost-based rates as the measure of compliance by AT&T. The cost of providing service is at the heart of the statutory requirement under Sections 201-205 of the Act for just, reasonable, and nondiscriminatory rates. In Competitive Carrier, the traditional definition of "common carriage" is being reconsidered. The Commission raises the question in examining the rationale for regulation of common carriers: Would it be more accurate to recognize that common carriage contains some element of essentiality or market power? The Commission, in Competitive Carrier, sought discretion to forbear from exercising its full regulatory authority (and to refrain generally from regulating competitive carriers), and

specifically authority to deregulate resale and enhanced service providers. In the Final Decision in Second Computer Inquiry, the Commission found that enhanced services were not common carrier services within the meaning of the Act and were not regulated under Title II.

In the resale and sharing of common carrier domestic public switched network services, questions about the economics of market substitutes and cost/price of service alternatives are raised as they have been previously in the Commission's finding of 800 services, outward WATS, and MTS to be "like services. . ."[21] (Most recently in MTS/WATS "Like Services" Docket No. 21402, before the U.S. Court of Appeals; FCC brief due June 8th, 1981.)[22]

Competitive Carrier (79-252)

Policy and rules concerning rates for Competitive Common Carrier Services and Facilities Authorizations. Docket No. 79-252.

Competitive Carrier Rulemaking[23] may be viewed as a decision wherein the Commission is largely re-regulating so-called "non-dominant" carriers such as MCI, Southern Pacific, and others, while traditional regulation--or at least the threat of it--remains in place for "dominant" carriers. Among the restrictive regulatory procedural requirements which were removed for non-dominant carriers are: the requirement to file extensive cost information with new or revised tariffs; the current 70-90 day notice period in favor of allowing rates to change on short notice; the requirement for prior authorization for individual channel additions on previously authorized facility grants; and, importantly,

a presumption that non-dominant carriers' tariffs are just and reasonable and non-discriminatory under the Act.

In narrowing the scope of regulatory review, Docket No. 79-252 defines a dual standard for asserting jurisdiction.[24] Telephone companies, Western Union, DOMSAT carriers providing video and non-video services, and others would be defined as "dominant." Because of their control of local facilities, all telephone companies would be regarded as dominant under the new rules. "Non-dominant" carriers, with the reporting[26] and facilities authorization burdens substantially lifted, would include terrestrial specialized carriers, such as MCI, Southern Pacific Communications, and U.S. Transmission Systems. American Satellite Corporation and Satellite Business Systems would continue to be regulated as dominant carriers in a market "fraught with a technical limit,"[27] although facilities scrutiny is relaxed. The expectation is that investment intensive technology requiring long lead planning and bank or funds coordination could proceed with the regulatory assurances of increased stability. Several planning steps could be consolidated in new development as facilities approval would pass through fewer regulatory check points.

In any case, carriers could easily migrate between categories of regulatory jurisdiction through the creation of separate subsidiaries which redefine market supply and relative market strength.[28]

Essential elements of The Competitive Carrier rulemaking are the reporting exemptions from federal and state jurisdictions which are also linked to Computer Inquiry II and its proposed treatment of "enhanced" services and equipment, and data processing stake holders. The Commission

recognizes in Competitive Carrier the need to minimize regulation of non-dominant carrier facilities authorizations under Section 214 of the Act. Investment authorization has historically focused on authorization of transmission facilities, independent of network integration and operation issues; exclusive of switching investment--a significant portion of telephone company investment. Historically, switching investment was limited to mechanical plant. The technical capacity of the new computer switches to perform regulated and non-regulated services, and to be reprogrammed by both telephone company and user to meet tailored individual needs, changes the nature of the service and the attributable cost of the investment. Increasingly the blurring of jurisdictions and services resides in the joint and common costs embedded in sophisticated computer switches.

MTS/WATS Market Structure Industry (78-72)

> Interstate Message Telephone Service (MTS)/Wide Area Telephone Service (WATS) Market Structure, Docket No. 78-72.

The MTS/WATS Inquiry (Docket No. 78-72)[29] was initiated following the courts' decisions[30] that MCI and others could offer services competitive with MTS and WATS, and that they were entitled to local exchange services to originate and terminate their competitive offerings. The Execunet court presumption in favor of competition acknowledged that monopoly conditions for the supply of these services could be reinstated, if the Commission had developed a public record supporting competition.

Initial commentaries in the proceeding expressed a concern that interexchange competition would lead to "inadequate" telecommunication facilities. The Supplemental Notice[31] observed:

> Although some opponents of competitive entry assert that competition may lead to wasteful duplication, many opponents of competitive entry in the MTS-WATS market assert that a competitive market structure may not produce sufficient facility redundancies to satisfy the nation's communications needs.

AT&T stated that the public switched network has been configured "to maintain service during periods of natural or military disaster" through special features such as "redundant facilities, spare channels and protective switching."[32]

The Department of Defense, in comments filed as executive agent for the National Communication System, states that competition may cause carriers to construct facilities at the lowest possible cost and that this could result in the elimination of features designed "to improve survivability" in the event of a natural disaster or military attack.[33] Neither AT&T nor the Secretary of Defense contends that competition must be restricted in order to maintain adequate national defense. AT&T says, "Future pricing policies will require that costs be borne directly by those causing them."[34] The Report and Third Supplemental Notice, adopted August 1, 1980, concludes that it will not be necessary to restrict competition or to impose special design requirements upon the carriers in order to meet national defense or other emergency needs; the record does not demonstrate that unrestricted competition in interexchange services will produce any detrimental effect upon the national defense or the safety of life and property.

The MTS/WATS Inquiry seeks information on changes in methods for separating interstate from intrastate costs and proper access charges for the use of local plant by intercity carriers. ENFIA[35] and the Federal/State Joint Board began the process to amend the Jurisdictional and Separations Manual[36] and review related cost allocation proceedings where joint and common costs are both real and political. The revision of these processes will prove long, controversial,and difficult.

The continuing focus in MTS/WATS Inquiry will be the access charge determination for the four categories of interstate services which access local networks: MTS/WATS, FX/CCSA, private line, and OCC ENFIA. The access mechanisms for these four categories would determine the amount interexchange carriers pay to use local plant to originate and terminate interstate traffic. The compensation which local exchange operations receive through the settlements/division of revenue process varies; sometimes it reflects or does not reflect actual differences in the costs of originating or terminating various services.[37] At issue is whether or not these disparities produce discrimination among services and competing interexchange carriers. Also at issue is whether or not such disparities result in differences in end user prices which violate Section 202(a) of the Communications Act, by subjecting users of like services to "unjust or unreasonable discrimination" or an "undue or unreasonable prejudice."[38]

The raising of these issues challenges the existing separations and settlements processes whose reform is discussed in Section 4. Rural carriers, specifically, have seen retention of existing processes as essential to their future economic well-being. They, more than the

larger independent carriers, seem to benefit from existing separations processes and are dependent on these revenues.[39] Controversy over formulation of future access charges may also increase if competitive carriers are required to bear certain existing unrecovered costs such as past under-depreciation or social subsidies (see Section 5) as part of what they pay for access. Herein lies the future regulatory role in policing and reforming access arrangements and charges. Future carriers and customers will have increased ability to tailor and customize networks and routing and to select carrier involvement.

Computer Inquiry (20828)

> Computer Inquiry II (Amendment of Section 64.702 of the Commission's rules and regulations), Docket No. 20828; regulatory and policy problems presented by the interdependence of computer communications services and facilities, Docket No. 16979 (Computer Inquiry I).

In Computer Inquiry, the Commission has sought to define a scope of regulatory jurisdiction limited to "basic" telecommunications services. In distinguishing between basic and enhanced services, the Commission has also expressed a policy to place the provision of customer premises equipment and "enhanced" telecommunications services in a competitive environment. While network distribution of services such as MTS and WATS may use computer-assisted techniques, the Commission's desire to remove regulatory restraints focuses on "enhanced" services which more nearly resemble computer processing services. Because of the increasingly difficult separation and distinction between communications and data processing facilities and services, the computer industry has expressed concerns about "creeping regulation."

The Computer Inquiry decision would preempt state jurisdiction, requiring that customer premises equipment be removed from both the federal and state rate bases. Disputes over the validity of federal preemption and of "confiscation" of investor capital will raise the level of legal participation by interested parties. The policy implications would extend beyond entry and market structure options into areas of rate structure, rate base rate of return (see Section 3), and jurisdiction cost separations and revenue settlements.

The interlocking of these areas raises questions about the appropriate structural mechanism for policy implementation,and has led to proposed solutions which would create separate subsidiaries as a way to both protect monopoly telephone service consumers from cross-subsidizing competitive services, and forestall possible anticompetitive behavior.[40] The Commission views the structure under which the common carrier transmission facilities are offered to all providers of enhanced services as a move toward putting large and small carriers on an equal basis. Access to transmission facilities and to consumers will continue to be an essential part of state and federal regulatory structures.

In the Memorandum Opinion and Order, adopted October 1980, the "basic service" is the common carrier offering of a "transmission pipeline"--a concept "broad enough to insure our ability to carry out our statutory mandate. . .Section 1 of the Act and responsibilities under Title II, but narrow enough to exclude other services that are separate from the common carrier offering."[41] The Commission's rule would consider grants of waivers of the separate subsidiary requirement for specific services on petition by carriers stating that:

> Strict adherence to such structural separation may foreclose the availability to consumers of certain enhanced services if, for example, state of the art technology dictates that only through the use of network facilities could the carrier provide a given enhanced service, or if complying with the separate subsidiary requirement results in the imposition of unreasonable costs upon consumers.
>
> Petitioners carry the burden of demonstrating that concerns about any cross-subsidization or other anticompetitive effects which may arise from grant of a waiver are outweighed by the possibility of imposition of unreasonable costs upon consumers, or unavailability of an enhanced service, if the waiver is not granted.[42]

The Commission's policy objective in the Memorandum Opinion and Order is to insure that whatever transmission facilities or capacities are provided to the subsidiary by the parent must also be made available to all "enhanced" service providers under the same terms and conditions.

CATV Cross Ownership Waiver (78-219)

> Waivers of the Telephone Company-Cable Television "Cross Ownership Rules," Docket No. 78-219.[43]

The Commission's decision provided the opportunity for telephone companies serving rural communities to offer cable television to their telephone customers, and may be viewed as a revision of market structure and entry rules that affect the provision of local facilities and the opportunities for reducing the portion of cost burden reflected in local rates. While Docket No. 78-129 limits discussion to waiver procedures for existing rules and specifically excludes analysis of the impact on the monopoly rate-payer, policy issues are raised about competitive pressures and the costing of local services.

As exchange areas become more fluid, both in terms of regulatory and geographic boundaries, non-telephone market investors may be attracted to

provide alternative local services. In a separate statement accompanying the decision, the FCC chairman opens this question for consideration by stating that the standards adopted in the decision will test if "alternatives to telephone company ownership in rural situations are realistic."[44]

In filed comments, the National Telecommunication and Information Administration (NTIA) emphasizes "diverse control of telephone and cable televisions services" but contends that this principle "should not deny rural communities present services while preserving a remote possibility of future benefit... ."[45] The cable industry, NTIA observes, "is almost thirty years old. To the extent it has not offered service to rural communities, a lack of economic incentives should be assumed... ."[46] NTIA calls for "an outright rule exemption for small telephone systems in order to test their claim that the present waiver rules inhibit rural cable development."[47] These new market alternatives will need to be considered in reviewing the applications for cross-ownership rule waivers,and in responding to competitive forces across regulatory jurisdictions.

Local Exchange Substitutes/Facilities and Services for Transmission and Switching and Alternative "Pipelines"

A large segment of ongoing commission policy formulation concerns managing the spectrum to provide facility and service alternatives. These alternatives open spectrum uses in new and experimental message delivery areas. As reflected by regulatory responsibilities in this sphere, the number of petitions and subsequent dockets related to local loop and spectrum alternatives has increased.

New dimensions of spectrum and capacity are being formulated in regulatory policy suggested by alternative methods of transmission. Cellular mobile, multi-point distribution, low power television,and direct transmission satellite are among the alternatives being proposed. Large investors, users, and community consortiums are petitioning the Commission to provide regulatory tools which are responsive to diverse needs. Economic, political, and technological factors are changing the nature of the common carrier "transmission pipeline" for information transfer systems.

The Commission's review of the Multi-Point Distribution Systems,[48] the addition of up to two or four MDS channels in major markets, and the Broadcast Satellites Decision,[49] along with Cellular Radio[50] and spectrum allocation for digital electronic message services,[51] are directly addressing local distribution and local service policy alternatives. These Commission decisions recognize that not in interexchange services, but in the "last mile"--the local loop--high entry costs and limited real competition are mixed. To the extent that alternative systems like cable television, STV, DBS, and MDS are close marketplace/viewer substitutes for entertainment alone (and do not open to common carrier like lease or purchase of transmission and switching facilities), service alternatives will also be limited.

Cellular Communications Systems (79-318/18262)

> Cellular Mobile Communications Systems, an inquiry into the use of the bands 825-845 MHz and 870-890 MHz, Docket No. 79-318: Land Mobile Radio Service, Docket No. 18262.

Inquiry dockets in Cellular Mobile Communications Systems,[52] Authorized Users,[53] choosing applicants for radio authorizations in the Multi-point Distribution Service (MDS),[54] and Spectrum Utilization,[55] as well as the report of the Commission's Direct Broadcast Satellite Task Force[56] develop a range of policy options that extend local market participation and change the pressures on local exchange costs. In the Domestic Public Land Mobile Radio Services,[57] 40 MHz was allocated to develop cellular mobile radio common carrier systems.[58] The Report and Order in the cellular mobile docket provides a market structure which allows the deployment of cellular systems. The Commission decision allocates spectrum for one cellular band exclusively for wireline carriers and one for non-wireline carriers. No limitation is placed on the number of licenses that a licensee may hold; however, wireline carriers are required to interconnect upon reasonable demand, and upon terms no less favorable than those offered to the cellular systems of affiliated entities or independent telephone companies. Consistent with the decision in Resale and Shared Use, the Commission required that no restrictions be placed on the resale and shared use of cellular services.

With respect to AT&T, the Commission continued the limitation adopted in Docket No. 18262, that a wireline carrier can only provide cellular services through a separate subsidiary, in order to minimize the opportunity for cross-subsidization of the competitive cellular service from monopoly telephone revenues. Federal preemption of state jurisdiction is made over the number of competitive systems per market and technical standards.

The questions of entry and market structure are linked by the Commission and the Supreme Court to the influence of cellular systems on other services.[59] Related to this is the extent to which cellular mobile services may be used by the consumer as a complement or supplement to other communications services. As in many of the dockets discussed in this section, a principal question is again market definition. If cellular radio technology, either in its present or in its foreseeable state of development, were to affect conventional wireline local exchange service, an additional set of regulatory concerns would surface. Operational cellular systems are anticipated to be comparable in quality to landline message telephone service.

Multi-Point Distribution Service (MDS) and Direct Broadcast Satellite (DBS)

Multi-Point Distribution Service[60] deals with an omnidirectional radio service that operates locally using the microwave spectrum. MDS is generally a one-way service, although it can be used in conjunction with other methods of transmission (such as telephone lines) to provide two-way communications. The opportunity exists through regulated "pipelines" to connect "local" as well as interexchange areas in services which carry subscription television, provide financial and market information services, and include various business and educational applications. Without regulatory broadcast limitations in content, multipoint services and leased and resale common carriers would provide a utility-like pipeline for transmission, regulated through tariffed facilities and services commonly available to the public.

Regulatory policy questions include whether the rules should permit or prohibit the receiving antennas to be adjusted to discriminate among stations on the basis of direction as well as frequency. The resulting increase in the number of channels that may be allocated in most major cities has been at issue in the long regulatory hearing process required for the licensing of applicants. In early 1981 the licensing of new multi-point distribution services had bogged down in debates over using lotteries and auctions to determine who shall receive MDS authorizations.

In MDS Licensee Selection Alternatives,[61] the Commission is inquiring about amending its procedures for processing competing applications in the multi-point distribution service. This docket explores alternative procedures for determining who shall receive an authorization where mutually exclusive applications are involved. Three approaches considered in the docket are practices believed by various parties to be superior to present record/hearings practices: paper hearings, lotteries, and auctions. Assuming some issues significant to the public interest exist on which to compare applicants, paper proceedings which avoid costly trials would be more efficient than oral hearings. In a lottery system, selective criteria generally do not differentiate among qualified applicants. A lottery system would serve private interests by being quicker, less costly, and possibly fairer than hearings, and would serve public interest by being less expensive and by avoiding distorting effects of hearings. Auctions are posited by some regulatory agencies to be preferable even to lotteries for use of the spectrum and an incentive to licensees to operate efficiently.

Another element of the multi-point distribution service docket is a debate about reducing constraints on license transfers. Proposed transfer-of-license rules have reflected the general policy developed in relation

to licenses for broadcast stations against licensees "trafficking"[62] in licenses. The Commission suggests that:

> While an antitrafficking policy may be appropriate where a license is granted in reliance on an applicant's commitments to operate in a particular manner, it makes little sense where it is assumed that the frequency will be put to its best economic use by one who will pay the most for it.... The transfers of resources (including radio licenses) tend to cause them to be used in their highest values use.[63]

Differences underlying the existing regulatory distinctions between Title II and Title III of the Communications Act of 1934[64] narrowed in MDS. As direct transmission satellites and other systems mix program and data uses, distinctions will erode still further. Institutional regulatory mechanisms historically divided by service or technology no longer serve as clear guidelines for competitors or potential investors.

In Specialized Common Carrier Services the Commission decreed "that established carriers with exchange facilities should, upon request, permit interconnection or leased channel arrangements on reasonable terms and conditions to be negotiated with new carriers." In reasserting jurisdiction over wire communications, the Commission preempted the regulation of access channels and again defined their opportunities, opening these facilities and services for "any use."[65]

The Staff Report on DBS suggests that "the allocation of spectrum to the various services and assignment of frequencies to given users is the only essential regulatory function" in the direct-broadcast satellite area, and proposes that "the Commission needs to develop some common regulatory treatment for all unregulated services, based solely on its spectrum management responsibilities and designed to achieve efficient spectrum use."[66]

In the direct broadcast satellite service there is likely to be a scarcity of spectrum and orbital positions, which will require rationing by the FCC. While spectrum and orbital slots have not yet been assigned on a nation-by-nation basis for the Western hemisphere, such assignments were effected for the rest of the world (except Japan) at the World Administrative Radio Conference for Broadcast Satellites in 1977. Although advancing technology may loosen the constraints of orbital spacing by the time assignments are made for Western hemisphere nations at a regional conference scheduled to be convened in 1983, the assignments made in 1977 may provide an order-of-magnitude basis for predicting the availability of spectrum in the United States. Commission staff estimates indicate that the amount of available spectrum will be considerably less than the expected demand for use of those frequencies. That suggests the necessity of spectrum rationing by the FCC.

The Commission in Docket 80-603, the interim policy for direct satellite-to-home broadcast service, accepted for filing the application of Satellite Television Corporation (COMSAT) to provide subscription television service. The initiation of this rulemaking is viewed by the Commission as "amending rules for experimental and developmental direct broadcast satellite services," since the Commission cannot establish permanent regulatory policies until after frequencies and orbital slots are allocated to the United States by the Regional Administrative Radio Conference in 1983.

Other regulatory issues are suggested by the mix of broadcast or common carrier rules which may be applied under various rationing schemes. Spectrum and facilities rationing may be linked. For example, administrative spectrum rationing may be defended if the licensee is expected to operate in the manner of terrestrial television broadcaster; the FCC has regarded character qualifications and public service orientation as important traits for a prospective licensee who is expected to act as a trustee in the selection of programming material. If, on the other hand, the licensee is required to operate as a common carrier compelled to grant equal and nondiscriminatory access to facilities without scrutinizing program content, character issues are far less important.

Spectrum Utilization: Digital Electronic Message Services (DEMS)

> Amendment of the Commission's rules to allocate spectrum for, and to establish other rules and policies pertaining to, the use of radio in digital termination systems for the Provision of Common Carrier Digital Telecommunications Services, Docket No. 79-188.

The Commission established Docket No. 79-188 to consider reallocation of frequencies in the 10.55 to 10.68 GHz band, currently used by industrial mobile radio services, and to consider interconnection among a new class of digital network offerings. In the First Report and Order the Commission approved a new class of "Digital Termination Services" (DTS) which refers to two-way, point-to-multipoint microwave radio facilities made up of local collection and distribution stations, each providing two-way transmission links to multiple outlying stations located at user premises. The decision provides a regulatory classification scheme to distinguish between "extended" nationwide systems and

"limited" regional systems. The distinction between extended and limited is defined in terms of systems providing service to greater or fewer than 30 SMSAs. The Commission sought to balance:

> anticompetitive concerns with the technical advantages of singly-owned or managed DEMS networks, and the likelihood that significant cross-country traffic would be generated and received in a minimum of 30 top SMSAs, and defined an Extended DEMS as one in which a commonly-owned and managed integrated DEMS network operates DTS facilities in at least 30 SMSAs.

No policy determination was made on telephone company entry. Resale and shared use restrictions, however, are prohibited in the Order on the basis of general policy consistency and the Commission's belief that the opportunity for resale and shared use can engender the same price diversity of service consequences as was determined in the private line and MTS/WATS markets. In the area of interconnection, the decision concluded that development of DTS networks standards and interface for terminal equipment would inhibit the flexibility for technological innovation in the design of the system. However, the ruling did require publication of interface information to enable customers who wish to interconnect equipment to do so, and to enable manufacturers to develop such customer provided equipment (CPE). The interconnection principles would also apply to interconnecting DTS networks themselves and interconnecting DTS networks with other common carrier facilities.

In Competitive Carrier Rulemaking, the Commission found all telephone companies, Western Union, domestic satellite carriers (DOMSATs), DOMSAT resellers, and miscellaneous common carriers to possess market power sufficient to be termed "dominant" and thus to justify the continued application of the traditional regulatory scheme to them. At the same

time,the ruling found the specialized common carriers--terrestrial microwave carriers--and all resale carriers except DOMSAT resellers,to be non-dominant. A DTS licensee that is a non-dominant carrier will be eligible for relaxed tariffs and Section 214 authorization rules, but other DTS licensees will be subject to the rules for dominant carriers. In the Competitive Carrier Rulemaking the Commission treated all carriers as single output firms. Thus, firms that are dominant in one service were treated as dominant for all services. In a further notice of proposed rulemaking,the focus will shift from carrier-specific to a market-specific analysis. Thus, in the future,some firms may be considered dominant for some purposes, but not for others.

In 1978, the Xerox Corporation proposed operation of the digital networks locally on a cellular basis, and long-distance over microwave or satellite links. In continuing regulation the Commission will focus on: market structure and entry issues, the possible use of these systems for voice; sharing and resale opportunities, and interconnections and separations mechanisms. As new spectrum uses define the value of these regulated resources, new technologies are revising spectrum availability and alternative investment opportunities. The entry of these services extends the "limited" spectrum resource, and opens alternatives to existing local services.

Merger/Consolidation (GTE/TELENET 80-197)[67]

The corporate separation issues addressed in Computer Inquiry II[68] parallel the entry conditions policy reviewed by the Commission in the initial imposition of conditions on a GTE and TELENET merger. These conditions for entry, consolidation,and merger provide some structural market rules for competition. In the GTE/TELENET consolidation, the Commission modified and limited its staff's criteria for separation twice within 12 months to allow internal corporate structure and competitive market flexibility.[69] In a further effort to remove regulatory burdens, the TELENET segment of a new GTE corporate structure would be prohibited only from integrating with GTE local operating companies. And in Computer Inquiry "Reconsideration,"[70] GTE is viewed as a fully integrated entity allowed to offer both "basic" and "enhanced" telecommunications/data processing services and facilities within a common network.

3. TARIFFS: RATE STRUCTURE AND PRICING ALTERNATIVES

The traditional regulatory areas of interest center on competition between the telephone companies and other entrants. Other entrants into new and similar telephone transmission service markets have needed connection to local service. Through the interconnection agreements negotiated by the participants,the issues have focused on the joint and common costs associated with telephone plant used in common to provide both interstate and intrastate telephone services.

It is this common plant which gives rise to special difficulties in separations: the process of allocating property revenues, expenses, taxes,and reserves between the intrastate and jurisdictional classifications. It is important to recognize that all jurisdictional allocations, where direct assignment is not possible, are made on a relative use basis. This is in contrast to the cost causation approach of Fully Distributed Cost (FDC) method 7, which has been prescribed by the Commission for allocating service-by-service costs within interstate service. The long-favored cost-based rate structure set by the Commission in the WATS docket

> "...has often eluded us. At one time, we believed that our proceedings in Docket No. 18128 would enable us to assert effective regulatory control over all of AT&T's many offerings. After years of proceedings, however, we are little closer to arriving at accurate costs for any AT&T offering than we were at the beginning."

In 1976, AT&T filed tariff revisions introducing the Multi-Schedule Private Line (MPL) rate structure, a second departure from nationwide averaged pricing of voice-grade private line channels. Historically, AT&T has priced interstate private line service offerings by averaging the costs of providing these services nationwide. Before its first departure in November 1973,when AT&T filed Hi-Lo rates, AT&T's private line tariff included a uniform nationwide schedule of mileage charges for interexchange services and a uniform nationwide charge for the service terminal rate element. The deaveraged Hi-Lo rates, designed to reflect differences in the cost of providing service to locations having either a high- or low-facility density, were viewed by the Commission as a response to the introduction of competition in certain markets; in its Hi-Lo Final Decision, the Commission ruled the tariff to be unlawful. In 1977, AT&T filed revisions to its MPL tariff, and, at the same time,

also filed tariff revisions proposing the termination of TELPAK, its bulk rate offering of voice grade private line channels.

In 1979 the Commission determined that MPL rates were unjust and unreasonable under Section 201(b) of the Act, and that MPL support material violated the cost allocation principles set out in Docket No. 18128. The Commission's underlying objective was to revise FDC method 7 in favor of a costing methodology which would assign all plant and equipment to a service, based on forecasted demand, when the plant and equipment entered AT&T's rate base. The Commission, in Final Decision and Order, Docket No. 20814, recognized that the cost allocation objectives did not allow for risks associated with a firm that constructs growth capacity for the future in a competitive environment, but the order did not resolve the allocation questions.

The cost allocation work begun by the Commission provided the interim method for reducing the impact of residual costing procedures upon the allocation of exchange plant through use of separations data to achieve a split in total exchange plant costs between private line and message services.

Multi-Schedule Private Line Service (MPL/AT&T/20814)

WATS Separate Service Inquiry (AT&T), Docket No. 21402 adopted July 1, 1980 (FCC 80-385).[71]

In its Final Decision and Order in Docket No. 21402,[72] the Commission held that Message Telecommunications Service (MTS--ordinary long distance service), and Wide Area Telecommunications Services (WATS), including volume discounted long-distance service using a combination of flat rate and metered use charges,were "like communications services" within the meaning of Section 202(a) of the Communications Act.[73] Having found the two services to be "functional equivalents," the Commission then asserted that "customer selection of WATS or MTS is entirely a matter of price."[74]

As of early 1981, the matter was in the U.S. Court of Appeals. There the parties have again focused on alleged differences in AT&T's costs of providing MTS and WATS services. The parties also focused on other "operational factors," found in the Final Decision and Order to be "mere techniques employed by AT&T to maintain separate classifications while enforcing the price differential between customers." Cost differences that were found to be "appropriate in rate investigation"were held by the Commission to be "... largely irrelevant"[5] in the Commission's considerations of the Section 202(a) issue. These important findings by the Commission set the stage for discussion in Private Line Rate Structure and Volume Discount,[76] ENFIA Access Charge,[77] and AT&T Cost Allocation Manual[78] dockets.

In the Commission's decision in the Multi-Schedule Private Line Service,[79] a clear priority was set for the separation of monopoly service from competitive service costs. The major issue addressed in

the Private Line Rate Structure decision was AT&T's residual method for costing private lines within local exchange areas. Bell's accounting method had been to calculate costs for private lines, then assume that everything else within the local exchange must be attributable to basic service. The difficulty--in calculating private line costs and in setting rates for basic (monopoly) service--challenges regulatory control. The work begun in Multi-Schedule Private Line (MPL) is expected to be completed with the development of the AT&T Cost Allocation Manual (manual and procedures for the allocations of costs). The MPL decision had made progress towards reducing the necessary tasks involved in the problem of separating private line from MTS/WATS costs. The manual would extend the MPL approach to cover all interstate private lines, as well as develop procedures for allocating costs among private line services.[80]

The proposed Interim AT&T Cost Allocation Manual[81] would allocate AT&T interstate costs to four separate reporting categories: MTS, WATS, private line, and exchange access-ENFIA. The revenue requirements for these four reporting categories would be determined by adding a portion of the exchange costs to interexchange costs. Only MTS, WATS, and private line would be required to earn the overall prescribed interstate rate of return. Each individual private line service would not have to earn the precise interstate return specified for the whole category; this requirement would apply only to the private line category as a whole. Specific private line services could depart from the interstate return so long as this departure does not make the rates for such services "unreasonable or unjustly discriminatory."[82]

Through the AT&T Private Line Rate Structure Inquiry,[83] an attempt is being made to revise and unbundle AT&T's private line tariffs so that separate rates are listed for each element of private line service. A customer could then choose the specific private line service desired by combining these elements. The rate for each element would be the same no matter what the intended use, and there would be no discrimination in the rate for "tangible" plant used for private line services. Under this kind of modular tariff arrangement, discrimination--if it exists and continues to exist--should be relatively easy for the Commission to discern and eliminate. The only continuing difficulty will be rates for "nonfungible" facilities which are used for specific private line services.

Perhaps one-third of telephone plant is used in common to provide both interstate and intrastate telephone services. It is the common plant which makes the separations process and jurisdictional allocations difficult. All allocations, where direct assignment is not possible, are made on a relative use basis. Relative use principles stand in direct contrast to the cost causation approach of FDC method 7 prescribed by the Commission for allocating interstate service costs. It is the introduction of competition and the creation of new markets and submarkets which has led to refinements in the federal regulatory cost measurement tools. It is the service-by-service or service category groupings which are used to describe regulatory jurisdiction and the potential for cross-subsidization which could inhibit market entry.

The AT&T Cost Manual would reaffirm the underlying principles adopted in Docket No. 18128.[84] The Commission would ascertain its

continuing interest in assuring carrier accountability, maintaining equitable and nondiscriminatory treatment of all service users, promoting technological innovation, and defining a precise set of market rules.

However, in the last four years, the Commission has rejected major AT&T tariff filings which it found unlawful because of noncompliance with the prescribed "method 7" accounting. In failing to prescribe new rates, and after finding AT&T's tariffs unlawful, the Commission has been forced to keep temporary rates in effect.

> As we learn more, as conditions change, so must our rules on cost allocation change. We recognize that substantial effort--both by the Commission's staff and by the parties--has gone into the cost allocation process thus far. Notwithstanding this effort, however, we cannot enshrine FDC 7 generally. . .in a Pantheon of fixed and untouchable cost allocation rules.[85]

The AT&T Cost Manual[86] proceeding was undertaken in direct response to the D.C. Circuit Court's charge, stemming from the appeal by MCI of the Commission's allowing unlawful WATS rates for an extended period.[87]

In Revisions to Wide Area Telecommunications Service (WATS), Docket No. 80-765, the Commission continued to seek a WATS tariff, containing rate elements more directly based on usage sensitivity and costs of service (with explainable rate differentials between MTS and WATS). A more limited effort focuses exclusively on the time-of-day, peak-load WATS price structure concerns. The Commission was attempting to improve efficiency in the use of telephone plant by looking at the relationship between pricing strategies and peak demand on the network. Prior to the effective date for the suspended WATS tariffs, AT&T will be required to provide economic cost support data

recalculated in accordance with the interim cost manual. Linked to the WATS decision, Memorandum Opinion and Order, December 29, 1980, the Commission cites AT&T's admission in the Resale and Shared Use, Docket No. 80-54:

> ...that there would be large losses if resale were allowed under the existing WATS tariff stands in contrast to its repeated contentions in the past that the WATS rates are cost-justified. Thus, the direction of the change in rates proposed by AT&T in this filing appears to be directly related to the economic forces of the marketplace driving WATS rates toward costs. [87]

The Commission's work in both Competitive Carrier Rulemaking[88] and the AT&T Private Line Rate Structure Inquiry[89] contemplated a restructuring of AT&T's private line tariffs and the stimulation of private line competition.

One kind of discrimination--the "unlawful"[90] bulk discount--already seems to be less of a problem than it was in the past because of the Commission's decision in Resale and Sharing.[91] AT&T has taken the position that its previous bulk discount offering--TELPAK--could not exist in an environment where resale and sharing were permitted and, after a long delay because of a stay by the D.C. Circuit, AT&T filed a new tariff submission which eliminated this service.

Customer Premises Terminal Equipment (20981/20828)

Cost allocation principles are linked in Terminal Equipment[92] to innovative technologies and early replacement of equipment. The Commission could act on further reconsideration of the Computer Inquiry II decision to replace the proposed separate federal/state regulatory

treatment of Customer Premise Equipment (CPE) with a single detariffing of all CPE. Alternatively, the Commission could address options in a separate computer decision implementation proceeding. This proceeding could involve a measuring of current CPE.

Treatment of investments not recovered by the carriers--how the equipment would be removed from the rate base and valued--is largely the work of a federal-state joint board, reviewing separations and settlements issues in connection with CPE deregulation. The joint board has been established to consider the impact on separations of removing CPE investment from the rate base. Unrecovered user-linked costs of replaced equipment could remain in the rate base and could be recovered indirectly from non-users.

Prior to the reconsideration in December 1980, the Commission's decision in the Computer Inquiry II[93] required that all terminal equipment be deregulated and detariffed by March 1, 1982. The Commission's order recognized that there could be an impact on some customers in the total amount paid for exchange service and terminal equipment after deregulation on March 1, 1982. In a deregulated environment the cost of terminal equipment would be borne entirely by the owner or user of such equipment,and would no longer be partially subsidized through interstate service rates. The exact impact of the deregulation depends upon the manner in which intrastate revenue requirements have been allocated among services and equipment in a particular state and on individual calling patterns.

Nevertheless, in order to guard against any undue impact upon particular customers stemming from deregulation of terminal equipment, the Commission promised in Computer Inquiry II to review existing

jurisdictional separations procedures and "alleviate any adverse consequences through separations changes."[94] The Commission stated that, among other means, it would consider reallocation of a larger portion of exchange costs to interstate service so that state commissions would be under less pressure to increase local rates. Reconciling this approach with the allocation concerns expressed in the Notice of Inquiry for a new Separations Manual (which would allocate to interstate services factors derived for Interstate FX and CCSA "open end" access service) could fall to the Joint Board to achieve an allocations balance.

In reconsideration, the final decision in Computer Inquiry II[95] was modified to allow for a phased deregulation of terminal equipment--in the separations process and tariffed with the various states. The Commission stated on reconsideration that it would consider the deregulation of maintenance on all CPE, both embedded and the newly detariffed equipment. On March 1, 1982, deregulation would apply to new terminal equipment or terminal equipment tariffed at the federal level. Terminal equipment provided by telephone companies, up to that date, could continue to be provided pursuant to tariff. With the adoption of this arrangement, the transition to full deregulation was set to begin on March 1, 1982. And the impact of cumulative changes on the separations procedures will rest largely on the joint board created under Federal/State Joint Board,[96] which is discussed in Section 4.

Rate of Return/Earnings Interstate (AT&T Interstate and Foreign Services 79-63/187)

Authorized Rate of Return for AT&T for Interstate and Foreign Services, Docket No. 79-63; AT&T's Earnings on Interstate and Foreign Services During 1978, Docket No. 79-187.

Rate of return regulation is a "bottom line" measure of a company's financial structure (the rate base against which allowed investment is recovered), and financial status.[97] Regulators allow carriers to establish rates designed to yield a determined "revenue requirement." This requirement is set to recover all "reasonable" expenses (including a depreciation expense) incurred in operations (for a test year)[98], plus a "fair" return on the value of assets (exclusive of accrued depreciation) used and useful in the provision of service. The carrier accepts government control over market entry and exit, rates and prices and a requirement to serve all, up to the carrier's regulated capacity in exchange for grants of certain valuable rights such as monopoly franchise and eminent domain. The heart of traditional regulation, the "just and reasonable" standard, relates also to capital recovery.[99] In Federal Power Commission v. Hope Natural Gas, Justice Douglas stated:

> The rate-making process under the Act, i.e., the fixing of just and reasonable rates, involves a balancing of investor and consumer interests....The investor interest has a legitimate concern with the financial integrity of the company whose rates are being regulated. From the investor or company point of view, it is important that there be enough revenue not only for operating expenses but also for the capital costs of the business. These include service on the debt and dividends on the stock. By that standard the return to the equity owner should be commensurate with the returns on investment in other enterprises having corresponding risks. That return, moreover, should be sufficient to assure confidence in the financial integrity of the enterprise, so as to maintain its credit and attract capital.

In an AT&T petition for increased Rate of Return,[100] the company requested the adjustment to its authorized rate of return on the basis that it is "essential in order to raise capital needed in interstate and foreign operations, to continue to provide excellent service, and to preserve the financial integrity of the Bell System."[101] Determination

of an appropriate rate of return is a complex matter which involves assessments of financial, accounting,and economic information and theory. The Commission, in its continuing proceeding, has focused on the specifics of an appropriate measure for cost of capital: sources of funds which finance equity investment in the Western Electric Corporation; the treatment accorded "ownership interests of other unconsolidated subsidiaries;"[102] and a determination of the bases of AT&T's existing and proposed financial structures in terms of total liabilities and equity supporting total assets.

4. ACCOUNTING, COSTING,AND JURISDICTIONAL SEPARATIONS

A basic premise of traditional regulation has been the absence of competitive forces. Increasingly, regulatory policy has moved to control the rate of technological innovation and application. Regulators allow carriers to establish rates designed to yield a determined "revenue requirement." A carrier accepts government control over market entry and exit, rates and prices, the quality and conditions of service and a requirement to serve all, up to the carrier's regulated capacity in return for the valuable right of monopoly franchise.

Linked to the rate structure and the allocation process as competition develops in the market for long-distance interstate telephone service are the regulation policies which govern capital recovery. The

depreciation prescription process is in many ways a microcosm of the rate base/rate of return process itself. Depending on how expenses are classified, the depreciation element often makes up the second largest element of regulated carriers' annual operating expenses. (Maintenance expense is the largest in the Bell system.)

A wide variety of recent economic, regulatory, and technological changes has the potential of altering the fundamental characteristics and structure of the telecommunications industry. Sharp increases in the rate of inflation and coincident increases in the cost of capital investment, in general, appear to have made fixed investment much more risky from the investor's perspective. Although the productivity of the telecommunications industry has been rising, so as to help offset inflation somewhat, it has not been rising as rapidly as the cost increases attributable to inflation. The introduction of competition by allowing non-traditional telecommunications firms to interconnect and/or provide duplicate or alternate services to customers appears to have also changed the investment risk in telecommunications firms. This factor is becoming more apparent as such firms as IBM and Exxon become viable candidates for entry into established markets. Evolutions have also occurred in the technology of transmission and switching--e.g., fiber optics and all-electronic switches[103]--which have changed the kinds of services available to consumers, as well as the methods of provision. Such changes, however, require substantial investment in new plant.

Federal/State Joint Board (80-286)

Amendment of Part 67 of the Commission's Rules and Establishment of a Joint Board, Federal/State Joint Board Dicket No. 80-286.

In the Notice of Proposed Rulemaking and Order,[104] the Commission established a Joint Board[105] and charged it with the task of revising jurisdictional separations for exchange telephone plant. The existing plan for governing jurisdictional separations, the Ozark Plan, was adopted in 1970. "Ozark" prescribed the use of certain factors which are applied to interstate minutes of use and which result in assignment of far more costs to the interstate jurisdiction than an allocation based upon proportional minutes of use alone.[106]

Under Ozark rules, most exchange plant is separated and assigned based on a subscriber plant factor (SPF), which weights interstate minutes by a factor of approximately 3.3. The proportion of interstate to total calling rose from about 5.5% in 1972 to 7.28% in 1979. Between 1972 and 1979 this translated to a 6% annual growth in the SPF factor, which reached 23.95% in 1979. Thus, as interstate calling increased, the "multiplier" effect of the SPF factor served to magnify this increase to the interstate jurisdiction.

The Federal/State Joint Board proceeding reexamines rules for the allocation of exchange plant investment to interstate and intrastate services. The convening of a Federal/State Joint Board for this purpose is to pursue comments filed in MTS-WATS Market Structure,[107] and Computer Inquiry II[108] decisions, in order to recommend a revised Separations Manual prescribing access charges. The Notice of Inquiry relates that:

> Most of the criticism of the Manual in the MTS-WATS Market Structure[109] relates to the weighted use factors, commonly known as SPF (Subscriber Plant Factor), and DEM (Dial Equipment Minute factor), that are used to allocate certain portions of exchange plant investment between interstate and intrastate services.... The use of these factors has resulted in excessive allocations to the interstate jurisdiction.[110]

Some commentators assert that the allocation to interstate services should be increased by applying these factors to "open end" access service for interstate FX and CCSA.[111] The Notice in the Joint Board docket cautions that relative use is not the only criterion to allocate plant having fixed cost characteristics "since additional usage of such plant does not change the total cost;"[112] they recommend consideration of cost causation and that the Joint Board "begin with SLU allocations and proceed to determine the additive factors, if any, that should be included to assign an additional portion of such investments to the interstate rate base."[113]

With the Commission's decision to assert jurisdiction with respect to all charges for open end access for interstate FX and CCSA services, the Joint Board is charged to:

> ... determine that portion of non-traffic sensitive exchange plant that should be attributed to these services in order to devise a formula. . .and to allocate an appropriate portion of other investment and expense categories to interstate services to reflect FX and CCSA usage.[114]

The Second Supplemental Notice in the MTS-WATS Market Structure[115] proposed to establish access charges for four classes of exchange access time usage (MTS/WATS, FX/CCSA-ONAL, private line, and exchange access line for other common carriers), allocating all non-traffic sensitive plant to the four categories on the basis of minutes of use

and traffic-sensitive exchange plant to those categories which use traffic-sensitive plant and recovering, in the aggregate, all exchange plant costs allocated to interstate jurisdiction. In comments to the Commission, AT&T notes that:

> Disparities exist among services ... MTS/WATS usage results in an assignment of MTS plant costs to the interstate jurisdiction at a weighting of a nationwide average of 3.3 times the relative use. Private line services do not bear any comparable weighting, the cost being assigned directly to the appropriate jurisdiction. . .and FX, CCSA/ONAL services use exchange access lines, not weighted or allocated to interstate jurisdiction. This results in an economic incentive for parties to migrate from MTS/WATS to private line services even though from an economic efficiency standpoint a contrary result might be indicated.[116]

The Federal/State Joint Board proceeding will examine the reallocation of telephone plant and expenses between interstate and intrastate jurisdictions in accordance with the Commission's access charge plan. That plan divides investment and expenses assigned to interstate between exchange and interexchange, and proposes that a charge for the use of exchange facilities would be developed in accordance with the access charge proceeding.[117]

If the assertion of Commission jurisdiction over exchange services extends the current boundaries in order to resolve investment allocations, other problems to be identified by the Joint Board concerning access charge jurisdiction would still arise. The access charge proceeding will determine the rates per minute or per line for private line, to be paid to local telephone companies by interstate carriers. Separate access charges would be established for MTS-WATS, FX-CCSA, private line, OCC-ENFIA,and possibly other service categories. All access charge payments would be pooled and distributed to local telephone companies in approximately the same manner as existing pooling arrangements. The

specialized carriers will pay access charges for use of local plant directly to the new exchange access pool and then recover these charges as part of the rates they collect from their customers. The specialized carriers would be permitted to recover these charges across all services. In contrast, AT&T would be required to recover access charge payments from customers of specific services as directly by the Cost Allocation Manual.

Cost Allocation Manual (AT&T/79-245)

> American Telephone and Telegraph Company Manual and Procedures for the Allocation of Costs. Notice of Proposed Rulemaking Docket No. 79-245.

The AT&T Cost Manual proceeding may be viewed as part of a continuing effort by the Commission to prescribe a set of rules for guiding AT&T in allocating all interstate service costs to particular services or service categories. The docket was initiated for the purpose of developing a new Cost Manual based on Fully Distributed Cost (FDC) which would implement the theoretical and specific costing principles developed in Docket No. 18128 (a proceeding initiated on April 10, 1968 to investigate AT&T's TELPAK, and later AT&T's private line service tariffs). The Proposed Rulemaking sought to achieve the general principles expressed by the Commission in Dockets 18128 and 20814. The Commission rejected the unit costing studies performed by AT&T, which AT&T applied to forecasted demand for capacity through the "demand translation process," noting that this:

> elaborate costing approach does not, in our view, permit us to fulfill our responsibility to evaluate tariffs filed by AT&T. In addition to its complexity and inauditability, it prevents the identification of the impact on results produced by the various nonempirical inputs, such as management

> judgment. As a result, we receive massive central submissions which as a practical matter do not enable us to easily determine if filed tariffs are just, reasonable and non-discriminatory or to prescribe rates if we determine that this is necessary.[118]

The new interim manual requires the allocation of revenues, expenses, and investment utilizing the Jurisdictional Separations procedures in four generalized service reporting categories. AT&T would continue to bear the burden of demonstrating the lawfulness of individual tariff filings. In efforts to coordinate the Uniform System of Accounts, the Cost Allocation Manual, and the principles established in AT&T private line rate structure and volume discount practices, the Commission has initiated work beyond the interim manual to consider a long-term definition and resolution of costing questions.

Exchange Network Facilities for Interstate Access (ENFIA) Access Charges (78-371)

> Exchange Network Facilities for Interstate Access (ENFIA), Memorandum Opinion and Order, Docket No. 78-371.

During the period which elapsed between Initial Notice and the Supplemental Notice of MTS-WATS Market Structure Inquiry,[119] some carriers entered into an agreement to establish compensation arrangements for the use of local exchange facilities to provide interstate services that are functionally equivalent to MTS or WATS. Traditional MTS and WATS have been rendered to the public by a partnership of local telephone companies (who have a state-franchised monopoly on local exchange facilities) and interstate long-haul carriers (most commonly the Long Lines Department of AT&T).

Under the principles of Smith v. Ill. Bell Telephone Co.,[120] local telephone companies' plants have been apportioned under principles of

"relative use" between the state and the interstate jurisdiction. These principles would divide revenues received from interstate calls between long-haul carriers and the local telephone companies (the local telephone companies' compensation for use of their facilities to complete interstate MTS and WATS calls).[121]

Until recently, with the rise of competition, the total costs could be recovered, but there was no attention given to the relationship between costs and service-by-service rates. The introduction of competition has forced such attention to breaking down the federal regulatory cost pool into smaller subpools in the service-by-service or service category-by-service category basis.

The Commission convened negotiations of the ENFIA tariffs, recognizing that the issues of "compensation, public policy and social goals of rate making, 'subsidization,' competitive constraints," etc. raised by pleadings would "require evidence that...simply does not exist." The Commission was further encouraged by the specialized common carriers' court-granted legal right to secure interconnection. In the "interim agreement" the Commission conceded that although not:

> cost based in toto,...it is no less so than the historical MTS/WATS compensation mechanism it is patterned after--jurisdictional separations--established costs, and private carrier-to-carrier agreements specifying revenue division.[122]

Second Supplemental Notice MTS-WATS Market Structure[123] was instituted to enable the Commission to prescribe charges for interstate use of exchange plant by four categories of service: MTS/WATS, FX and CCSA "open end" access, private line, and OCC-ENFIA.

Under present arrangements, different carriers and different interstate services pay for access in dissimilar ways. AT&T and the

independent telephone companies pool their revenues from interstate services and then divide these revenues in proportion to their costs. Costs are determined in accordance with the Separations Manual and the Ozark Plan. However, the SPF factors prescribed in the Ozark are applied only to MTS and WATS service. The specialized common carriers pay for exchange access used in connection with MTS/WATS-type services in accordance with the compromise reached in the ENFIA agreement.[124] Under ENFIA, the Ozark weighting factors are applied to the specialized common carriers at a rate of about one-half that applied to AT&T and other traditional telephone companies. The access charge proceedings seek to provide consistency in allocating exchange access costs to the users of different services and to establish a common method of payment for the traditional telephone companies and the specialized common carriers.

Uniform System of Accounts (USOA 78-196)

Revision of the Uniform System of Accounts and Financial Reporting Requirements for Telephone Companies, Docket No. 78-196.

Continuing work on cost allocation issues, along with requisite accounting reforms, are key transitional regulatory building blocks for the future. They underlie the eventual definition of market rules and signals to investors for market entry, exit, and access pricing for competitors. Further, to provide for the classification of basic from enhanced services,these accounting regulatory mechanisms will be the bases for determination of "fair and reasonable" rates, and of the presence of interservice subsidies. Resolution of cost allocation issues would also

assist other proceedings, such as the reform of tariff structures and achieving consistency among similar components of AT&T's private line service offering as well as access charges.

Uniform System of Accounts[126] set out to update the basic structure for reporting the nation's telephone companies' financial accounts which was first developed in 1913. In 1935, the Commission adopted the current Uniform System of Accounts,[127] based largely on the accounts which had been instituted by the Interstate Commerce Commission. The 1978 Notice was prepared because the Commission held that:

> The USOA does not provide the industry with an effective tool for managing its resources in the current multiservice environment, or the Commission with the type of information that is necessary to regulate an increasingly complex telecommunications industry. When the USOA was first established, telephone companies offered only two basic types of service--local and long distance.... To effectively regulate on a cost of service basis, we need reliable figures on operating revenues, plant investment and operating expenses, and subcategories thereof, broken down both by regulatory jurisdiction (i.e., interstate versus intrastate) and by individual service categories. Because the focus of the USOA is on company-wide results, it has proven to be of little, if any, help in resolving issues concerning the appropriate rate levels and rate structures of the various services.[128]

The extensive restructuring proposed by the Commission would result in a revised accounting system which would constitute a single data base serving the following functions:

> (1) It will form the basis for financial reports, including both balance sheet and income reporting. (2) It will serve as a data base and a foundation for managerial decision making and internal management reports by the carriers. (3) It will provide sufficiently detailed disaggregated cost and revenue information for derivation of costs and revenues of individual services and rate elements, both for carrier managerial decision making, and (4) regulatory review and rate prescription. (5) It will facilitate the breakdown of costs between interstate and intrastate jurisdictions ['jurisdiction separations'].

> (6) It will permit analysis of facility and plant utilization, including studies of the causes for each category of expenditure and review of service quality and service efficiency. And (7) it will be structured so as to allow for regulatory and independent auditing and tracing of questioned entries.[129]

Jurisdictional separations information is oriented toward current usage rather than causational allocation rules. The "separations" process and the adequacy of information used in jurisdictional separations is questioned in the Notice of Proposed Rulemaking:

> Much telephone plant (perhaps a third or more of the total) is used in common to provide both interstate and intrastate telephone services. It is this common plant which gives rise to special difficulties in separations, the process of allocating property revenues, expenses, taxes and reserves between the intrastate and jurisdictional classifications.... It is important to recognize that all allocations (where direct assignment is not possible) are made on a relative use basis. This is in contrast to the cost causation approach of FDC method 7 which has been prescribed by the Commission for allocating costs to interstate service (Private Line Rate Structure).[130]

AT&T Cost Manual[131] reaffirms the underlying principles adopted in Principles and Standards[132] (Docket No. 18128): in assuring carrier accountability, in assuring equitable and nondiscriminatory treatment of all service users, and in defining a precise set of market rules. AT&T Cost Manual retreats from the "theoretical merits" of method 7 in relaxing many of the specific method 7 requirements. The correlation of USOA (1978) restructure with the tariffed functional elements developed in Private Line Rate Structure and Volume Discount is expected to allow a functional allocation of costs to different services and different users based on factors developed in these proceedings. The allocation of tangible costs will be a more or less arbitrary function of the detailed breakdown of accounts in a new uniform system of accounts.

The AT&T Cost Allocation Manual proceeding would reduce oversight of investment accountability and cost predictability problems by moving away from cost methods which would either necessitate "benchmark" or "forecast" cost allocations. While resolution of these issues is linked with the regulatory mandate of determining whether rates are lawful, and the presence of interstate subsidies,they also become the basis for the administration of competition through powerful "access charge" responsibilities. These responsibilities include: Who will interconnect, at what rate, and are they big enough to stay in business while the regulatory machinery operates?

Straight-Line Equal Life Group Depreciation (Capital Recovery and Remaining Life) (20188)

> Amendment of Part 31 (Uniform System of Accounts for Class A and Class B Telephone Companies) so as to permit depreciable property to be placed in groups comprised of units with expected equal life for depreciation under the straight-line method. Docket No. 20188; Report and Order released December 5, 1980.

Equal Life Group Depreciation[133] expressed concern that past FCC depreciation policies may have distorted changes in technology and retarded the rate of diffusion of product and process innovations in the telephone industry. In 1973, AT&T requested the Commission to shift from "vintage" depreciation methods to straight-line equal life group methods. Under equal life group depreciation, depreciation expenses are calculated having different service lines, whereas under the vintage group method, the depreciation is based on average service life for all equipment investment. Timely recovery of capital at a rate sufficient to offset its consumption would allow the more rapid recovery of investment and greater allocation of depreciation expense in the service rates paid by current consumers. The Commission provided for a phase-in

of the new depreciation rates between 1981 and 1984. Under the straight-line equal life group (SLELG) method of accounting, depreciation is accrued upon units of property in a vintage group (all poles placed in service during 1978 in a particular operating area might be treated as a vintage) that are expected to have the same life. If projections are accurate, no reserve deficiency results, since each unit is fully depreciated in the accounts at the time of retirement. The use of the SLELG method results in a higher accrual rate during the earlier years of the total property service life and a lower rate in later years. The degree of precision embodied in these financial statements and accounts and in depreciation methods themselves reflect only the early judgmental estimates of "useful" property life.

The corrective mechanism to this imprecise practice is important in attaining the goal of allocating costs over the service life of any particular asset. The "remaining-life" process rule amendment in the Report and Order proceeds on the premise that the current prediction of remaining or prospective life is correct and attempts to allocate any unrecovered or unallocated costs over that time period. The Commission points to the impact of new technology and the transition from monopoly to a competitive environment, leading to an overall shortening of life estimates with regard to telecommunications investment. The Commission recognizes that the application of remaining life might result in sharp increases in revenue requirements and in user charges.

Station Connections, Customer Provided Equipment and Related Capital Costs (79-105)

> Uniform System of Accounts for Class A and Class B Telephone Companies, of the Commission's rules and regulations with respect to accounting for station connections, optional payment plan revenues and related capital costs, customer provided equipment and sale of terminal equipment. Docket No. 79-105. First Report and Order; released March 31, 1981.
>
> Deregulation of Customer Premises Inside Wiring; Further Notice of Inquiry; released May 26, 1981.

Following the Commission's Final Decision and Order in Docket No. 19129 requiring a modification of the accounting system to associate station connection costs on current causative ratepayers, AT&T proposed a "partial expensing of certain costs associated with reconnections, reinstallations, extensions, as well as testing and apparatus handling." These costs were considered to be largely not reusable. Also, in Docket 19129 in reference to Docket 18128, the Commission held that each category of service be priced on the basis of fully distributed costs "requiring each service to bear the burden of the costs incurred in providing that service."

The decision required all subject carriers to begin the task of identifying and assigning their investment in station connections. However, in reviewing the accounting for "inside wiring" (the precise definition of inside wiring is at issue in Docket No. 81-216), the Commission made a direct correlation between the cost of inside wiring and the cost of the terminal equipment. That is, these costs are governed by the selection and placement of terminal equipment. Further, service life and location costs are generated by individual customers' decisions. Following Computer Inquiry, Docket 20828, where the

Commission determined that "a carrier should have the same regulatory status marketing CPE as any other equipment vendor, and this should be reflected in our regulatory scheme," the First Report and Order concludes that accounting charges are not the solution; rather a record needs to be initiated on the proposal to deregulate the customer premises portion (inside wiring) of station connections that is being capitalized. In the Further Notice of Inquiry, Deregulation of Customer Premises Inside Wiring, "inside wiring" would not be provided under tariff. Both regulated and nonregulated firms would be permitted to provide inside wiring to consumers. The Commission's decision permits carriers to phase in the expense of inside wiring over a four-year period. Carriers will be permitted to expense inside wiring at a rate consistent with individual companies and state commissions service and investment planning.

5. DEPRECIATION POLICY DIRECTIONS FOR A NEW REGULATORY ENVIRONMENT

The Commission prescribes depreciation rates for approximately 35 of the nation's largest telephone operating companies. Generally, the depreciation rate reviews of the companies are scheduled so that the rates of approximately one-third of the companies are reviewed and prescribed each year. Each company that is scheduled for represcription submits its study data to the FCC staff and to the commission(s) of the state(s) in which it operates. These studies show the development of the depreciation rates, service lives, and net salvage factors proposed by the company.

The studies are reviewed and analyzed by the Commission staff and state commission(s) having jurisdiction. Discussion meetings of the parties are arranged after all the studies have been reviewed and analyzed. After the meetings, the company files a schedule of the agreed-upon rates with the FCC. Section 220(i) of the Communications Act provides that before prescribing any depreciation rates, the FCC will notify each state commission having jurisdiction, and will give each state commission reasonable opportunity to present its views. The FCC, after taking into consideration the views of each party, issues its order prescribing the depreciation rates applicable to the company.

As competition develops in the market for the provision of long-distance interstate telephone service, the Commission's need for improved understanding of the relationship between depreciation policies, technological change, and innovation becomes increasingly important for constructive regulatory policy formulation and equitable regulation. In an unregulated and effectively competitive market environment, competitive forces stimulate the development of technical changes and influence their rate of adoption. Depreciation charges in these circumstances mirror economic obsolescence as well as physical wear and tear. In regulated telecommunications markets, depreciation charges may influence the rate and diffusion of technological change rather than adjusting to the rate of obsolescence as exogeneously determined in a competitive market.

Modern telecommunications developed from the interaction of invention, innovation, and user requirements, forming a progression from

telegraphy to the electronic telephone, with no predictable end to the evolutionary process presently in view. Since the invention of the telephone, continual changes have occurred, resulting in greater reliability, higher quality, and a wider array of service available to the public. An analysis of these changes shows a steady and increasing progression in the substitution of plant and equipment (capital) for people (labor). This phenomenon is well exemplified by comparing early manual switchboards with today's Electronic Switching System (ESS). Additionally, the capacity of the plant and equipment has increased, as is evidenced by the advent of high capacity microwave systems and fiber optics.

A given in almost all technical innovation in the telephone industry is the obsolescence of older plant and equipment, as well as an assumption of rapid rate of growth in demand. A direct result of much of this innovation and growth has been the economic necessity of replacing or adding substantial increments to the assets of the telecommunications industry. In the earlier stages of evolution, these desired changes did not occur so abruptly or as frequently as they have in recent times, and, as a consequence, did not have as much effect on shortening the economic lives of existing assets. However, the technological changes have become distinct and frequent, as well as of an intrinsically different nature (ESS vs. step-by-step). These changes have also had the effect of nullifying much of the value of historical experience for estimating prospective lives of existing plant as well as of assets derived from the new technology. For instance, the early automation of switching (which reduced the number of operators) relied upon electromotive force

to implement and complete mechanical operations for the connection of two telephones. This mode, represented by step-by-step, panel, or crossbar equipment, was relied upon from the early 20s to the mid-60s when it was rendered technologically obsolete by the all-electronic ESS. In many respects the ESS machines are similar to high speed computers, which themselves have gone through a number of generations since 1965. In short, the useful life of equipment has been considerably reduced from the design life by technological innovation.

The objective of depreciation accounting is to charge to operating expenses (depreciation expense) and to recover--through offsetting revenues--the net cost of the asset over its service life. The Commission, as well as many others, has generally interpreted net cost to mean the original cost of the asset, less any salvage and plus or minus cost of removal. Accounting for too great a share of an asset's costs in early periods will overstate expenses in those periods, and understate profits for those same periods. If the cost is spread over too many periods, by projecting a longer service life than will actually be experienced, a risk is created that the asset will be retired before all its costs are charged off to operations, and before its costs are offset with revenues. In that event, the burden of costs is placed more heavily on the customers or the shareholders at the time of asset retirement. Given increasing service competition and the absence of other factors which may create incentives to forecast longer or shorter lives, the ordinary business enterprise will seek to forecast lives which match expenses and revenues and accurately report results of current operations.

NOTES

1. Basic Data on the Politics and Economics of the Information Evolution: Telecommunications Costs and Prices in the United States.

   Part 1: Anthony G. Oettinger with Carol L. Weinhaus, Players, Stakes and Politics of Regulated Competition in the Compunications Infrastructure of the Information Industry (Cambridge, MA: Program on Information Resources Policy, February 1981).

   Part 2: Anthony G. Oettinger [and] Kurt Borchardt, with Carol L. Weinhaus, Stakes in Telecommunications Cost and Prices, Pub. P-80-6 (Cambridge, MA: Program on Information Resources Policy, November 1980).

   Part 3: Anthony G. Oettinger with Carol L. Weinhaus, The Federal Side of Traditional Telecommunications Cost Allocations, Pub. P-80-1 (Cambridge, MA: Program on Information Resources Policy, January 1980).

   Part 4: Anthony G. Oettinger with Carol L. Weinhaus, The Traditional State Side of Telecommunications Cost Allocations, Pub. P-80-7 (Cambridge, MA: Program on Information Resources Policy, September 1980).

2. "Above 890" is the 1959 FCC decision which allowed individual firms to build their own private microwave systems using radio frequencies "above 890 megacycles."

3. Specialized Common Carrier, Docket No. 18920, First Report and Order, 29 FCC 2d 870 (1971). The commission rejected the contention that the provision of private line services is characterized by economics of scale.

4. Carterfone, Dockets Nos. 16942, 17073, Decision, 13 FCC 2d 420 (1968).

5. Registration, Docket No. 19528, Memorandum Opinion and Order, 70 FCC 2d 1800 (1979).

6. Computer Inquiry I, Docket No. 16979, Final Decision and Order, 28 FCC 2d 267 (1971).

7. Private Line TELPAK, Docket No. 18128, Order, 66 FCC 2d 914 (1977).

8. AT&T Rate Structure, Docket No. 19129 (Phase II), Final Decision and Order, 64 FCC 2d 1 (1977); Memorandum Opinion and Order, 67 FCC 2d 1429 (1978).

9. Resale and Shared Use, Docket No. 20097, Notice of Inquiry and Proposed Rulemaking, 47 FCC 2d 644 (1974).

10. Domestic Satellite (DOMSAT), Docket No. 16495, Second Report and Order, 35 FCC 2d 844 (1972).

11. Hush-a-Phone, Docket No. 9189, Decision and Order on Remand, 22 FCC 112 (1957); Hush-a-Phone v. United States, 238 F. 2d 266 (D.C. Cir. 1956).

12. Execunet Inquiry, Docket No. 20640, Decision, 60 FCC 2d 25 (1976); Memorandum Opinion and Order, 67 FCC 2d 1569 (1978), adopted February 23, 1978; MCI Telecommunications Corp. v. FCC ("Execunet II"), 561 F. 2d 365 (D.C. Cir. 1977), Cert. denied, 434 U.S. 1040 (1978).

13. Oettinger, Part 1.

14. Computer Inquiry II, Docket No. 20828, Tentative Decision and Further Notice of Inquiry and Rulemaking, 72 FCC 2d 358 (1979); Competitive Carrier, Docket No. 79-252, First Report and Order, Order No. FCC 80-629, adopted August 1, 1980; Further Notice of Proposed Rulemaking, Order No. FCC 80-742, adopted December 16, 1980.

15. MCI Telecommunications Corp. v. FCC ("Execunet II"), 187 U.S. App. D.C. 367, 561 F. 2d 365 (1977), Cert. denied, 434 U.S. 1040 (1978).

16. ENFIA Access Charge, Docket No. 78-371, Memorandum Opinion and Order, 71 FCC 2d 440 (1979).

17. Resale and Shared Use, Docket No. 80-54. The issue of sharing or reselling switched network service has been before the FCC since 1943. See, e.g., Special Telephone Charges of Hotels, etc., 10 FCC 252 (1943), Aff'd subnom.; Ambassador, Inc. v. U.S., 325 U.S. 317 (1945) (tariff limitation on surcharges for Message Telecommunications Service ("MTS") by hotels, apartments, and clubs upheld); Associated Students of the University of Arizona v. AT&T, Memorandum Opinion and Order, 43 FCC 2d 197 (1973) (upholding Wide Area Telephone Service ("WATS") tariff restriction requiring customers to have "direct interest" in each communication made under tariff); Resale and Shared Use of Common

Carrier Services, Docket No. 20097, Report and Order, 60 FCC 2d 261, 289-291 (1976), recon., 62 FCC 2d 588 (1977), aff'd subnom. AT&T v. FCC, 572 F. 2d 17 (2d Cir.), cert. denied, 439 U.S. 875 (1978); MTS/WATS "Like Service" (AT&T), Docket No. 21402, Notice of Inquiry, 66 FCC 2d 224 (1977), Final Decision and Order, 70 FCC 2d 593 (1978).

18. Lawfulness of Charges and Proposed Rates for Satellite Service (Western Union et al.), Docket No. 20098; Section 202(A) Violations and Lawful Retransmission Consent Provisions, Docket No. 20493; Tariff Rate Structure Based on Population (United Video, Inc.), Docket Nos. 20198/21145; Carriers Offering Private Line Services, Docket Nos. 78-68/70.

19. Competitive Carrier, Docket No. 79-252, Notice of Inquiry and Proposed Rulemaking, 72 FCC 2d 309 (1979).

20. Computer Inquiry II, Docket No. 20828, Tentative Decision and Further Notice of Inquiry and Rulemaking, 72 FCC 2d 358 (1979).

21. MTS/WATS "Like Service" (AT&T), Docket No. 21402, Memorandum Opinion and Order, 79 FCC 2d 10, 11 (1980).

22. MTS/WATS "Like Service" (AT&T), Docket No. 21402, FCC brief is due at the U.S. Court of Appeals (D.C. Cir. 80-1785), June 8, 1981.

23. Competitive Carrier, Docket No. 79-252, First Report and Order, Order No. FCC 80-629, adopted August 1, 1980.

24. FCC v. RCA Communications, Inc., 346 U.S. 86 (1953). The Commission, in exercising the discretion given it by Congress, may reach a conclusion whereby authorizations would be granted wherever competition is reasonably feasible. However, the Commission must warrant that competition will serve some beneficial purpose such as maintaining or improving service.

25. Competitive Carrier, Docket No. 79-252, Memorandum Opinion and Order, adopted October 22, 1980, Federal Register 45 (November 18, 1980): 76148; Further Notice of Proposed Rulemaking, Federal Register 46 (February 5, 1981): 10924.

26. Ibid.

27. Ibid.

28. Parallel extension of the rule changes in Competitive Carrier are found in other ongoing dockets: Lawfulness of Charges and Proposed Rates for Satellite Services (Western Union et al.), Docket No. 20098, and Tariff Rate Structure Base on Population (United Video, Inc.), Docket No. 20198; Section 202(A) Violations and Lawful Retransmission Consent Provisions, Docket No. 20493; MW Carriers Rate Structure and Revenue Requirements (ATR), Docket No. 78-24; and others including Consolidated Inquiry into Tariff Provisions of Carriers Offering Private Line Services by Satellite, Docket Nos. 78-68/70.

29. MTS/WATS Market Structure Inquiry, Docket No. 78-72, Notice of Inquiry and Proposed Rulemaking, 67 FCC 2d 757 (1978).

30. MCI Telecommunications Corp. v. FCC ("Execunet II"), 187 U.S. App. D.C. 367, 561 F. 2d 365 (1977), Cert. denied, 434 U.S. 1040 (1978).

31. MTS/WATS Market Structure Inquiry, Docket No. 78-72, Supplemental Notice of Inquiry and Proposed Rulemaking, 73 FCC 2d 222, 227 (1979).

32. MTS/WATS Market Structure Inquiry, Docket No. 78-72, Comments of American Telephone and Telegraph Company and the Bell System Associated Companies, March 3, 1980, page 202.

33. MTS/WATS Market Structure Inquiry, Docket No. 78-72, Supplemental Notice of Inquiry and Proposed Rulemaking, 73 FCC 2d 222, 227 (1979).

34. MTS/WATS Market Structure Inquiry, Docket No. 78-72, Report and Third Supplemental Notice, Order No. FCC 80-463, paragraphs 33 and 34, adopted August 1, 1980.

35. ENFIA Access Charge, Docket No. 78-371. The ENFIA agreement established compensation arrangements for origination or termination service provided by AT&T or GTE subsidiaries. Services that are functionally equivalent to MTS or WATS are not presently offered in many exchanges that are not served by AT&T or GTE subsidiaries. (Although organizations representing independent telephone companies participated in the ENFIA negotiations, those organizations did not have authority to commit their members.)

36. Federal/State Joint Board, Docket No. 80-286, Notice of Proposed Rulemaking and Order Establishing a Joint Board, 78 FCC 2d 837 (1980), adopted June 11, 1980.

37. AT&T Cost Allocation Manual, Docket No. 79-245, Notice of Proposed Rulemaking, 78 FCC 2d 1296 (1980), adopted June 25, 1980. (These questions are raised in New York Telephone Company Exchange System Access Line Terminal Charge, Memorandum Opinion and Order, 76 FCC 2d 349 (1980), adopted February 28, 1980; and in MTS/WATS Market Structure Inquiry, Docket No. 78-72, Second Supplemental Notice of Inquiry and Proposed Rulemaking, 77 FCC 2d 224 (1980), adopted April 9, 1980); Oettinger, Parts 3 and 4.

38. 47 U.S.C. §202(a).

39. Oettinger, Part 1.

40. The degree of separation will depend on decisions concerning allocation of joint and common costs related to facilities, personnel, services, and software development; joint sharing of computer capacity, corporate financing, officers, etc. (See discussion of safeguards applied in the GTE-Telenet Merger, Memorandum Opinion and Order, 72 FCC 2d 111 (1979), adopted May 2, 1979; modified Memorandum Opinion and Order, 72 FCC 2d 51 (1979), adopted June 11, 1979.)

41. Computer Inquiry II, Docket No. 20828, Memorandum Opinion and Order, Order No. FCC 80-628, paragraph 10, adopted October 28, 1980, released December 30, 1980.

42. Computer Inquiry II, Docket No. 20828, Memorandum Opinion and Order, Order No. FCC 80-628, paragraph 19, adopted October 28, 1980, released December 30, 1980.

43. CATV Cross Ownership Waiver, Docket No. 78-219, Report and Order, 82 FCC 2d 233 (1979), adopted November 29, 1979.

44. Ibid., p. 252 (Separate Statement of Charles D. Ferris, Chairman).

45. Ibid., pp. 236-237.

46. Ibid., p. 237.

47. Ibid., p. 237.

48. Spectrum Reallocation and Technical Requirements for Multi-Point Distribution Systems, Docket No. 80-136, Notice of Inquiry, Proposed Rulemaking and Order (ITFS, MDS, OFS reallocation), released May 2, 1980; (technical requirements for MDS), released April 24, 1980.

49. Federal Communications Commission, Policies for Regulation of Direct Broadcast Satellites (Staff Report), September 1980.

Direct Satellite-to-Home Television, Docket No. 80-603; Notice of Proposed Policy and Rulemaking, FCC 81-181, adopted April 21, 1981.

50. Cellular Communications Systems, Docket No. 79-318, Notice of Inquiry and Notice of Proposed Rulemaking, 78 FCC 2d 984 (1980), adopted November 29, 1979, released January 8, 1980.

51. Xerox X-TEN, Docket No. 79-188, Notice of Proposed Rulemaking and Inquiry, Order No. FCC 79-464, released August 29, 1979.

52. Cellular Communications Systems, Docket No. 79-318, Notice of Inquiry and Notice of Proposed Rulemaking, 78 FCC 2d 984 (1980), adopted November 29, 1979, released January 8, 1980; Second Report and Order, 46 FCC 2d 752, 753 (1974); Cellular Communications Systems, Docket 80-57.

53. Authorized Users, Docket 80-170; 47 U.S.C. §735(a)(2).

54. Multi-Point Distribution Service (MDS), Docket No. 19493, Memorandum Opinion, Declaratory Ruling, and Order, 69 FCC 2d 657 (1978), adopted September 19, 1978; Memorandum Opinion and Order, 57 FCC 2d 301 (1975), adopted December 9, 1975; Docket No. 20490, First Report and Order, 55 FCC 2d 744 (1975), adopted September 23, 1975; Second Report and Order, 76 FCC 2d 273 (1980), adopted February 28, 1980.

National Association of Regulatory Utility Commissioners (NARUC) v. FCC Cellular , 173 U.S. App. D.C., 413, 525 F. 2d 630 (1976). After lengthy rulemaking to make the upper part of the UHR television board available to mobile radio servicers, the Commission allocated 40 MHz to developing cellular mobile radio common carrier systems, and 30 MHz to private mobile systems, including a new category of Specialized Mobile Radio Systems (SMRS's) to be run solely for the use of third-party-profit-motivated radio system clients. State control over market entry by SMRSs was preempted.

55. Xerox X-TEN, Docket No. 79-188, Notice of Proposed Rulemaking and Inquiry, Order No. FCC 79-464, released August 29, 1979.

56. Federal Communications Commission, Policies for Regulation of Direct Broadcast Satellites (Staff Report). September 1980.

57. Cellular Communications Systems, Docket No. 79-318, Report and Order released May 4, 1981. Land Mobile Radio Services, Docket No. 18262, Memorandum Opinion and Order, 51 FCC 2d 945 (1975), clarified, 55 FCC 2d 771 (1975), aff'd subnom. NARUC v. FCC, 525 F. 2d 630 (D.C. Cir.), cert. denied, 425 U.S. 992 (1976).

58. Land Mobile Radio Services, Docket No. 18262, Memorandum Opinion and Order, 51 FCC 2d 945 (1975), clarified, 55 FCC 2d 771 (1975), aff'd subnom. NARUC v. FCC, 525 F. 2d 630 (D.C. Cir.), cert. denied, 425 U.S. 992 (1976).

59. "The outer boundaries of a product market are determined by the reasonable interchangeability of use of the cross-elasticity of demand between the product itself and the substitutes for it." Brown Shoe v. United States, 370, U.S. 294, 325 (1962).

60. Multi-Point Distribution Service, Docket No. 21167; Reallocation of Frequencies in MDS and Operational Fixed Microwave, Docket Nos. 80-112/113.

61. MDS Licensee Selection Alternatives, Docket No. 80-116.

62. Trafficking means obtaining a license for sale rather than for providing service. Crowder v. FCC, 339 F. 2d 569 (1968), Cert. denied, 393 U.S. 962 (1969)

63. Ibid.

64. Communications Act of 1934 (48 Stat. 1064), as amended.

65. Multi-Point Distribution Service, Docket No. 20490, Memorandum Opinion and Order, Order No. FCC 74-1278, adopted November 21, 1974; and NARUC v. FCC, 533 F. 2d 601 (D.C. Cir. 1976).

66. Federal Communications Commission. Policies for Regulation of Direct Broadcast Satellites (Staff Report). September 1980, page 94.

67. GTE/TELENET, Docket No. 80-197.

68. Computer Inquiry II, Docket No. 20828, Notice of Inquiry and Proposed Rulemaking, 61 FCC 2d 103 (1976).

69. GTE/TELENET Authorization, Memorandum Opinion and Order, 72 FCC 2d 111 (1979); GTE/TELENET Modification, Memorandum Opinion and Order, 72 FCC 2d 516 (1979); GTE/TELENET (Merger/Consolidation), Docket No. 80-197, Order, 78 FCC 2d 403 (1980), adopted April 24, 1980).

The authorization sought to insure that TELENET remained an independent viable competitor. Concerns of abuses within GTE subsidiaries were audited. (GTE accounts for 8 percent of local exchange facilities, e.g., the second largest telephone company; and GTE's facilities are located in large metropolitan areas, the targets of competitive entry.) The Commission's response was directed at ensuring equal access to the "bottleneck" local exchange facilities, and toward preventing cross-subsidization from monopoly prices paid out by telephone rate payers to engage in below cost pricing in competitive markets. TELENET was required to terminate outstanding contracts for underlying facilities and was required--in the future--to purchase those facilities only by tariff.

70. Computer Inquiry II, Docket No. 20828, Memorandum Opinion and Order, Order No. FCC 80-628, adopted October 28, 1980, released December 30, 1980.

71. Multi-Scheduled Private Line Service, Docket No. 20814, Memorandum Opinion and Order, 59 FCC 2d 428 (1976); MTS/WATS "Like Service" (AT&T), Docket No. 21402, Notice of Inquiry, 66 FCC 2d 224 (1977).

72. WATS Separate Service Inquiry (AT&T), Docket No. 21402, Final Decision and Order, 70 FCC 2d 593 (1978), adopted November 21, 1978.

73. 47 U.S.C. 202(a) provides in part... "It shall be unlawful for any common carrier to make any unjust or unreasonable discrimination in charges, practices... in connection with like communication services..."

74. MTS/WATS "Like Service" (AT&T), Docket No. 21402, Final Decision and Order, 70 FCC 2d 593, 596-597 (1978), adopted November 21, 1978.

75. Ibid., pp. 609-613.

76. Private Line Rate Structure and Volume Discount, Docket No. 79-246, Notice of Inquiry and Proposed Rulemaking, 74 FCC 2d 226 (1979), adopted September 20, 1979.

77. ENFIA Access Charge, Docket No. 78-371, Memorandum Opinion and Order, 71 FCC 2d 440 (1979).

78. AT&T Cost Allocation Manual, Docket No. 79-245, Notice of Inquiry, 73 FCC 2d 629 (1979).

79. Multi-Scheduled Private Line Service, Docket No. 20814, Final Decision and Order, 74 FCC 2d 1 (1979).

80. In the hearing phase of Docket No. 20814, an Initial Decision, Phase I of the MPL case, was released on March 19, 1979. The MPL tariff covers voice-grade private line facilities which can be used for either voice (Series 2000) or data (Series 3000) service. The MPL case was explicitly structured by the Commission to consider, in addition to MPL itself, the broad issues relating to AT&T's cost allocation methodologies. The decision finds serious deficiencies in AT&T's data bases, its cost allocation procedures, and the allocation principles stated in its manual. It found that AT&T had not complied with the Commission's instructions in Docket 18128 and rejected AT&T's MPL tariff. The court prescribed the new cost allocation manual. Bell has indicated its intent to file numerous exceptions.

81. AT&T Cost Allocation Manual, Docket No. 79-245, Notice of Proposed Rulemaking, 78 FCC 2d 1296 (1980), adopted June 26, 1980.

82. AT&T Cost Allocation Manual, Docket No. 79-245, Notice of Prooosed Rulemaking, 78 FCC 2d 1296 (1980), adopted June 26, 1980.

83. Private Line Rate Structure and Volume Discount (AT&T), Docket Number 79-246, Notice of Inquiry and Proposed Rulemaking, 74 FCC 2d 226 (1979), adopted September 20, 1979.

84. Private Line TELPAK, Docket No. 18128, Memorandum Opinion and Order, 69 FCC 2d 717 (1978), adopted September 19, 1978; Second Order on Reconsideration, 67 FCC 2d 1441 (1978), adopted February 15, 1978.

85. Private Line TELPAK, Docket No. 18128, Memorandum Opinion and Order, 69 FCC 2d 717 (1978), adopted September 19, 1978; Second Order on Reconsideration, 67 FCC 2d 1441 (1978), adopted February 15, 1978.

86. AT&T Cost Allocation Manual, Docket No. 79-245, Notice of Inquiry, 73 FCC 2d 629 (1979).

87. MCI v. FCC, 627 F. 2d 322 (D.C. Cir. 1980). The Court retained jurisdiction and sent the case back to the Commission to prepare and report back to the Court on a "schedule for expeditious resolutions of the controversy within a reasonable time."

88. Competitive Carrier, Docket No. 79-252, Notice of Inquiry and Proposed Rulemaking, 77 FCC 2d 308 (1979).

89. Private Line Rate Structure and Volume Discount (AT&T), Docket No. 79-246, Notice of Inquiry and Proposed Rulemaking, 74 FCC 2d 226 (1979).

90. Private Line Rate Structure and Volume Discount, Docket No. 79-246, Notice of Inquiry and Proposed Rulemaking, 74 FCC 2d 226 (1979), adopted September 20, 1979.

91. Resale and Shared Use (WATS), Docket No. 20097, Report and Order, 60 FCC 2d 261 (1976), adopted July 1, 1976.

92. Customer Provided Terminal Equipment, Docket No. 20981, Notice of Inquiry, Proposed Rulemaking and Creation of Federal-State Joint Board, 63 FCC 2d 202 (1976), adopted November 1, 1976.

93. Computer Inquiry II, Docket No. 20828, Final Decision, 77 FCC 2d 384 (1980), adopted April 7, 1980.

94. Computer Inquiry II, Docket No. 20828, Final Decision, 77 FCC 2d 384, 447-448 (1980), adopted April 7, 1980.

95. Computer Inquiry II, Docket No. 20828, Memorandum Opinion and Order, Order No. FCC 80-628, adopted October 28, 1980, released December 30, 1980.

96. Federal/State Joint Board, Docket No. 80-286, Notice of Proposed Rulemaking and Order Establishing a Joint Board, 78 FCC 2d 837 (1980), adopted June 11, 1980.

97. Authorized Rate of Return for AT&T for Interstate and Foreign Services, Docket No. 79-63, Order Instituting Hearing, 73 FCC 2d 689 (1979).

    AT&T's Earnings on Interstate and Foreign Services During 1978, Docket No. 79-187, Notice of Inquiry, 75 FCC 2d 412 (1979).

98. Several states have considered alternatives to use of a "historic" test year as a means to offset inflation. NARUC, Alternative Test Year Methods in Public Utility Regulation (February 4, 1980).

99. Federal Power Commission v. Hope Natural Gas, 30 U.S. 591, 64 S.Ct. 281 (1944); Communications Satellite Corporation, Docket No. 16070, Decision, 56 FCC 2d 1101 (1975).

100. Authorized Rate of Return for AT&T for Interstate and Foreign Services, Docket No. 79-63, Order Instituting Hearing, 73 FCC 2d 689 (1979).

101. Ibid., p. 690; "Petition for determination of fair rate of return" petition filed by AT&T on March 8, 1979, paragraph 7.

102. Annual Report filed with Securities and Exchange Commission by AT&T for the fiscal year ended December 31, 1978, p. 29.

103. Memorandum Opinion Order and Authorization (fiber optic), File No. WPC, adopted November 25, 1980; AT&T Section 214 applications to install lightguide cable between Cambridge, Massachusetts, and Washington, D.C., estimated total construction costs to 1990 in excess of $129 million.

104. Federal/State Joint Board, Docket No. 80-286, Notice of Proposed Rulemaking and Order Establishing a Joint Board, 78 FCC 2d 837 (1980), adopted June 11, 1980.

105. Ibid.

106. Oettinger, Parts 3 and 4.

107. MTS/WATS Market Structure Inquiry, Docket No. 78-72.

108. Computer Inquiry II, Docket No. 20828, Final Decision, 77 FCC 2d 384 (1980), adopted April 7, 1980.

109. Federal/State Joint Board, Docket No. 80-286, Notice of Proposed Rulemaking and Order Establishing a Joint Board, 78 FCC 2d 837 (1980), adopted June 11, 1980.

110. Oettinger, Parts 3 and 4, discussions of SPF and SLU; Tables 3.12 and 4.17.

111. Compensation for the origination and termination of two private line services, FX and CCSA, is treated in a unique way. Foreign exchange ("FX") service normally enables a subscriber to place calls to telephones in a second exchange area without paying MTS charges and enables persons in the "foreign" exchange area to place calls for the FX subscriber in a distant city by calling a local number without paying MTS charges or using operator assistance to make a collect call. The FX subscriber receives two separate bills and usually pays charges to two different carriers. The bill for the "private line" covers service from the FX subscriber's telephone to the termination in a local switching office in the "foreign" exchange. The FX subscriber is billed for the use of local exchange facilities in the "foreign exchange" or "open end" (interstate service for FX and CCSA; see New York Telephone Company Exchange System Access Line Terminal Charge, Memorandum Opinion and Order, 76 FCC 2d 349 (1980)) by the carrier that provides that service. The FX subscriber has traditionally been billed for the open end origination or termination service at the same rate which local subscribers pay for business local exchange service in the local exchange area. (The above-referenced Memorandum Opinion and Order, adopted February 28, 1980, allowed an FX subscriber to receive the same credit which a local subscriber would receive if the local subscriber elected not to use carrier provided equipment.)

112. Federal/State Joint Board, Docket No. 80-286, Notice of Proposed Rulemaking and Order Establishing a Joint Board, 78 FCC 2d 837 (1980), adopted June 11, 1980.

113. Ibid.

114. Ibid.

115. MTS/WATS Market Structure Inquiry, Docket No. 78-72, Second Supplemental Notice of Inquiry and Proposed Rulemaking, 77 FCC 2d 224 (1980), adopted April 9, 1980.

116. MTS/WATS Market Structure Inquiry, Docket No. 78-72, Second Supplemental Notice of Inquiry and Proposed Rulemaking, 77 FCC 2d 224 (1980), adopted April 9, 1980; Comments of American Telephone and Telegraph Company and the Bell System Associated Companies, December 14, 1979.

See Oettinger, Section I of Part 1; and details in Oettinger, Part 3, Sections B-4 and B-5.

117. ENFIA Access Charge, Docket No. 78-371, Memorandum Opinion and Order, 71 FCC 2d 440 (1979), adopted April 12, 1979.

Federal/State Joint Board, Docket No. 80-286, Notice of Proposed Rulemaking and Order Establishing a Joint Board, 78 FCC 2d 837 (1980), adopted June 11, 1980.

118. AT&T Cost Allocation Manual, Docket No. 79-245, Notice of Inquiry, 73 FCC 2d 629 (1979), adopted September 18, 1979, paragraph 16.

119. MTS/WATS Market Structure Inquiry, Docket No. 78-72, Notice of Inquiry and Proposed Rulemaking, 67 FCC 2d 757 (1978), adopted February 23, 1978; Supplemental Notice of Inquiry and Proposed Rulemaking, 73 FCC 2d 222 (1979), adopted August 14, 1979.

120. Smith v. Illinois Bell Telephone Co., 282 U.S. 133 (1930) the court adopted a relative use standard for apportionment of costs among the jurisdictions. It stated that "extreme nicety is not required, only reasonable measures being essential. . ."

121. Oettinger, Part 1, Borchardt, Kurt, The Exchange Network Facilities for Interstate Access (ENFIA) Interim Settlement Agreement, Program on Information Resources Policy, August 1979.

122. ENFIA Access Charge, Docket No. 78-371, Memorandum Opinion and Order, 71 FCC 2d 440, 453 (1979).

123. MTS/WATS Market Structure Inquiry, Docket No. 78-72, Second Supplemental Notice of Inquiry and Proposed Rulemaking, 77 FCC 2d 224 (1980), adopted April 9, 1980.

124. ENFIA Access Charge, Docket No. 78-371, Memorandum Opinion and Order, 71 FCC 2d 440 (1979). "The agreement was designed to provide a temporary rough justice solution until other compensation arrangements" were prescribed by the Commission or by new legislation.

125. In an environment where there is an increasing underlying set of basic, discrete, disjoint functions of a telephone company that are the basic components of all services, carriers finding that the number of such functions may be shrinking, favoring commonality, could reorient their rate schedules to follow a few basic equipment types. Here, there would be little reason for a carrier to make even basic service distinctions --such as that between voice and data--since the business of selling places in a digital bit stream would require functionally limited accounting detail.

126. Uniform System of Accounts (USOA), Docket No. 78-196, Notice of Proposed Rulemaking, 70 FCC 2d 719 (1978), adopted June 28, 1978.

127. Ibid.

128. Ibid.

129. Uniform System of Accounts (USOA), Docket No. 78-196, Notice of Proposed Rulemaking, 70 FCC 2d 719 (1978), adopted June 28, 1978.

130. Private Line TELPAK, Docket No. 18128, Memorandum Opinion and Order, 61 FCC 2d 587, 668 (1976), adopted September 23, 1976.

131. AT&T Cost Allocation Manual, Docket No. 79-245, Notice of Inquiry, 73 FCC 2d 629 (1979), adopted September 18, 1979.

132. Private Line TELPAK, Docket No. 18128, Memorandum Opinion and Order, 61 FCC 2d 587 (1976), adopted September 23, 1976.

133. Equal Life Group Depreciation, Docket No. 20188.

134. Oettinger, Part 2.

APPENDIX A: COMMON NAME LISTING OF DOCKET TITLES AND DOCKET NUMBERS

Docket	Docket Number
Docket 18128 or Private Line TELPAK	18128
Docket 19129 or AT&T Rate Structure	19129
Above 890 (AT&T Introduction of TELPAK)	14251
AT&T Cost Allocation Manual	79-245
Authorized Users	80-170
Carterfone	16942 17073
Cellular Communications Systems	80-57 79-318
Cellular Radio	79-318
Competitive Carrier	79-252
CATV Cross Ownership Waiver	78-219
Computer Inquiry I Computer Inquiry II, and Reconsideration	16979 20828
Consolidated Inquiry into Tariff Provisions of Carriers Offering Private Line Services by Satellites	78-68 78-70
Customer Provided Terminal Equipment	20981
Delivery Systems/Standards	21167
Reallocation of Frequencies in MDS and Operational Fixed Microwave	80-112
MDS Technical Standards	80-113
MX in MDS	80-114 80-115
MDS Licensee Selection Alternatives	80-116
Direct Satellite-to-Home Broadcast Service (DBS)	80-603
Domestic Satellite (DOMSAT)	16495 20098 78-70

Executive Inquiry Executive I (U.S. Ct. of Appeals, 1975) Executive II (U.S. Ct. of Appeals, 1978)	20640
ENFIA Access Charge (Exchange Network Facilities for Interstate Access)	78-371
Equal Life Group Depreciation (Capital Recovery/Depreciation)	20188
Federal/State Joint Board	80-286
GTE/TELENET (Merger Consolidation) Also: FCC Memorandum Opinion and Order 79-262 (72 FCC 2d 111 (1979) FCC Memorandum Opinion and Order 79-380 (72 FCC 2d 516 (1979)	80-197
Hush-a-Phone	9189
Land/Mobile Radio Service	18262
Lawfulness of Charges and Proposed Rates for Satellite Services	20098
Lawful Retransmission Consent Provisions	20493
MTS/WATS "Like Service" (AT&T)	21402
MTS/WATS Market Structure Inquiry	78-72
Multi-Point Distribution Service (MDS)	19493 20490 80-136
Multi-Scheduled Private Line Service (MPL) (AT&T)	20814
MW Carriers Rate Structure and Revenue Requirements	78-24
Private Line Rate Structure and Volume Discount (AT&T)	16258 79-246
Rate of Return/Earnings (AT&T Interstate and Foreign Services) Rate of Return (AT&T Interstate and Foreign Services) AT&T Earnings (Interstate and Foreign Services during 1978)	79-63 79-187
Resale and Shared Use (WATS)	20097 80-54
Interconnection (Terminal Equipment Inquiry) Registration	19528 (before 1976) 19528 (1976 on)

APPENDIX B: COMMON CARRIER DOCKET CHRONOLOGY

DOCKET NO. 9189

In the Matter of Hush-A-Phone Corp. and Harry C. Tuttle, Complainants, v. American Telephone & Telegraph Co., et al., Defendants.
Docket No. 9189

Decision and Order on Demand
February 6, 1957 Adopted
22 FCC 112

Order
February 27, 1957 Adopted
22 FCC 291

Order
September 19, 1957 Adopted

DOCKET NO. 14251

In the Matter of American Telephone & Telegraph Co. Regulations and Charges for TELPAK Service and Channels; In the Matter of American Telephone & Telegraph Co. and the Associated Bell System Companies Charges for Interstate and Foreign Communication Service; In the Matter of American Telephone & Telegraph Co. Charges, Practices, Classifications, and Regulations for and in Connection With Teletypewriter Exchange Service
Docket No. 14251; Docket No. 16258; Docket No. 15011

Memorandum Opinion and Order
November 9, 1966 Adopted
7 FCC 2d 30

Memorandum Opinion and Order
December 21, 1966 Adopted
6 FCC 2d 177

DOCKET NO. 16258

In the Matter of American Telephone & Telegraph Co. and the Associated Bell System Companies Charges for Interstate and Foreign Communication Service
Docket No. 16258

Addendum to Memorandum Opinion and Order
No Date in Original
2 FCC 2d 876

Memorandum Opinion and Order
October 27, 1965 Adopted
2 FCC 2d 871

Memorandum Opinion and Order
December 22, 1965 Adopted
2 FCC 2d 173

Memorandum Opinion and Order
December 22, 1965 Adopted
2 FCC 2d 142

Memorandum Opinion and Order
January 19, 1966 Adopted
2 FCC 2d 357

In the Matter of American Telephone and Telegraph Company Revision of Definition of Service Point in Connection with Private Line Services and Channels (20th Revised Page 18, American Telephone & Telegraph Co. Tariff FCC No. 134); In the Matter of American Telephone & Telegraph Co. and the Associated Bell System Companies Charges for Interstate and Foreign Communication Service
Docket No. 16072; Docket No. 16258

Memorandum Opinion and Order
January 26, 1966 Adopted
2 FCC 2d 359

Memorandum Opinion and Order
March 2, 1966 Adopted
2 FCC 2d 877

Memorandum Opinion and Order
April 8, 1966 Adopted
3 FCC 2d 307

Memorandum Opinion and Order
June 22, 1966 Adopted
4 FCC 2d 253

DOCKET No. 16258 continued

In the Matter of American Telephone & Telegraph Co. and the Associated Bell System Companies Charges for Interstate and Foreign Communication Service; American Telephone & Telegraph Co. Charges, Practices, Classifications, and Regulations for and in Connection with Teletypewriter Exchange Service
Docket No. 16258; Docket No. 15011

Order
July 20, 1966 Adopted
4 FCC 2d 548

In the Matter of American Telephone & Telegraph Co. and the Associated Bell System Companies Charges for Interstate and Foreign Communication Service; In the Matter of American Telephone & Telegraph Co. Charges, Practices, Classifications, and Regulations for and in Connection with Teletypewriter Exchange Service
Docket No. 16258; Docket No. 15011

Memorandum Opinion and Order
August 31, 1966 Adopted
4 FCC 2d 891

In the Matter of American Telephone & Telegraph Co. and the Associated Bell System Companies Charges for Interstate and Foreign Communication Service
Docket No. 16258

Memorandum Opinion and Order
September 30, 1966 Adopted
5 FCC 2d 89; 8 RR 2d 717

DOCKET NO. 16258 continued

In the Matter of American Telephone & Telegraph Co. Regulations and Charges for TELPAK Service and Channels; In the Matter of American Telephone & Telegraph Co. and the Associated Bell System Companies Charges for Interstate and Foreign Communication Service; In the Matter of American Telephone & Telegraph Co. Charges, Practices, Classifications, and Regulations for and in Connection With Teletypewriter Exchange Service
Docket No. 14251; Docket No. 16258; Docket No. 15011

Memorandum Opinion and Order
November 9, 1966 Adopted
7 FCC 2d 30

In the Matter of American Telephone & Telegraph Co. and the Associated Bell System Companies Charges for Interstate and Foreign Communication Service; In the Matter of American Telephone & Telegraph Co. Charges, Practices, Classifications, and Regulations for and in Connection With Teletypewriter Exchange Service
Docket No. 16258; Docket No. 15011

Memorandum Opinion and Order
December 7, 1966 Adopted
5 FCC 2d 844

In the Matter of American Telephone & Telegraph Co. Regulations and Charges for TELPAK Service and Channels; In the Matter of American Telephone & Telegraph Co. and the Associated Bell System Companies Charges for Interstate and Foreign Communication Service; In the Matter of American Telephone & Telegraph Co. Charges, Practices, Classifications, and Regulations for and in Connection With Teletypewriter Exchange Service
Docket No. 14251; Docket No. 16258; Docket No. 15011

Memorandum Opinion and Order
December 21, 1966 Adopted
6 FCC 2d 177

In the Matter of American Telephone & Telegraph Co. and the Associated Bell System Companies Charges for Interstate and Foreign Communication Service; In the Matter of American Telephone & Telegraph Co. Charges, Practices, Classifications, and Regulations for and in Connection With Teletypewriter Exchange Service
Docket No. 16258; Docket No. 15011

Interim Decision and Order
This decision disposes of only a portion of the proceeding, dealing primarily with jurisdictional separations and overall rate of return. The balance of the case has been reserved for later disposition.
July 5, 1967 Adopted
9 FCC 2d 30

DOCKET NO. 16258 continued

Memorandum Opinion and Order on Reconsideration
September 13, 1967 Adopted
9 FCC 2d 960

Order
November 30, 1967 Adopted
10 FCC 2d 705

Memorandum Opinion and Order
December 20, 1967 Adopted
11 FCC 2d 84

Memorandum Opinion and Order
January 17, 1968 Adopted
11 FCC 2d 279

Memorandum Opinion and Order
January 24, 1968 Adopted
11 FCC 2d 493

Order
March 27, 1968 Adopted
12 FCC 2d 167

Order
June 26, 1968 Adopted
13 FCC 2d 716

In the Matter of American Telephone & Telegraph Co., and the Associated Bell System Companies Charges for Interstate and Foreign Communication Service; In the Matter of American Telephone & Telegraph Co. Charges, Practices, Classifications and Regulations for and in Connection With Teletypewriter Exchange Service; In the Matter of American Telephone & Telegraph Co., Long Lines Department Revisions of Tariff FCC No. 260, Private Line Services Series, 5000 (TELPAK)
Docket No. 16258; Docket No. 15011; Docket No. 18128

Memorandum Opinion and Order
July 10, 1968 Adopted
13 FCC 2d 853

DOCKET NO. 16258 continued

In the Matter of American Telephone & Telegraph Co., and the Associated Bell System Companies Charges for Interstate and Foreign Communications Service; In the Matter of American Telephone & Telegraph Co. Charges, Practices, Classifications, and Regulations for and in Connection With Teletypewriter Exchange Service
Docket No. 16258; Docket No. 15011

Memorandum Opinion and Order
September 12, 1968 Adopted
14 FCC 2d 568; 14 RR 2d 153

Memorandum Opinion and Order
October 30, 1968 Adopted
15 FCC 2d 29

Memorandum Opinion and Order
January 28, 1969 Adopted
16 FCC 2d 405

In the Matter of American Telephone & Telegraph Co., and the Associated Bell System Companies Charges for Interstate and Foreign Communication Service; In the Matter of American Telephone & Telegraph Co. Charges, Practices, Classifications, and Regulations for and in Connection With Teletypewriter Exchange Service; In the Matter of American Telephone & Telegraph Co., Long Lines Department Revisions of Tariff FCC No. 260, Private Line Services Series 5,000 (TELPAK)
Docket No. 16258; Docket No. 15011; Docket No. 18128

Memorandum Opinion and Order
July 29, 1969 Adopted
18 FCC 2d 761

In the Matter of American Telephone & Telegraph Co., and the Associated Bell System Companies Charges for Interstate and Foreign Communication Service; American Telephone & Telegraph Co. Long Lines Department Revisions of Tariff FCC No. 260, Private Line Services, Series 5000 (TELPAK); American Telephone & Telegraph Co. Revision of American Telephone & Telegraph Co. Tariff FCC No. 260, Series 6000 and 7000 Channels (Program Transmission Services); American Telephone & Telegraph Co. Revision of American Telephone & Telegraph Co. Tariff FCC No. 133, Teletypewriter Exchange Service
Docket No. 16258; Docket No. 18128; Docket No. 18684; Docket No. 18718

Memorandum Opinion and Order
No Released Date in Original; Adopted February 18, 1970
21 FCC 2d 495

Memorandum Opinion and Order
June 10, 1970 Adopted
23 FCC 2d 503

DOCKET NO. 16258 continued

In the Matter of American Telephone & Telegraph Co. and the Associated Bell System Companies, Charges for Interstate and Foreign Communication Service
Docket No. 16258

Order
December 23, 1971 Released; Adopted December 21, 1971
32 FCC 2d 701

DOCKET NO. 16495

In the Matter of Establishment of Domestic Communications-Satellite Facilities by Non-Governmental Entities
Docket No. 16495

Proposed Second Report and Order
No Date in Original
34 FCC 2d 9

Notice of Inquiry
March 2, 1966 Adopted
2 FCC 2d 668

Supplemental Notice of Inquiry
October 20, 1966 Adopted
5 FCC 2d 354

Notice of Proposed Rulemaking
March 20, 1970 Adopted
22 FCC 2d 810

Report and Order
March 20, 1970 Adopted
22 FCC 2d 86; 18 RR 2d 1631

Application
September 3, 1970
25 FCC 2d 545

Further Notice of Inquiry and Proposed Rule Making
September 25, 1970 Released; Adopted September 23, 1970
25 FCC 2d 718

Memorandum Opinion and Order
March 17, 1972 Released; Adopted March 15, 1972
34 FCC 2d 1

Second Report and Order
June 16, 1972 Released; Adopted June 16, 1972
35 FCC 2d 844; 24 RR 2d 1942

Memorandum Opinion and Order
September 14, 1972 Released; Adopted September 13, 1972
37 FCC 2d 184; 25 RR 2d 1673

Memorandum Opinion and Order
December 22, 1972 Released; Adopted December 21, 1972
38 FCC 2d 665; 26 RR 2d 465

DOCKET NO. 16495 continued

In the Matter of American Telephone & Telegraph Co. Petition to Require the Submission of Information with Respect to AT&T's Plans for Use of Its Domestic Satellite for Specialized Services and In the Matter of Establishment of Domestic Communications-Satellite Facilities by Non-Government Entities
Docket No. 16495

Memorandum Opinion and Order
January 10, 1979 Released; Adopted December 21, 1978
70 FCC 2d 635

Memorandum Opinion and Order
July 25, 1979 Released; Adopted July 19, 1979
72 FCC 2d 895

DOCKET NO. 16942, 17073

In the Matter of Use of the Carterphone Device in Message Toll Telephone Service
Docket No. 16942

Order
October 20, 1966 Adopted
5 FCC 2d 360

In the Matter of Use of the Carterphone Device in Message Toll Telephone Service; In the Matter of Thomas F. Carter and Carter Electronics Corp., Dallas, Tex., Complainants v. American Telephone & Telegraph Co., Associated Bell System Companies, Southwestern Bell Telephone Co., and General Telephone Co. of the Southwest, Defendants
Docket No. 16942; Docket No. 17073

Memorandum Opinion and Order
March 1, 1967 Adopted
7 FCC 2d 25

Initial Decision of Hearing Examiner Chester F. Naumowicz, Jr.
August 30, 1967 Issued
13 FCC 2d 430

Order
October 23, 1967 Adopted
10 FCC 2d 526

Decision
June 26, 1968 Adopted
13 FCC 2d 420

Memorandum Opinion and Order
July 26, 1968 Adopted
14 FCC 2d 149

Memorandum Opinion and Order
September 11, 1968 Adopted
14 FCC 2d 571

Order
October 30, 1968 Adopted
15 FCC 2d 31

DOCKET NO. 16979

In the Matter of Regulatory and Policy Problems Presented by the Interdependence of Computer and Communication Services and Facilities
Docket No. 16979

Notice of Inquiry
November 9, 1966 Adopted
7 FCC 2d 11

Supplemental Notice of Inquiry
March 1, 1967 Adopted
7 FCC 2d 19

Report and Further Notice of Inquiry
May 1, 1969 Adopted
17 FCC 2d 587

Tentative Decision of the Commission
April 3, 1970 Released
28 FCC 2d 291

Final Decision and Order
March 18, 1971 Released; Adopted March 10, 1971
28 FCC 2d 267; 21 RR 2d 1591

Order
May 3, 1971 Released; Adopted April 28, 1971
29 FCC 2d 162

Memorandum Opinion and Order
March 30, 1972 Released; Adopted March 28, 1972
34 FCC 2d 557; 24 RR 2d 1687

Order
April 3, 1973 Released; Adopted March 29, 1973
40 FCC 2d 293; 26 RR 2d 1727

DOCKET NO. 18128

In the Matter of American Telephone & Telegraph Co., and the Associated Bell System Companies Charges for Interstate and Foreign Communication Service; In the Matter of American Telephone & Telegraph Co. Charges, Practices, Classifications, and Regulations for and in Connection With Teletypewriter Exchange Service; In the Matter of American Telephone & Telegraph Co., Long Lines Department Revisions of Tariff FCC No. 260, Private Line Services Series, 5000 (TELPAK)
Docket No. 16258; Docket No. 15011; Docket No. 18128

Memorandum Opinion and Order
July 10, 1968 Adopted
13 FCC 2d 853

In the Matter of American Telephone & Telegraph Co., Long Lines Department Revisions of Tariff FCC No. 260, Private Line Services, Series 5000 (TELPAK)
Docket No. 18128

Order
August 28, 1968 Adopted
14 FCC 2d 564

Order
October 2, 1968 Adopted
14 FCC 2d 785

In the Matter of American Telephone & Telegraph Co., and the Associated Bell System Companies Charges for Interstate and Foreign Communication Service; In the Matter of American Telephone & Telegraph Co. Charges, Practices, Classifications, and Regulations for and in Connection With Teletypewriter Exchange Service; In the Matter of American Telephone and Telegraph Co., Long Lines Department Revisions of Tariff FCC No. 260, Private Line Services, Series 5000 (TELPAK)
Docket No. 16258; Docket No. 15011; Docket No. 18128

Memorandum Opinion and Order
July 29, 1969 Adopted
18 FCC 2d 761

In the Matter of American Telephone & Telegraph Co., Long Lines Department, Revisions of Tariff FCC No. 260, Private Line Services, Series 5000 (TELPAK)
Docket No. 18128

Memorandum Opinion and Order
October 29, 1969 Adopted
20 FCC 2d 383

Memorandum Opinion and Order
No Released Date in Original; Adopted January 16, 1970
21 FCC 2d 1

DOCKET NO. 18128

In the Matter of American Telephone & Telegraph Co. and the Associated Bell System Companies Charges for Interstate and Foreign Communication Service; American Telephone & Telegraph Co., Long Lines Department Revisions of Tariff FCC No. 260, Private Line Services, Series 5000 (TELPAK); American Telephone & Telegraph Co. Revision of American Telephone & Telegraph Co. Tariff FCC No. 260, Series 6000 and 7000 Channels (Program Transmission Services); American Telephone & Telegraph Co. Revision of American Telephone & Telegraph Co. Tariff FCC No. 133, Teletypewriter Exchange Service
Docket No. 16258; Docket No. 18128; Docket No. 18684; Docket No. 18718

Memorandum Opinion and Order
No Released Date in Original; Adopted February 18, 1970
21 FCC 2d 495

Memorandum Opinion and Order
June 10, 1970 Adopted
23 FCC 2d 503

In the Matter of American Telephone & Telegraph Co., Long Lines Department Revisions of Tariff FCC No. 260, Private Line Services, Series 5000 (TELPAK); American Telephone & Telegraph Co. Revision of American Telephone & Telegraph Co. Tariff FCC No. 260, Series 6000 and 7000 Channels (Program Transmission Services)
Docket No. 18128; Docket No. 18684

Memorandum Opinion and Order
October 6, 1970 Released; Adopted September 30, 1970
25 FCC 2d 835

Memorandum Opinion and Order
January 21, 1971 Released; Adopted January 21, 1971
27 FCC 2d 172

Memorandum Opinion and Order
July 19, 1971 Released; Adopted July 14, 1971
30 FCC 2d 725

Memorandum Opinion and Order
October 19, 1971 Released; Adopted October 14, 1971
32 FCC 2d 89; 23 RR 2d 116

Memorandum Opinion and Order
February 7, 1972 Released; Adopted February 3, 1972
33 FCC 2d 522

Memorandum Opinion and Order
May 3, 1972 Released; Adopted May 2, 1972
34 FCC 2d 839

DOCKET NO. 18128 continued

Memorandum Opinion and Order
July 17, 1972 Released; Adopted July 12, 1972
36 FCC 2d 484; 24 RR 2d 903

Memorandum Opinion and Order
May 15, 1973 Released; Adopted May 9, 1973
40 FCC 2d 901

Order
June 19, 1973 Released; Adopted June 13, 1973
41 FCC 2d 450

Order
June 25, 1973 Released; Adopted June 25, 1973
41 FCC 2d 460

Memorandum Opinion and Order
June 26, 1973 Released; Adopted June 21, 1973
41 FCC 2d 457

Memorandum Opinion and Order
July 2, 1973 Released; Adopted June 27, 1973
41 FCC 2d 593

Order
December 11, 1973 Released; Adopted December 5, 1973
44 FCC 2d 525

In the Matter of American Telephone & Telegraph Co., Long Lines Department Revisions of Tariff FCC No. 260, Private Line Services, Series 5000 (TELPAK)
Docket No. 18128

Order
July 8, 1976 Released; Adopted July 1, 1976
59 FCC 2d 1275

Memorandum Opinion and Order
July 13, 1976 Released; Adopted June 29, 1976
60 FCC 2d 1

Memorandum Opinion and Order
October 1, 1976 Released; Adopted September 23, 1976
61 FCC 2d 587; 38 RR 2d 1121

Memorandum Opinion and Order
June 13, 1977 Released; Adopted June 6, 1977
64 FCC 2d 971; 40 RR 2d 1289

DOCKET NO. 18128 continued

Memorandum Opinion and Order
August 4, 1977 Released; Adopted July 24, 1977
65 FCC 2d 621

Memorandum Opinion and Order
September 15, 1977 Released; Adopted September 8, 1977;
Concurring Statement September 7, 1977
66 FCC 2d 132

Second Order on Reconsideration
February 24, 1978 Released; Adopted February 15, 1978
67 FCC 2d 1441

Order
January 16, 1981 Released; Adopted: January 14, 1981
84 FCC 2d 156

DOCKET NO. 18262

In the Matter of an Inquiry Relative to the Future Use of the Frequency Band 806-960 MHz; and Amendment of Parts 2, 18, 21, 73, 74, 89, 91 and 93 of the Rules Relative to Operations in the Land Mobile Service Between 806 and 960 MHz.
Docket No. 18262

Notice of Inquiry and Notice of Proposed Rule Making
July 17, 1968 Adopted
14 FCC 2d 311

Order
March 12, 1969 Adopted
16 FCC 2d 816

Order
December 30, 1969 Adopted
20 FCC 2d 1056

Memorandum Opinion and Order
September 24, 1970 Released; Adopted September 15, 1970
25 FCC 2d 764

Second Memorandum Opinion and Order
August 2, 1971 Released; Adopted July 28, 1971
31 FCC 2d 50

Order Establishing Schedule for Oral Presentation
April 13, 1973 Released; Adopted April 11, 1973
40 FCC 2d 689

Memorandum Opinion and Order
September 26, 1973 Released; Adopted September 19, 1973
42 FCC 2d 957

Second Report and Order
May 2, 1974 Released; Adopted May 1, 1974
46 FCC 2d 752

Memorandum Opinion and Order
June 25, 1974 Released; Adopted June 19, 1974
47 FCC 2d 731

Memorandum Opinion and Order
March 20, 1975 Released; Adopted March 19, 1975. Proceeding Terminated
51 FCC 2d 945

Memorandum Opinion and Order
July 18, 1975 Released; Adopted July 16, 1975. Proceeding Terminated
55 FCC 2d 771

DOCKET NO. 18920

In the Matter of Establishment of Policies and Procedures for Consideration of Applications to Provide Specialized Common Carrier Services in the Domestic Public Point-To-Point Microwave Radio Service and Proposed Amendments to Parts 21, 43 and 61 of the Commission's Rules
Docket No. 18920

Notice of Inquiry to Formulate Policy, Notice of Proposed Rule Making, and Order
July 17, 1970 Released; Adopted July 15, 1970
24 FCC 2d 318

Memorandum Opinion and Order
December 18, 1970 Released; Adopted December 17, 1970
26 FCC 2d 840

First Report and Order
June 3, 1971 Released; Adopted May 25, 1971
29 FCC 2d 870

Further Notice of Inquiry and Proposed Rule Making
June 21, 1971 Released; Adopted June 16, 1971
30 FCC 2d 288

Memorandum Opinion and Order
October 6, 1971 Released; Adopted September 29, 1971
31 FCC 2d 1106; 23 RR 2d 1501

Memorandum Opinion and Order
January 31, 1972 Released; Adopted January 26, 1972
33 FCC 2d 408; 23 RR 2d 1711

Docket No. 18920 (RM-1700) (RM-2024)
Further Notice of Proposed Rule Making
December 4, 1972 Released; Adopted November 29, 1972
38 FCC 2d 385

Second Report and Order
July 5, 1974 Released; Adopted June 25, 1974
47 FCC 2d 737; 30 RR 2d 1314

Further Notice of Inquiry and Proposed Rule Making
March 18, 1975 Released; Adopted March 11, 1975
51 FCC 2d 1057

Order
May 2, 1975 Released; Adopted April 23, 1975
52 FCC 2d 1037

Final Report and Order
July 11, 1980 Released; Adopted June 25, 1980
78 FCC 2d 1291

DOCKET NO. 19129

In the Matter of American Telephone & Telegraph Co. and the Associated Bell System Companies Charges for Interstate Telephone Service, Transmittal Nos. 10989 and 11027
Docket No. 19129

Order
January 20, 1971 Released; Adopted January 20, 1971
27 FCC 2d 149

Memorandum Opinion and Order
January 21, 1971 Released; Adopted January 21, 1971
27 FCC 2d 151

Memorandum Opinion and Order
March 3, 1971 Released; Adopted February 24, 1971
27 FCC 2d 914

Memorandum Opinion and Order
April 7, 1971 Released; Adopted April 5, 1971
28 FCC 2d 435

Memorandum Opinion and Order
April 19, 1971 Released; Adopted April 14, 1971
28 FCC 2d 611

Memorandum Opinion and Order
June 29, 1971 Released; Adopted June 24, 1971
30 FCC 2d 503

Phase I Initial Decision of Hearing Examiner David I. Kraushaar
(to be associated with 38 FCC 2d 213)
August 30, 1971 Released; Issued August 23, 1971
41 FCC 2d 389

Order
December 23, 1971 Released; Adopted December 21, 1971
32 FCC 2d 691; 23 RR 2d 435

Memorandum Opinion and Order
January 28, 1972 Released; Adopted January 27, 1972
33 FCC 2d 269

Memorandum Opinion and Order
July 24, 1972 Released; Adopted July 21, 1972
36 FCC 2d 491

Memorandum Opinion and Order
October 26, 1972 Released; Adopted October 18, 1972
37 FCC 2d 754; 25 RR 2d 692

DOCKET NO. 19129 continued

Decision and Order
November 22, 1972 Released; Adopted November 22, 1972
38 FCC 2d 213; 26 RR 2d 43

Order
December 19, 1972 Released; Adopted December 13, 1972
38 FCC 2d 492

Memorandum Opinion and Order
December 29, 1972 Released; Adopted December 20, 1972
38 FCC 2d 981

Memorandum Opinion and Order
January 12, 1973 Released; Adopted January 10, 1973
38 FCC 2d 984

In the Matter of American Telephone & Telegraph Co. and the Associated Bell System Companies Charges for Interstate Telephone Service Transmittals Nos. 10989, 11027, and 11657
Docket No. 19129

Memorandum Opinion and Order
March 13, 1973 Released; Adopted March 7, 1973
40 FCC 2d 18

In the Matter of American Telephone & Telegraph Co. and the Associated Bell System Companies Charges for Interstate Telephone Service, Transmittal Nos. 10989, 11027, and 11657; Communications Satellite Corp. Investigation Into Charges, Practices, Classifications, Rates and Regulations
Docket No. 19129; Docket No. 16070

Memorandum Opinion and Order
March 28, 1973 Released; Adopted March 21, 1973
40 FCC 2d 233

Memorandum Opinion and Order
August 10, 1973 Released; Adopted August 2, 1973
42 FCC 2d 302

Memorandum Opinion and Order
August 10, 1973 Released; Adopted August 2, 1973
42 FCC 2d 293

DOCKET NO. 19129 continued

In the Matter of American Telephone & Telegraph Co. Revisions to Tariffs FCC No. 259, 260, 263, and 267; American Telephone & Telegraph Co. and the Associated Bell System Companies Charges for Interstate Telephone Service, Transmittal Nos. 10989, 11027, and 11657; American Telephone & Telegraph Co. (Long Lines Department) Transmittal No. 11935; and Revisions of the Wide Area Telecommunications Service (WATS) Tariff FCC No. 259
Transmittal No. 12303; Docket No. 19129; Docket No. 19989

Memorandum Opinion and Order
March 27, 1975 Released; Adopted March 24, 1975
52 FCC 2d 155

In the Matter of American Telephone & Telegraph Co. and the Associated Bell System Companies Charges for Interstate Telephone Service, AT&T Transmittal Nos. 10989, 11027, 16159.5
Docket No. 19129

Phase II Initial Decision of Administrative Law Judge David I. Kraushaar
August 2, 1976 Released; Issued July 14, 1976
66 FCC 2d 131 (Part 4 of 4)

Phase II Initial Decision of Administrative Law Judge David I. Kraushaar
August 2, 1976 Released; Issued July 14, 1976
64 FCC 2d 131 (Part 3 of 4)

Phase II Initial Decision of Administrative Law Judge David I. Kraushaar
August 2, 1976 Released; Issued July 14, 1976
64 FCC 2d 131 (Part 2 of 4)

Phase II Initial Decision of Administrative Law Judge David I. Kraushaar
August 2, 1976 Released; Issued July 14, 1976
64 FCC 2d 131 (Part 1 of 4)

In the Matter of American Telephone & Telegraph Co. and the Associated Bell System Companies Charges for Interstate Telephone Service, Transmittal Nos. 10989, 11027, 11657, and 12303
Docket No. 19129
(Phase II)

Memorandum Opinion and Order
November 10, 1976 Released; Adopted November 3, 1976
61 FCC 2d 998

DOCKET NO. 19129 continued

In the Matter of American Telephone & Telegraph Co. and the Associated Bell System Companies Charges for Interstate Telephone Service, AT&T Transmittal Nos. 10989, 11027, 11657
Docket No. 19129
(Phase II)

Phase II Final Decision and Order
March 1, 1977 Released; Adopted February 23, 1977
64 FCC 2d 1

Memorandum Opinion and Order
February 24, 1978 Released; Adopted February 15, 1978
67 FCC 2d 1429

In the Matter of American Telephone & Telegraph Co. and the Associated Bell System Companies Response to Final Decision and Order in Docket No. 19129 (Phase II) with Respect to Equipment Procurement
Docket No. 19129
(Phase II)

March 22, 1978
68 FCC 2d 592

DOCKET NO. 19493

In the Matter of Amendment of Parts 1, 2, 21, and 43 of the Commission's Rules and Regulations to Provide for Licensing and Regulation of Common Carrier Radio Stations in the Multi-Point Distribution Service
Docket No. 19493

Notice of Proposed Rule Making
April 26, 1972 Released; Adopted April 19, 1972
34 FCC 2d 719

Memorandum Opinion and Order
October 3, 1972 Released; Adopted September 13, 1972
37 FCC 2d 444; 25 RR 2d 1701

Material to Hotels and Similar Locations and Use of the Business Radio Service for the Transmission of Motion Pictures or Other Program Material to Hotels or Other Similar Points; Amendment of Part 76, Subpart G of the Commission Rules and Regulations Pertaining to the Cablecasting of Programs for which a Per-Program or Per-Channel Charge is Made; Amendment of Section 73.643(b)(2) and 74.1121(a)(2) of the Commission's Rules and Regulations Pertaining to the Showing of Sports Events on Over-The-Air Subscription Television or Cablecasting; Amendment of Parts 1, 2, 21 and 43 of the Commission's Rules and Regulations to Provide for Licensing and Regulation of Common Carrier Radio Stations in the Multi-Point Distribution Service; Sterling Manhattan Cable Television, Inc., Complainant v. New York Telephone Co., Defendant; Petition for Consolidation Filed by American Broadcasting Companies, Inc.; Petition of National Association of Theatre Owner's, Inc., to Impose a "Freeze" on the Filing and Grant of Applications for the Use of Radio Frequencies in Connection with the Operation of CATV Pay-TV Systems and/or Channels and Closed Circuit Pay-TV Systems
Docket No. 19671; Docket No. 19554; Docket No. 18893; Docket No. 19493

Notice of Inquiry and Notice of Proposed Rule Making
Memorandum Opinion and Orders
January 24, 1973 Released; Adopted January 17, 1973
39 FCC 2d 527

In the Matter of Amendment of Parts 1, 2, 21, and 43 of the Commission's Rules and Regulations to Provide for Licensing and Regulation of Common Carrier Radio Stations in the Multi-Point Distribution Service
Docket No. 19493

Report and Order
January 18, 1974 Released; Adopted January 9, 1974
45 FCC 2d 616; 29 RR 2d 382

Memorandum Opinion and Order
December 24, 1975 Released; Adopted December 9, 1975
57 FCC 2d 301

DOCKET NO. 19528

In the Matter of Proposals for New or Revised Classes of Interstate and Foreign Message Toll Telephone Service (MTS) and Wide Area Telephone Service (WATS)
Docket No. 19528

Notice of Inquiry, Proposed Rule Making, and Creation of Federal-State Joint Board
June 16, 1972 Released; Adopted June 14, 1972
35 FCC 2d 539

First Supplemental Notice
April 3, 1973 Released; Adopted March 29, 1973
40 FCC 2d 315

Memorandum Opinion and Order
February 28, 1974 Released; Adopted February 27, 1974
45 FCC 2d 869

Recommended First Report and Order
No Released Date in Original; Adopted April 24, 1975
53 FCC 2d 221

Memorandum Opinion and Order
May 27, 1975 Released; Adopted May 20, 1975
53 FCC 2d 219

Further Notice of Proposed Rule Making
November 7, 1975 Released; Adopted October 31, 1975
56 FCC 2d 626

First Report and Order
November 7, 1975 Released; Adopted October 31, 1975
56 FCC 2d 593

Memorandum Opinion and Order
February 13, 1976 Released; Adopted February 1, 1976
57 FCC 2d 1216

Memorandum Opinion and Order
March 15, 1976 Released; Adopted March 12, 1976
58 FCC 2d 716

Second Report and Order
March 18, 1976 Released; Adopted March 18, 1976
58 FCC 2d 736

Memorandum Opinion and Order
April 28, 1976 Released; Adopted April 27, 1976
59 FCC 2d 83

DOCKET NO. 19528 continued

Memorandum Opinion and Order
October 18, 1976 Released; Adopted October 5, 1976
61 FCC 2d 396

Memorandum Opinion and Order
December 28, 1976 Released; Adopted December 14, 1976
62 FCC 2d 697

Memorandum Opinion and Order
June 20, 1977 Released; Adopted June 8, 1977
64 FCC 2d 1058

Supplemental Notice of Proposed Rule Making
June 20, 1977 Released; Adopted June 8, 1977
64 FCC 2d 1039

Third Report and Order
April 13, 1978 Released; Adopted April 6, 1978
67 FCC 2d 1255

In the Matters of Proposals for New or Revised Classes of Interstate and Foreign Message Toll Telephone Service (MTS) and Wide Area Telephone Service (WATS); Revision of Part 68 of the Commission's Rules to Specify Standard Plugs and Jacks for the Connection of Telephone Equipment to the Nationwide Telephone Network; and Amendment of Part 68 of the Commission's Rules (Telephone Equipment Registration) to Specify Standards for and Means of Connection of Telephone Equipment to Lamp and/or Annunciator Functions of Systems
Docket No. 19528; Docket No. 20774; Docket No. 21182 (RM-2829)

Memorandum Opinion and Order
February 5, 1979 Released; Adopted January 25, 1979
70 FCC 2d 1800

DOCKET NO. 20097

In the Matter of American Trucking Association, Inc., Washington, D.C., Complainant v. American Telephone & Telegraph Co., New York, N.Y., Defendant Regulatory Policies Concerning Resale and Shared Use of Common Services and Facilities
Docket No. 20097

Notice of Inquiry and Proposed Rule Making
July 5, 1974 Released; Adopted June 26, 1974
47 FCC 2d 644

In the Matter of Regulatory Policies Concerning Resale and Shared Use of Common Services and Facilities
Docket No. 20097

Memorandum Opinion and Order
October 3, 1974 Released; Adopted September 25, 1974
48 FCC 2d 1077

Report and Order
July 16, 1976 Released; Adopted July 1, 1976
60 FCC 2d 261

Order
August 4, 1976 Released; Adopted July 30, 1976
60 FCC 2d 588

Memorandum Opinion and Order
September 14, 1976 Released; Adopted September 8, 1976
61 FCC 2d 70

Memorandum Opinion and Order
January 12, 1977 Released; Adopted January 5, 1977
62 FCC 2d 588; 39 RR 2d 765

Memorandum Opinion and Order
March 10, 1977 Released; Adopted March 8, 1977
66 FCC 2d 470

Memorandum Opinion and Order
March 14, 1977 Released; Adopted March 2, 1977
66 FCC 2d 466

Memorandum Opinion and Order
June 17, 1977 Released; Adopted June 8, 1977
65 FCC 2d 122

DOCKET NO. 20098

In the Matter of Western Union Telegraph Co., Transmittal Nos. 6986 and 6992, Tariff FCC No. 261 and Revision to Tariff FCC No. 254 and RCA Global Communications, Inc., Transmittal Nos. 3922, 3955, and 3985, Tariff FCC Nos. 93 and 94 and RCA Alaska Communications, Inc., Transmittal No. 54 and Tariff FCC No. 1
Docket No. 20098

Memorandum Opinion and Order
June 28, 1974 Released; Adopted June 27, 1974
47 FCC 2d 639

Memorandum Opinion and Order
February 5, 1975 Released; Adopted January 28, 1978
51 FCC 2d 214

DOCKET NO. 20188

In the Matter of Amendment of Part 31 (Uniform System of Accounts for Class A and Class B Telephone Companies) so as to Permit Depreciable Property to be Placed in Groups Comprised of Units with Expected Equal Life for Depreciation Under the Straight-Line Method
Docket No. 20188 (RM-2259)

Notice of Proposed Rule Making
September 19, 1974 Released; Adopted September 11, 1974
48 FCC 2d 871

Report and Order
December 5, 1980 Released; Adopted November 6, 1980
83 FCC 2d 267

DOCKET NO. 20198

In the Matter of United Video, Inc., Revised Rates for Microwave Service; Tariff FCC No. 4, Transmittal Nos. 44 and 45
Docket No. 20198

Memorandum Opinion and Order
October 1, 1974 Released; Adopted September 24, 1974
49 FCC 2d 878

Memorandum Opinion and Order
September 15, 1975 Released; Adopted September 5, 1975
55 FCC 2d 516

In the Matter of United Video, Inc., Revised Rates for Microwave Service; Tariff FCC No. 4, Transmittal No. 91, United Video, Inc., Revised Rates for Microwave Service; Tariff FCC No. 4, Transmittal Nos. 44 and 45
Docket No. 20198

Memorandum Opinion and Order
March 9, 1977 Released; Adopted February 23, 1977
63 FCC 2d 529

DOCKET NO. 20490

In the Matter of Amendment of Parts 21 and 43 of the Commission's Rules and Regulations Relative to Various Procedural Requirements for the Domestic Public Radio Services
Docket No. 20490

Notice of Proposed Rule Making
May 29, 1975 Released; Adopted May 21, 1975
55 FCC 2d 36

First Report and Order
October 6, 1975 Released; Adopted September 23, 1975
55 FCC 2d 744

Second Report and Order
March 13, 1980 Released; Adopted February 28, 1980
76 FCC 2d 273; 46 RR 2d 1701

DOCKET NO. 20493

In the Matter of Western Tele-Communications, Inc. Revised Rates for Microwave Service to Broadcast and Cable Television Customers Located in Wyoming, Idaho, and Montana; Tariff FCC No. 3, Transmittal No. 38
Docket No. 20493

Memorandum Opinion and Order
June 11, 1975 Released; Adopted May 28, 1975
55 FCC 2nd 203

In the Matter of Western Tele-Communications, Inc., Revised Rates for Microwave Service to Broadcast Station and Cable Television System Customers Located in Utah, Montana, Idaho, Wyoming, and North Dakota; Tariff FCC No. 3, Transmittal No. 43, Western Tele-Communications, Inc., Revised Rates for Microwave Service to Broadcast and Cable Television Customers Located in Wyoming, Idaho and Montana; Tariff FCC No. 3, Transmittal No. 38
Docket No. 20493

Memorandum Opinion and Order
September 8, 1975 Released; Adopted August 28, 1975
58 FCC 2d 1248

In the Matter of Mountain Microwave Corporation, Revised Rates for Microwave Service, Tariff FCC Nos. 1, 3-7, 9-11, Transmittal No. 68
Docket No. 20493

Memorandum Opinion and Order
November 5, 1975 Released; Adopted October 29, 1975
56 FCC 2d 630

DOCKET NO. 20640

In the Matter of MCI Telecommunications Corporation, Investigation into the Lawfulness of Tariff FCC No. 1 insofar as it Purports to Offer Execunet Service
Docket No. 20640

Memorandum Opinion and Order
December 3, 1975 Released; Adopted December 2, 1975
57 FCC 2d 271

In the Matter of MCI Telecommunication Corporation, Investigation into the Lawfulness of Tariff FCC No. 1 insofar as it Purports to Offer Execunet Service
Docket No. 20640

Memorandum Opinion and Order
January 23, 1976 Released; Adopted January 16, 1976
57 FCC 2d 666

Memorandum Opinion and Order
March 26, 1976 Released; Adopted March 22, 1976
58 FCC 2d 962

Memorandum Opinion and Order
May 17, 1976 Released; Adopted May 12, 1976
59 FCC 2d 471

Decision
July 13, 1976 Released; Adopted June 30, 1976
60 FCC 2d 25; 37 RR 2d 1339

DOCKET NO. 20814

In the Matter of American Telephone & Telegraph Co., Charges for Private Line Services, Revisions of Tariff FCC Nos. 260, 264, and 266, filed in Transmittal No. 12546 (Series 2000/3000); Charges for Private Line Services, Revisions of Tariff FCC No. 260, filed in Transmittal No. 12547 (Series 5000)
Docket No. 20814

Memorandum Opinion and Order
May 20, 1976 Released; Adopted May 19, 1976
59 FCC 2d 428

Memorandum Opinion and Order
December 17, 1976 Released; Adopted December 7, 1976
62 FCC 2d 35

Memorandum Opinion and Order
June 13, 1977 Released; Adopted June 2, 1977
65 FCC 2d 295

Memorandum Opinion and Order
March 3, 1978 Released; Adopted February 22, 1978
67 FCC 2d 693

Memorandum Opinion and Order
June 27, 1978 Released; Adopted June 15, 1978
68 FCC 2d 759

Final Decision and Order
October 4, 1979 Released; Adopted September 20, 1979
74 FCC 2d 1

Memorandum Opinion and Order
March 4, 1981 Released; Adopted February 25, 1981
85 FCC 2d

DOCKET NO. 20828

In the Matter of Amendment of Section 64.702 of the Commission's Rules and Regulations
Docket No. 20828

Notice of Inquiry and Proposed Rule Making
August 9, 1976 Released; Adopted July 29, 1976
61 FCC 2d 103

Order
December 29, 1976 Released; Adopted December 21, 1976
62 FCC 2d 413

In the Matter of Amendment of Section 64.702 of the Commission's Rules and Regulations (Computer Inquiry)
Docket No. 20828

Supplemental Notice of Inquiry and Enlargement of Proposed Rule Making
March 8, 1977 Released; Adopted March 1, 1977
64 FCC 2d 771

Memorandum Opinion and Order
August 9, 1977 Released; Adopted July 27, 1977
65 FCC 2d 808

In the Matter of Amendment of Section 64.702 of the Commission's Rules and Regulations (Second Computer Inquiry)
Docket No. 20828

Tentative Decision and Further Notice of Inquiry and Rule Making
July 2, 1979 Released; Adopted May 17, 1979
72 FCC 2d 358; 45 RR 2d 1485

Final Decision
May 2, 1980 Released; Adopted April 7, 1980
77 FCC 2d 384 (Part 2 of 2); 47 RR 2d 669

Final Decision
May 2, 1980 Released; Adopted April 7, 1980
77 FCC 2d 384 (Part 1 of 2); 47 RR 2d 669

Memorandum Opinion and Order
July 22, 1980 Released; Adopted July 17, 1980
79 FCC 2d 953

Memorandum Opinion and Order
December 30, 1980 Released; Adopted October 28, 1980
84 FCC 2d 50

DOCKET NO. 20981

In the Matter of Impact of Customer Provision of Terminal Equipment on Jurisdictional Separations
Docket No. 20981

Notice of Inquiry, Proposed Rulemaking and Creation of Federal-State Joint Board
November 8, 1976 Released; Adopted November 1, 1976
63 FCC 2d 202

First Supplemental Notice
April 25, 1977 Released; Adopted April 22, 1977
64 FCC 2d 733

DOCKET NO. 21145

In the Matter of United WEHCO, Inc. Revised Rates for Microwave Service, Tariff FCC No. 1, Transmittal No. 14
Docket No. 21145

Memorandum Opinion and Order
March 17, 1977 Released; Adopted February 23, 1977
63 FCC 2d 741

DOCKET NO. 21167

In Re Application of Microband Corporation of America and Tekkom, Inc. For Construction Permits in the Multi-Point Distribution Service for a New Station at San Diego, California
Docket No. 21167, File No. 896-CM-P-72
Docket No. 21168, File No. 1985-CM-P-72

Initial Decision of Administrative Law Judge David I. Kraushaar
January 9, 1978 Released; Issued December 27, 1977
70 FCC 2d 255

Initial Decision of Administrative Law Judge David I. Kraushaar
January 9, 1978 Released; Issued December 27, 1977
69 FCC 2d 498

Decision
July 21, 1978 Released; Adopted July 5, 1978
70 FCC 2d 231

Decision
July 21, 1978 Released; Adopted July 5, 1978
69 FCC 2d 525

DOCKET NO. 21402

In the Matter of American Telephone & Telegraph Company (Long Lines Department), Wide Area Telecommunications Services (WATS)
Docket No. 21402

Notice of Inquiry
September 26, 1977 Released; Adopted September 21, 1977
66 FCC 2d 224

Memorandum Opinion and Order
December 30, 1977 Released; Adopted December 15, 1977
67 FCC 2d 246

Final Decision and Order
December 13, 1978 Released; Adopted November 21, 1978
70 FCC 2d 593; 44 RR 2d 1275

Memorandum Opinion and Order
July 15, 1980 Released; Adopted July 1, 1980
79 FCC 2d 10

DOCKET NO. 78-24

In the Matter of American Television Relay, Inc. Tariff FCC No. 8
CC Docket No. 78-24; Transmittal No. 78

Memorandum Opinion and Order
February 2, 1978 Released; Adopted January 19, 1978
67 FCC 2d 527

Memorandum Opinion and Order
December 8, 1978 Released; Adopted November 30, 1978
70 FCC 2d 1623

DOCKET NO. 78-68, 78-70

In the Matter of RCA American Communications, Inc. Revisions to Tariff FCC No. 1: Fixed Term Transponder Service
CC Docket No. 78-68, Transmittal No. 61

Memorandum Opinion and Order
March 3, 1978 Released; Adopted February 14, 1978
67 FCC 2d 836

In the Matter of RCA American Communications, Inc. Revisions to Tariff FCC No. 1 Fixed Term Transponder Service; American Satellite Corporation Revisions to Tariff FCC No. 1; The Western Union Telegraph Company Revisions to Tariff FCC No. 261 Pertaining to Video Channel Service; RCA American Communications, Inc. Revisions to Tariff FCC No. 1 For Fixed Term Transponder Service; RCA American Communications, Inc. Revisions to Tariff FCC No. 1 For Discounts for Fixed Term Voice Grade Channel Service and RCA American Communications, Inc. Revisions to Tariff FCC No. 1 For 5-Year Preemptible Transponder Service
CC Docket No. 78-68, Transmittal No. 61;
CC Docket No. 78-70, Transmittal No. 45;
CC Docket No. 78-99, Transmittal No. 7314; Transmittal No. 78; Transmittal No. 80; Transmittal No. 83

Memorandum Opinion and Order
August 3, 1978 Released; Adopted July 27, 1978
69 FCC 2d 426

DOCKET NO. 78-72

In the Matter of MTS and WATS Market Structure
CC Docket No. 78-72

Notice of Inquiry and Proposed Rule Making
March 3, 1978 Released; Adopted February 23, 1978
67 FCC 2d 757

Supplemental Notice of Inquiry and Proposed Rule Making
August 30, 1979 Released; Adopted August 14, 1979
73 FCC 2d 222

Memorandum Opinion and Order
January 30, 1980 Released; Adopted January 16, 1980
75 FCC 2d 644

Second Supplemental Notice of Inquiry and Proposed Rule Making
April 16, 1980 Released; Adopted April 9, 1980
77 FCC 2d 224

Report and Third Supplemental Notice of Inquiry and Proposed Rule Making
August 25, 1980 Released; Adopted August 1, 1980
81 FCC 2d 177

DOCKET NO. 78-188

In the Matter of Amendment of Parts 2, 21, 87 and 90 of the Commission's Rules to Allocate Spectrum For, and To Establish Other Rules and Policies Pertaining to, The Use of Radio in Digital Termination Systems for the Provision of Digiral Communication Services
Docket No. 78-188

Notice of Inquiry/Notice of Proposed Rule Making Terminated by Memorandum Opinion and Order
Adopted January 14, 1981
FCC 2d

DOCKET NO. 78-196

In the Matter of Revision of the Uniform System of Accounts and Financial Reporting Requirements for Telephone Companies (Parts 31, 33, 42 and 43 of the FCC's Rules)
CC Docket No. 78-196

Notice of Proposed Rule Making
July 21, 1978 Released; Adopted June 28, 1978
70 FCC 2d 719

DOCKET No. 78-219

In the Matter of Revision of the Processing Policies for Waivers of the Telephone Company--Cable Television "Cross Ownership Rules," Sections 63.54 and 64.601 of the Commission's Rules and Regulations; In Re Petition of National Telephone Cooperative Association For a General Waiver in Rural Areas of the Telephone Company-Cable Television Cross Ownership Rules, Sections 63.54 and 64.601 of the Commission's Rules and Regulations
CC Docket No. 78-219; File No. W-602-58

Clarification and Notice of Proposed Rule Making
August 15, 1978 Released; Adopted July 13, 1978
69 FCC 2d 1097

Report and Order
December 11, 1979 Released; Adopted November 29, 1979
82 FCC 2d 233

Memorandum Opinion and Order
December 5, 1980 Released; Adopted October 9, 1980
82 FCC 2d 254

DOCKET NO. 78-371

In the Matter of Exchange Network Facilities for Interstate Access (ENFIA)
CC Docket No. 78-371

Memorandum Opinion and Order
April 16, 1979 Released; Adopted April 12, 1979
71 FCC 2d 440

DOCKET NO. 79-63

In the Matter of American Telephone and Telegraph Company Petition for Modification of Prescribed Rate of Return
CC Docket No. 79-63

Order Instituting Hearing
September 26, 1979 Released; Adopted September 18, 1979
73 FCC 2d 689

DOCKET NO. 79-105

In the Matter of Amendment of Part 31, Uniform System of Accounts for Class A and Class B Telephone Companies, of the Commission's Rules and Regulations with Respect to Accounting for Station Connections, Optional Payment Plan Revenues and Related Capital Costs, Customer Provided Equipment and Sale of Terminal Equipment
CC Docket No. 79-105

Notice of Proposed Rule Making
August 14, 1979 Released
FCC 2d

DOCKET NO. 79-187

In the Matter of AT&T's Earnings on Interstate and Foreign Services During 1978
CC Docket No. 79-187

Notice of Inquiry
October 1, 1979 Released; Adopted September 18, 1979
75 FCC 2d 412

DOCKET NO. 79-245

In the Matter of American Telephone & Telegraph Co., Manual and Procedures for the Allocation of Costs
CC Docket No. 79-245

Notice of Inquiry
September 28, 1979 Released; Adopted September 18, 1979
73 FCC 2d 629

Notice of Proposed Rule Making
June 26, 1980 Released; Adopted June 25, 1980
78 FCC 2d 1296

Report and Order
January 6, 1981 Released; Adopted December 19, 1980
84 FCC 2d 384

DOCKET No. 79-246

In the Matter of American Telephone & Telegraph Company, Private Line Rate Structure and Volume Discount Practices
CC Docket No. 79-246

Notice of Inquiry and Proposed Rule Making
October 17, 1979 Released; Adopted September 20, 1979
74 FCC 2d 226

DOCKET NO. 79-252

In the Matter of Policy and Rules Concerning Rates for Competitive Common Carrier Services and Facilities Authorizations Therefore
CC Docket No. 79-252

Notice of Inquiry and Proposed Rule Making
November 2, 1979 Released; Adopted September 27, 1979
77 FCC 2d 308

First Report and Order
November 28, 1980 Released; Adopted August 1, 1980
85 FCC 2d 1

Further Notice of Proposed Rule Making
January 16, 1981 Released; Adopted December 16, 1980
84 FCC 2d 445

DOCKET NO. 79-318

In the Matter of an Inquiry into the Use of the Bands 825-845 MHz and 870-890 MHz for Cellular Communications Systems; and Amendment of Parts 2 and 22 of the Commission's Rules Relative to Cellular Communications Systems
CC Docket No. 79-318 (RM-3200)

Notice of Inquiry and Notice of Proposed Rule Making
January 8, 1980 Released; Adopted November 29, 1979
78 FCC 2d 984

DOCKET NO. 80-54

In the Matter of Regulatory Policies Concerning Resale and Shared Use of Common Carrier Domestic Public Switched Network Services
CC Docket No. 80-54 (RM-3453)

Notice of Proposed Rule Making
February 25, 1980 Released; Adopted February 12, 1980
77 FCC 2d 274

Report and Order
December 18, 1980 Released; Adopted October 12, 1980
83 FCC 2d 167

DOCKET NO. 80-57

In the Matter of an Inquiry into the Use of the Bands 825-845 MHz and 870-890 MHz for Cellular Communication Systems; and Amendment of Parts 2 and 22 of the Commission's Rules Relative to Cellular Communication Systems
Docket No. 80-57

Notice of Inquiry
Adopted April 9, 1981
FCC 2d

DOCKET NO. 80-112

In the Matter of Amendment of Parts 2, 21, 74 and 94 of the Commission's Rules and Regulations in Regard to Frequency Allocation ot the Instructional Television Fixed Service, the Multi-Point Distribution Service and the Private Operational Fixed Microwave Service.

Inquiry into the Development of Regulatory Policy with Regard to Future Service Offerings and Expected Growth in the Multi-Point Distribution Service and Private Operational Fixed Microwave Service and into the Development of Provisions of the Commission's Rules and Regulations in Regard to the Compatibility of the Operation of Satellite Services with Other Services Authorized to Operate in the 2500-2690 MHz Band.

Notice of Inquiry
May 2, 1980 Released; Adopted March 19, 1980
FCC 2d

DOCKET NO. 80-113

In the Matter of Amendments of Parts 21, 74 and 94 of the Commission's Rules and Regulations With Regard to Technical Requirements Applicable to the Multi-Point Distribution Service, the Instructional Television Fixed Service and the Private Operational Fixed Microwave Service (OFS).
Docket No. 80-113

Notice of Inquiry
April 24, 1980 Released; Adopted March 18, 1981
FCC 2d

DOCKET NOS. 80-114, 80-115

In Re Applications of Frank K. Spain, d/b/a Microwave Service Company Comcast Corporation. *For Construction Permits in the Multi-Point Distribution Service for a New Station at Meridian, Mississippi*
CC Docket No. 80-114, File No. 1908-CM-P-76
CC Docket No. 80-115, File No. 1957-CM-P-76

Memorandum Opinion and Order
April 22, 1980 Released; March 19, 1980 Adopted
77 FCC 2d 20; 47 RR 2d 393

DOCKET NOS. 80-116, 80-117

In the Matter of Media Access Project On Request for Waiver of Copying Fees
FOIA Control Nos. 80-116 and 80-117

Memorandum Opinion and Order
July 9, 1980 Released; Adopted July 1, 1980
79 FCC 2d

DOCKET NO. 80-170

In the Matter of Aeronautical Radio, Inc. Petition for Declaratory Ruling or Rule Making that it is an Authorized User of the International Telecommunications Facilities Provided by the Communications Satellite Corporation under the Communications Satellite Act of 1962.
United States Government. *Petition for Declaratory Ruling that the United States Government, Acting Through its Executive Agencies, is an Authorized User, Without Limitation or Restriction, of the International Telecommunications Facilities Provided by the Communications Satellite Corporation under the Communications Satellite Act of 1962.*
CC Docket No. 80-170 (RM-3525) (RM-3536)

Notice of Proposed Rule Making
May 6, 1980 Released; Adopted April 22, 1980
77 FCC 2d 535

DOCKET NO. 80-197

In the Matter of Monitoring Compliance with Conditions Underlying General Telephone and Electronics Corporation's Acquisition of Telenet
CC Docket No. 80-197

Order
May 30, 1980 Released; Adopted April 24, 1980
78 FCC 2d 403

Further Order
February 18, 1981 Released; Adopted February 11, 1981
85 FCC 2d

Order
February 18, 1981 Released; Adopted February 11, 1981
85 FCC 2d

DOCKET NO. 80-286

In the Matter of Amendment of Part 67 of the Commission's Rules and Establishment of a Joint Board
CC Docket No. 80-286

Notice of Proposed Rule Making and Order Establishing a Joint Board
June 12, 1980 Released; Adopted June 11, 1980
78 FCC 2d 837

First Supplemental Notice
September 25, 1980 Released; Adopted September 19, 1980
82 FCC 2d 157

Memorandum Opinion, Order and Authorization
January 30, 1981 Released; Adopted December 4, 1980
84 FCC 2d 633

Second Supplemental Notice
February 19, 1981 Released; Adopted February 5, 1981
85 FCC 2d

Memorandum Opinion and Order
March 13, 1981 Released; February 23, 1981 Adopted
FCC 2d

Erratum
March 18, 1981 Released
FCC 2d

Memorandum Opinion and Order
May 1, 1981 Released; Adopted April 23, 1981
FCC 2d

Third Supplemental Notice
June 5, 1981 Released; Adopted June 5, 1981
FCC 2d

Order
June 9, 1981 Released; Adopted June 5, 1981
FCC 2d

Order Inviting Comments and Suggested Information Requests
June 12, 1981 Released; Adopted June 10, 1981

DOCKET NO. 80-603

In the Matter of Inquiry into the Development of Regulatory Policy in Regard to Direct Boradcast Satellites for the Period Following the 1983 Regional Administrative Radio Conference
Gen Docket No. 80-603

Notice of Inquiry
October 29, 1980 Released; Adopted October 2, 1980
FCC 2d

DOCKET NO. 80-765

In the Matter of American Telephone and Telegraph Company Revisions to Tariff FCC No. 259, Wide Area Telecommunications Service (WATS)
CC Docket No. 80-765, Transmittal No. 13555

Memorandum Opinion and Order
December 29, 1980 Released; Adopted December 19, 1980
84 FCC 2d 158

CHART: MAP CONNECTING DOCKETS AND ISSUES OF REGULATED COMPETITION

COMPUTER INQUIRY

Initially the COMPUTER INQUIRY covers a regulatory jurisdictional issue: Where to draw the line between regulated telecommunications and non-regulated data processing. The issues raised by the inquiry lead to market restructuring.

COMPUTER INQUIRY I 16979 opens up issues of entry in:

1. ad hoc regulation creating "hybrid" data-processing/communications services
2. definition of boundary around markets regulated by FCC by excluding data processing.

COMPUTER INQUIRY II 20828 examines:

1. static definitions
2. the regulated telecommunications network to include the transmission pipeline and redefines
3. the limitations imposed by the AT&T 1956 CONSENT DECREE.

A series of terminal equipment decisions, 20828, 20981 and 79-318, which deals with jurisdictional separations, interconnection, manufacture and market structure.

RECONSIDERATION 20828 deregulates all tariffed CPE (federal and state) and requires AT&T as "dominant" carrier to establish a separate subsidiary for "enhanced" service (enhanced definition is based on subscriber "interaction with stored information").

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RECONSIDERATION OF COMPUTER INQUIRY II deals with terminal deregulation and includes:

1. asset valuation
2. rate base ROR
3. detariffing terminal equipment
4. separate subsidiaries for dominant carrier value-added services and terminal equipment.

TASK FORCE IMPLEMENTATION IN COMPUTER II and issues concerning restructure of AT&T deal with the extent of jurisdictional regulation.

MARKET STRUCTURE

A series of issues initially protecting monopoly service from competition.
Competition with AT&T facilities brings up questions: what is a facility and what is a service?
Private entities build microwave systems for their own use in competition with Bell network facilities, ABOVE 890 (1959).

Competition in private line services grows out of early AT&T TELPAK RATE CASES, 14251 and 16258 (ratemaking principles), and is followed by general AT&T interstate rate cases which focus on rate structure principles 18128.

PRIVATE COMMON CARRIER SERVICE 16509 and a competitive network for private line services 18920 leads to SPECIALIZED COMMON CARRIER decisions, and identification of market services not available to potential users.

"Maximum separation" principles provide for regulated carriers offering data processing services through separate subsidiaries (to avoid any effect of cross-subsidization on carriers' monopoly services).

18128 broadened to encompass cost causation as well as the ratemaking principles.

EXECUNET I/II requires local exchange area interconnection between AT&T and specialized/other common carriers. Services over some facilities to similar markets validate an area of public interstate competition.

Private line market entry opens common carrier interstate issues in EXECUNET 20640. Regulatory distinctions between "private line" and "public switched" and "the dichotomy between services and facilities becomes less relevant"-20814. 79-246 opens entry in public switched transmisssion in equivalent MTS and WATS services, 21402, where MTS and WATS are ruled to be functionally "like" services.

21402 determines the actual differences between MTS and WATS.

79-154 new WATS tariff and to implement cost methods.

MTS/WATS MARKET STRUCTURE INQUIRY 78-72 seeks a public hearing on the benefits of competition.

New WATS tariff and implementation of fully distributed cost methods 79-154 and INTERIM AT&T COST ALLOCATION MANUAL 79-245.

FEDERAL-STATE JOINT BOARD 80-286 opens for joint resolution of several jurisdictional separations issues. Includes the allocation of facilities costs and the treatment of detariffed terminal equipment in developing new service rates.

COMPETITIVE CARRIER RULEMAKING 79-252 links economic definitions of market entry to regulatory jurisdiction policy. Covers the following issues:

1. dominant market carriers
2. reregulation of carriers/forbearance (the big stick approach toward carriers)
3. classifications of satellite carriers.

RESALE/VALUE-ADDED FACILITIES AND SERVICES

Issues which historically focused on telecommunications services. Since shared use no longer needs close surveillance, opens up an alternative price structure mechanism which is the basis for:

1. unbundling
2. market restructure.

Opening common carrier services to resale and shared use in PRIVATE LINE 20097 allows competitors of AT&T to purchase lower services, especially TELPAK, for resale. Profit from transmission not allowed in the resale of private line services.

AT&T PRIVATE LINE RATE STRUCTURE 20814 rejects multi-schedule private line (MPL) rates. This indicates that the whole private line rate structure needs review.

Review of entire MPL rate structure covers AT&T bulk-rate discount and minimizes service and facility distinctions 79-246.

MTS and WATS and other common carrier services open to shared use and resale 80-54.

CELLULAR MOBILE COMMUNICATIONS 79-318 introduces an alternative local delivery technology requiring interconnection and opening entry in resale, manufacture and specialized services.

fringe common carrier/broadcast/cable transmission alternatives:

Traditional value-added concepts are extended through spectrum management and competitive facilities investment to provide alternative market substitutes in common carriage transmission and switching.

AT&T PRIVATE LINE RATE STRUCTURE AND VOLUME DISCOUNT 79-246 resolves bulk discounts and their impact on new market services and on entry of alternative local carriers.

COMPUTER PROTOCOL 80-755:

1. covers whether or not computer software codes should be regulated
2. reviews networking protocols and the FCC's ability to structure and control development and use in common carrier systems.

Satellite Business Systems offers private line and public switched telephone interstate services.

CELLULAR 79-318 provides a mechanism for a separate five-year wireline cellular frequency allocation in all markets (consistent with precedent in the allocation of conventional mobile and paging frequencies).

DIGITAL RADIO SERVICES/REALLOCATION OF FREQUENCIES USED BY MOBILE RADIO SERVICES 79-188 proposes digital services (ITFR, etc.) using cellular radio for local transmissions. Also provides additional spectrum for use of transmission services.

USPS E-COM ELECTRONIC MAIL 79-6 raises the issues:

1. whether another government agency in its Postal Express Statute may become a de facto common carrier
2. jurisdictional regulatory conflicts.