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U.S. House of Representatives
Committee on Energy and Commerce

SUBCOMMITTEE ON TELECOMMUNICATIONS AND FINANCE

Washington, DC 20515-6119

DAVID H. MOULTON
CHIEF COUNSEL AND STAFF DIRECTOR

Need answer to questions?



June 11, 1993

The Honorable James Quello
Acting Chairman
Federal Communications Commission
1919 M Street, NW
Washington, DC

Dear Chairman Quello:

Thank you and your fellow commissioners for agreeing to testify before the Subcommittee on June 17 at 9:30 a.m. in 2123 Rayburn HOB. The focus of the hearing will be a general oversight of the operations of the Federal Communications Commission and legislation reauthorizing the FCC for two years.

Please provide the Subcommittee with 100 copies of your testimony by close of business on Tuesday, June 15, 1993. In addition, please bring an additional 50 copies of your testimony to the hearing room on the morning of the hearing. As you know, your written testimony can be of reasonable length, but you should keep your oral comments to 5 minutes. If other commissioners wish to make an oral statement, they also will be recognized for 5 minutes.

Because of the breadth of issues facing the Commission, and to assist the Subcommittee in preparing for the hearing and the reauthorization legislation, a number of prehearing questions are enclosed. Please respond to as many of these questions as you can prior to the hearing.

Thank you for your cooperation. I would appreciate if you shared this letter with Commissioner Duggan and Commissioner Barrett. If you have any questions, please contact Gerry Waldron at 226-2424.

Sincerely,

EJ Markey
Edward J. Markey
Chairman

HAM?

COMMON CARRIER

1. a) Please explain what the Commission is doing in response to the court of appeals decision in AT&T v. FCC, which struck down the Commission's permissive detariffing authority. In that explanation, please address whether the Commission's forbearance policy was ruled upon by the court, and how the Commission now views its authority with respect to forbearance.

b) Is it necessary to amend section 203 in light of the decision in AT&T v. FCC? What change would the Commission recommend?

2. Please report on the status of the implementation of the expanded interconnection decision.

3. The Network Reliability Council has indicated that it wants to terminate its existence before its two year term is up and shift that function to one led by the industry as part of the Exchange Carriers Standards Association. What is the Commission's views on that proposal? What are the legal (antitrust) implications of members of the industry getting together under the umbrella of a private organization? *voluntary*

*any
only
could
behand*

no problem - we requested public emergency

4. What are the Commission's plans in light of the recent court ruling that the restrictions on automated telemarketing messages contained in the Telephone Consumer Protection Act are unconstitutional? Will the Commission appeal the ruling? Does the Commission plan on revising the regulations in order that they may pass Constitutional muster? If not, what additional authority does the Commission need to protect consumers from unwanted, unsolicited telemarketing? *legislation*

union statute - FCC will appeal ruling Co-ordinately with justice dept.

5. In the last session of Congress, the Subcommittee held a hearing on PBX toll fraud and H.R. 6066 was introduced to deal with the questions of consumer liability and industry responsibility. Since October, the Commission has not followed-up on its en banc hearing, though at a recent Subcommittee hearing the toll fraud problem was estimated by experts to have reached between \$4 to \$6 billion in losses annually. In addition, the Commission has before petitions relating to toll fraud and customer liability which are now over 3 years old. What specific actions does the Commission plan to take to address the issue of toll fraud? *we plan NPRM in fall*

*Billion of \$
Case by
complaints
depending on
who is
responsible?*

*complaints
and how far under*

Does customer pay on phone company? No phone companies responsible pursuant PBX toll fraud

6. The Commission, in concert with the NTIA and the State Department, has responsibility for instructing Comsat as to U.S. policy towards Intelsat. What is the Commission's process for formulating this position? What procedures exist for conferring with the NTIA and the State Department? What procedures exist for public comment on the U.S. position prior to Intelsat meetings? Please describe in detail how such policies were applied to the upcoming Intelsat Board of Governor's meeting (June 10-14) with regard to a potential proposal to allow non-signatory, private companies to invest in Intelsat. *Under discussion - one fully owned*

Under discussion - one fully owned

*Not required
Intelsat is all government owned*

*Hughes
Panamsat*

7. Please describe the process the Commission and its staff goes through after a decision has been adopted by the Commission at an open public hearing. In addition, for the past 12 months please provide the Subcommittee with the number of days between the Commission deciding an issue at an open public meeting and the text of the decision being released.

writing

*Funding: prof. loss to be
certified by act later -
late fall!*

CABLE TELEVISION

1. When can consumers expect to see rate reductions under the Cable Act? Please describe the time table for implementation of the Act. ✓

2. Given that the supplemental appropriation for the FCC for fiscal 1993 has not yet been passed by Congress, is the FCC prepared to begin implementation of the Cable Act rate regulation provisions on June 21st? *No*

3. How does the FCC plan to inform local franchising authorities and local officials of the steps they must follow in order to fulfill their obligations under the Act? To the best knowledge of the FCC, are local and state officials prepared and able to begin implementation of the Act? ✓

4. How will the FCC establish cost of service standards for those cable companies that request cost of service regulation rather than comply with the benchmarks? Will the cost of service include debt service, if so, what portions of debt service will be allowed?

5. Please describe the system of rate regulation that the Commission has established, particularly the decision to apply the benchmark rate to both basic and other programming tiers. Why did the Commission decide to apply the benchmark across all regulated tiers? In establishing the benchmark, did the Commission find significant differences between the rates charged for basic service and other programming services in areas where competition exists?

6. What relief for small systems is included in the FCC regulations implementing the Cable Act? *Simplify*

7. What is the status of the Commission's implementation of the "must carry" provisions of the Cable Act? What actions does the Commission plan to take in response to requests for stations to be changed from one ADI to another?

CHILDREN'S TELEVISION

8. The Subcommittee on Telecommunications and Finance held a hearing on the FCC's implementation of, and broadcasters' compliance with, the Children's Television Act of 1990 in March of this year. The Subcommittee found that there had been no

significant increase in the amount of educational and informational programming for children as a result of the Act and concluded that broadcasters had largely failed to comply with the intent of the Act. Given the Subcommittee's findings, what action does the Commission plan to take to strengthen enforcement of the provisions of the Children's Television Act? What is the status of the Notice of Further Inquiry on the Act?