The following is a listing of significant FCC actions that were initiated from January, 1995, through March, 1996. The docket summaries are organized numerically according to the FCC bureau responsible for the matter. The docket summaries provide brief synopses and citations to the full text of the FCC action, but are not intended to serve for the text contained in the original sources.

COMMON CARRIER


The Telecommunications Act of 1996 requires local exchange carriers to provide number portability where feasible. Prior to the passage of the 1996 Act, the Commission initiated this NPRM to gather information regarding the costs involved in making number portability available to consumers as well as comments about the Commission assuming a leadership role in order to establish the necessary changes. With the passage of the 1996 Act, the Commission extended the filing period for comments and asked parties to focus their comments on how the 1996 Act has affected the issues involved.

See also Further Comments Telephone Number Portability, Public Notice, CC Dkt. No.95-116, Mar. 14, 1996.


The Telecommunications Act of 1996 ("1996 Act") directs the Commission to establish a Federal-State Joint Board ("Board") whose function will be to consider universal service issues. The 1996 Act also directs telecommunications services providers to contribute and promote universal service. This NPRM seeks comments on how the Commission should serve these two goals of the 1996 Act. In addition, the Commission establishes the Board and appoints Chairman Hundt, Commissioner Ness, Commissioner Barrett, and several others from state Public Service Commissions. The Commission hopes to receive comments which will include costs of specific services, payment information regarding the Universal Service Fund, and how neutral rules can be adopted.

See also In re Federal-State Joint Board on Universal Service, Order, CC Dkt. No. 96-45, Apr. 1, 1996 (extending the filing deadline for comments and reply comments).

CC Docket No. 96-61: In re Policy and Rules Concerning the Interstate Interexchange Marketplace, Implementation of Section 254(g) of the Communications Act of 1934, As Amended, Notice of Proposed Rulemaking, Mar. 21, 1996.

The Commission seeks to release non-dominant interexchange carriers from their tariff filing requirements. This would allow long distance telephone companies to change their prices and offer new services without going through the Commission's current filing requirements. The Commission is authorized to make such a change under its new authority established in the Telecommunications Act of 1996 ("1996 Act") which grants the Commission the power to forbear from applying the 1934 Communications Act or any of the Commission's rules when public interest criteria are met.

The Commission also seeks comment on its current regulations of interstate, domestic, interexchange telecommunications services and how those regulations can be improved, if at all. In addition, the 1996 Act directs the Commission to implement geographic rate averaging and rate integration. The Commission seeks comments on how it can best achieve all of the 1996 Act's goals with respect to these issues.


The Commission initiated these proceedings in order to consider equal access obligations of commercial mobile radio service ("CMRS") providers and interconnection service by local exchange carriers ("LECs") to CMRS providers. In this NPRM the Commission continues its inquiry into whether CMRS providers should be forced to interconnect with each other and whether a resale obligation
should be imposed on CMRS providers.

The Commission concludes that a resale obligation should be imposed on CMRS providers. The Commission seeks comment on whether there should be a time limitation on the provision of resale capacity. In addition, the Commission seeks further comment on the interconnection issue.

See also Implementation of Sections 3(n) and 322 of the Communications Act, Regulatory Treatment of Mobile Services, GN Dkt. No. 93-252, Notice of Proposed Rulemaking, 8 FCC Rcd. 7988 (1993); Second Report and Order, 9 FCC Rcd. 1411 (1994), reconsideration pending.

**CC DOCKET NO. 95-155: In re Toll Free Service Access Codes, Report and Order, Jan. 25, 1996.**

The Common Carrier Bureau took action, per authority delegated to it by the Commission, to make available a new toll free access code, 888, as the existing pool of toll free numbers is almost exhausted. The Bureau adopts a plan for those entities in charge of administering toll free service numbers to poll their subscribers for those interested in changing to the new 888 access code. The Bureau also set aside all of the 888-555-XXXX for toll free directory assistance services.

The Bureau also determined that a conservation plan for both 888 and 800 numbers is necessary so as to avoid an overloading of the reservation process. It was also determined that 888 numbers will be treated like 800 numbers for tariff purposes. The new access code became available as of March 1, 1996.

See also Toll Free Service Access Codes, Order, Dkt. No. 95-155, Jan. 24, 1996.


This NPRM seeks comments on proposed rules implementing directives established in the Hearing Aid Compatibility Act of 1988 ("HAC Act"). The HAC Act directs the Commission to establish rules that ensure access to telephone services by the hearing disabled. As a result, the Commission instigated a negotiated rulemaking which submitted its final report of recommendations to the Commission in August, 1995.

The Commission specifically seeks comments regarding whether hearing aid compatible telephones should be required in non-common areas of the workplace, hospital rooms, nursing home residential rooms, as well as hotel and motel rooms. Additional comments are sought regarding telephone equipment labelling requirements and consumer education.


In this Order, the FCC adopts rules to address the problem of “slamming,” where an unauthorized change in a consumer’s primary interexchange carrier ("PIC") takes place. The Commission prohibits the sending of promotional materials in conjunction with the letter of agency ("LOA"), a document which the customer signs designated that customer’s PIC. The only exception to this rule is that a check may be included with the LOA if it clearly indicates that indorsement of the check is authorization to change the customer’s PIC. In addition, the Commission dictates the content of the LOA and that it must be written in “clear and unambiguous language.”

See also In re Policies and Rules Concerning Unauthorized Changes of Consumers’ Long Distance Carriers, Order, FCC Dkt. No. 95-388, Sept. 5, 1995 (a Commission stay of the above Report and Order).


The Commission seeks comments on creating regulations pursuant to the Telecommunications Act of 1996 implementing changes to allow the Bell Operating Companies (“BOCs”) to provide “out-of-region” interstate, interexchange services. Also under consideration is whether the BOCs should be treated as dominant or non-dominant carriers. The Commission desires to prevent the BOCs from gaining an unfair competition advantage based on its current control over local facilities.

The Commission tentatively concludes that where a BOC provides its out-of-region interstate, interexchange services through an affiliate and that affiliate satisfies certain criteria, the affiliate will be classified as non-dominant. Otherwise, BOCs providing this service will be classified as dominant.

See also Policy and Rules Concerning Rates for Competitive Common Carrier Services and Facilities Authorizations, Fifth Report and Order, 98
and a motion to dismiss one of the applications, of Jan. 16, 1996 (granting an extension of time for filing and exogenous cost rules. Other portions of the long-term price cap plan are under scrutiny including the common line formula when calculating the productivity of the LEC. Comment is also sought on whether the Commission can create replacements for the Common Factor Productivity model when calculating the price cap performance review for Local Exchange Carriers, Further Notice of Proposed Rulemaking, Sept. 27, 1995.

In this FNPRM, the Commission seeks comment on its price cap rules which determine the access charges for originating and terminating interstate long distance calls that interexchange carriers ("IXCs") pay to local exchange carriers ("LECs"). The goal is to establish a long-term price cap plan. The Commission seeks comment on the use of a Total Factor Productivity model when calculating the productivity of the LEC. Comment is also sought on whether the Commission can create replacements for the LECs' greater productivity gains. Other portions of the long-term price cap plan are under scrutiny including the common line formula and exogenous cost rules.

See also In re Price Cap Performance Review for Local Exchange Carriers, Order, Dkt. No. 96-20, Jan. 16, 1996 (granting an extension of time for filing comments).


The Commission denies applications for review, and a motion to dismiss one of the applications, of four Orders which approve the zone density pricing plans filed by thirteen local exchange carriers ("LECs"). These Orders addressed Tier 1 LECs who were allowed pricing flexibility designed to bring their special access rates in line with their costs and filed tariffs in order to establish different rates within established pricing zones. The Commission finds that the Common Carrier Bureau ("Bureau") did not err by approving zone density pricing plans that were not cost-based and the Bureau's approval was consistent with previously established Commission criteria. Additionally, the request to revisit the "trigger point" for zone plan approval is rejected as unconnected to the present proceeding.


The Commission seeks comment on whether it is feasible to apply uniform inside wiring rules to both telephone companies and cable operators. Currently, there are rules governing each separately that were developed under separate rulemaking procedures.

Given the convergence of the telecommunications marketplace, it seems necessary to evaluate the possibility of converging the corresponding regulations. Specifically, the Commission addresses and seeks comments on demarcation point, connection parameters, telephone simple and complex inside wiring, subscriber inside wiring, dual regulation, private property access, customer premises equipment.

CABLE SERVICES


In this action, the Commission addresses rules regulating the standard cost of service showings that cable operators must make when justifying their rates for regulated cable services are adopted. In order to implement these rules, the Commission affirms its interim rule which was originally designed to guide operators pending the adoption of final cost of service rules. The Commission discusses the issues raised regarding calculation of expenses, rate of return, and ratebase.

The Commission clarifies its definition of a "used and useful plant" as a plant which is actually used to send signals to customers. The Commission further clarifies that there are two types of excess capacity - where a plant is not being used to its full capacity, and where a fully constructed plant is not being used at all. In addition, a plant that is in service must be allocated between regulated and unregulated services. The cost of the plant will be directly related to its provision of cable channels and channel capacity.

The Commission rejects the possibility of allowing operators to include all of their intangible costs in the ratebase and adopted a new rule applicable to systems conveyed prior to the effective date of the interim cost rules whereby 34% of the purchase price associated with regulated services of systems purchased prior to regulation must be removed from the regulated ratebase. In addition, operators will be required to deduct deferred income taxes from the ratebase to the extent that amount accrued after the operator became subject to rate regulation.

See also In re Implementation of Sections of the Cable Television Consumer Protection and Competi-


The Commission seeks comment on whether and how they should revise inside wiring rules and policies for television and cable. Originally, rules for television and cable were established separately. However, given the current convergence in the telecommunications industry, combining rules and policies is desirable. Separate rules may actually interfere with competition.

The Commission seeks comment specifically on the demarcation point, technical connection, simple and complex wiring, residential and non-residential wiring, subscriber ownership of inside wiring, regulation of inside wiring, service provider access to inside wiring property, and the regulation of customer premises equipment.


The Commission proposes a rule and solicits comments regarding a mandate from Congress in Section 207 of the Telecommunications Act of 1996. The Commission must create rules which prohibit the impairment of receiving video programming services by over-the-air reception devices with respect to television broadcast service ("TVBS") and multichannel multipoint distribution service ("MMDS"). The proposed rule provides a presumptive preemption for all governmental restrictions on over-the-air reception devices, and a full preemption for non-governmental restrictions. As with DBS, full or partial waivers may be requested and granted upon a showing highly specialized or unusual local concerns.

See also Preemption of Local Zoning Regulation of Satellite Earth Stations, Report and Order and Further Notice of Proposed Rulemaking, Dkt. No. 96-78, Mar. 11, 1996.


The Commission seeks comment on its tentative decision to adopt a revised market definition process governing cable television broadcast signal carriage rules. Currently, a broadcast television station's market is defined by Arbitron and is revised annually, however, Arbitron decided to stop publishing its annual market definition reports. Therefore, the Commission must revise its approach.

The Commission tentatively concludes to utilize the existing Arbitron market definitions for 1996 and then switch to Nielsen standards. There are some differences between the two, however, both Arbitron and Nielsen serve the same purpose. There are other alternatives to the Commission's tentative conclusion, such as immediately switching to the Nielsen standards or, conversely, retaining the current Arbitron definitions indefinitely.


The Commission eliminates its rules and policies related to Section 214 that apply to telephone company video programming delivery systems and video dialtone. Comments are sought on the best way to implement the directives of the Telecommunications Act of 1996 with respect to open video systems and allocation of capacity; establishing just and reasonable rates, terms and conditions; channel sharing; sports exclusivity; network nonduplication; syndicated exclusivity rules; affiliate favoritism; must-carry; retransmission consent obligations; program access rules; operator certification; and dispute resolution. The Commission’s goals are to enhance competition; streamline regulations; promote diversity in programming, investment in new technology, consumer choice and market entry.

See also In re Telephone Company-Cable Television Cross-Ownership Rules, Sections 63.54-63.58, Fourth Further Notice of Proposed Rulemaking, Dkt. No. 95-20, Jan. 20, 1995.

**GENERAL COUNSEL**

**FCC Docket No. 96-109; GC Docket No. 96-55: In re Examination of Current Policy Concerning the Treatment of Confidential Information Submitted to the Commission, Notice of Inquiry and Notice of Proposed Rulemaking, Mar. 25, 1996.**

The Commission seeks comment on setting policy for how it should treat sensitive information that parties provide to the Commission. The goal is to avoid harming those companies supplying the sensi-
The event that disagreements arise on technical issues created by the Commission would only be utilized in manufacturing standards. The dispute resolution process which develop telecommunications equipment manufacturing standards. The dispute resolution process created by the Commission would only be utilized in the event that disagreements arise on technical issues and the standard setting organizations cannot agree on a dispute resolution process. Penalties for frivolous disputes causing delay must also be established. The Commission has ninety days from the enactment of the 1996 Act to establish this dispute resolution process.

The Commission proposes to establish binding arbitration as the dispute resolution process and seeks comments on how the arbitrator should be selected. Comments are also sought on whether additional procedures are necessary to supplement binding arbitration and whether there are other alternatives that will be as cost effective and fast as binding arbitration.

INTERNATIONAL


The Commission adopts a new policy to allow U.S. licensed fixed satellite service (“FSS”), mobile satellite service (“MSS”) systems, and direct-broadcast satellite service (“DBS”) systems to offer domestic and international services. Previously, U.S. licensed satellites providing international services were regulated under two different policies - the Transborder Policy and the Separate Systems Policy. In this Report and Order, the Commission eliminated the Transborder Policy and adopted a modified version of the Separate Systems Policy. The “ancillary” restriction, which allowed licensees to use their systems only for domestic communications reasonably related to their use of the facilities for international communications, was eliminated. In implementing these changes, the Commission rejected the notion of utilizing a transitional period stating that it would create unnecessary delay.

The Commission declined to adopt any formal policy designed to protect against the unauthorized reception of copyright material abroad. Also, satellites providing public international service will still have to consult with Intelsat according to Article XIV(d) in order to avoid technical or significant economic harm. Intelsat is currently operating under a presumption that no economic harm will result from separate satellite systems providing non-public switched services or no more than 8,000 64-kbps equivalent bearer circuits interconnected with the PSN per satellite for the provision of switched interconnected services.

Separate system applications pending after the date of this Report and Order will be required to meet a one-step financial showing while those applications filed prior to the release of this Report and Order will remain subject to the two-step financial showing. In addition, operators who apply for orbit locations in uncongested portions of the orbital arc may adhere to the two-step financial showing if they can maintain that their use of the two-step process will not foster the misuse of scarce orbital resources and that the public interest would not be better served by use of the one-step process.

The Commission adopted the policy of allowing satellite operators to elect to operate on a common carrier or non-common carrier basis. The Commission also adopted the policy of expanding the ALSAT designation with an automatic modification of all earth station licenses to allow the facilities to access all U.S. licensed satellites with appropriate frequency coordination analysis verifying full coordina-
tion with other primary users.

MASS MEDIA


The Commission found that Fox Television Stations' ("FTS") parent corporation exceeded the Section 310(b)(4) allowance of foreign ownership in a separate proceeding on May 4, 1995. As a result of that proceeding, the Commission conditionally granted a renewal application for one of FTS' stations. The Commission gave FTS the option of either restructuring so that its parent corporation met the requirements of Section 310(b)(4) or make a showing that the existing ownership structure serves the public interest. FTS attempted to do both, but was unable to come completely with the foreign ownership requirements. In this proceeding, the Commission removes the foreign ownership restructuring condition to the renewal of FTS' license for the station at issue in the May 4, 1995 proceeding, as well as for all other pending FTS licenses.

FTS argued that it relied on the fact that the Commission approved its original foreign ownership structure at the time it was first granted licenses. Also, there has never been a clear indication of what method the Commission would follow in assessing a corporation's compliance with the foreign ownership rules, and, therefore, applicants were not on notice that alien equity capital contributions would be considered. FTS added that it has served the public in numerous ways in its broadcasting capacity since 1985. The Metropolitan Council of NAACP Branches, among others, filed comments opposing an allowance for FTS to retain its foreign ownership status. The NAACP unsuccessfully argued that allowing FTS such exceptions would encourage others to do the same.


On December 1, 1995, the Commission issued a Notice of Inquiry seeking comment on closed captioning and video description in programming. In the interim, the Telecommunications Act of 1996 passed and the Commission, therefore, extends its period for filing comments. In addition, the Commission asks that commentors focus their comments on how to implement the video programming accessibility provisions of the 1996 Act. Also extended is the request for information from national as well as local program producers and information related to market size and audience share. Finally, the Commission requests suggestions for implementing its changes regarding video descriptions, technical and quality standards, and other relevant issues addressed.


The Prime Time Access Rule ("PTAR") prohibits network affiliates in the top 50 television markets from broadcasting more than three hours of network programming during prime time viewing hours. PTAR was originally designed to encourage competition in program production and increase diversity in programming. Several parties filed petitions challenging PTAR and in April, 1994, the Commission issued a Notice calling for economic and empirical data on whether there remained a need for PTAR. Upon examining this information, the Commission concludes that with the advent of cable, satellite systems, VCRs and market conditions, PTAR has become an unnecessary burden and no longer benefits the public interest. In this historic Report and Order, the Commission repeals PTAR effective August 30, 1996, and initiates a one year transition period.

The Commission took into account such factors as video programming distribution and production market, the geographic markets relevant to the operation of the rule, the national television advertising market, a network's costs as a result of adhering to PTAR, the public interest, independent programmers, independent stations, new networks, and new technologies that affect the industry. The Commission noted that there is no need to revisit this issue again, however, a short transition period is necessary so that the industry will have time to adjust its scheduling and production.


FCC Docket No. 95-385: In re Reconsideration
DOCKET SUMMARIES


The Commission adopted measures to improve the AM broadcast band and to develop the spectrum between 1605 and 1705 kHz. However, errors existed in the Commission’s Engineering Database which is used to prevent interference from occurring within the Allotment Plan. Therefore, a previously released Allotment Plan is rescinded and interested parties are given the opportunity to comment on these issues. The originally released Allotment Plan of October 14, 1994 ranked all stations based upon priority groups and interference improvement factors. The only deviation from the original criteria used to establish the original Allotment Plan is that the Commission will now consider potential allotments within a radius of 225 km from the allotment center points negotiated with Mexico instead of 45 km due to an agreement between the United States and Mexico allowing for such flexibility.

Once the revised Allotment Plan is properly produced, interested parties will be given the opportunity to comment. After the Commission has the opportunity to reconsider the revised Allotment Plan, the final Allotment Plan will be released, the Commission will individually notify each licensee that was allotted a frequency and call for construction permit applications.


The Commission proposes changes and seeks comments on changing its equal employment opportunity (“EEO”) rules in an effort to accommodate smaller stations as well as those stations which are distinctly situated. Comment is also sought on changing the corresponding guidelines for forfeitures. Stations who submit comments are requested to include a profile of their workforce over a two week payroll period.

The Commission specifically seeks comment on record keeping, filing obligations, recruitment, joint recruitment, and a revised test for alternative labor force data. The goal is to streamline Commission processes while offering relief to small stations that have difficulty attracting minority employees. This must be achieved without undermining the EEO program or granting unfair advantages to small stations.


The Commission granted the transfer of control over Capital Cities/ABC, Inc. broadcast licenses to the Walt Disney Company (“Disney”). Permanent waivers were sought of the duopoly rule, the one-to-a-market rule, and the cross-ownership rule. A temporary waiver of the duopoly rule was also requested. Petitions to deny were filed arguing that Disney had not complied with the obligations of the Children’s Television Act.

The Commission granted Disney’s permanent waiver requests of the duopoly rule, one-to-a-market rule, and cross-ownership rules. However, the temporary waiver of the duopoly rule was denied. Disney was granted a six month waiver in order to divest either of the stations implicated.


The Commission granted the transfer of control of CBS, Inc. broadcast licenses to Westinghouse Electric Corporation (“Westinghouse”). Seven permanent and twelve temporary waivers of the multiple ownership rules were granted. Petitions to deny were filed arguing that Westinghouse had failed to meet its obligations under the Children’s Television Act. However, Westinghouse agreed to voluntarily improve its performance with respect to meeting these programming obligations and the petitions to deny were withdrawn. Chairman Hundt noted that it was this voluntary agreement by Westinghouse which prompted the Commission to grant the waivers of the multiple ownership rule.

WIRELESS TELECOMMUNICATIONS


In its NPRM, the Commission sought comment on several issues regarding the disposition of DBS construction permits for mutually exclusive applica-
tions of 51 recently obtained DBS spectrum channels at two orbital locations. The Commission sought comment on its authority to auction the permits; auctioning the permits in two blocks according to the orbital locations; awarding the permits via a sequential, oral outcry auction; and adopting new rules applicable to new permitees that would establish additional performance criteria, protect the possibility of anti-competitive conduct, and assure prompt service to Alaska and Hawaii.


The Commission seeks to streamline its licensing procedures for paging services. It is proposed to replace the current site-specific, transmitter-by-transmitter, based licensing scheme with a geographic licensing approach. Competitive bidding will be used to settle mutually exclusive licenses under the Commission proposal. Also, common carrier paging and private carrier paging should be similarly regulated in the future. The Commission is obligated to make these changes under the Omnibus Budget Reconciliation Act of 1993.