Interconnection Requirements

Agenda

- Principles
- Telcom Issues
- Telecom Act Implementation
- Summary & Conclusions


Agenda

- Principles
  - Network
  - Unbundling
  - Pricing

Principles: Network

- Exchange Connectivity
- Reciprocity
- Equal Treatment
- Equivalence
- Efficiency Provided (time & space)

Principles: Unbundling

- Essential Facilities Mandated
- Nonessential may be offered
- Non-discriminatory
- No resale restrictions

Principles: Pricing

- Prices Reflect Costs
Principles: Pricing

- Prices Reflect Costs
  - Usage sensitive price for usage sensitive costs
  - Non-usage sensitive price for non-usage sensitive costs

Price > Incremental Cost

Interconnection Prices
- Incremental cost plus
- Regulatory markup

Recovery of US Subsidy

Component Pricing
- Incremental cost plus
- Regulatory markup
- Unbundling costs covered
Principles: Pricing

- Prices Reflect Costs
-...
- Component Pricing
  - Incremental cost plus
  - Regulatory markup
  - Unbundling costs covered
  - Non-essential facilities -- market determined

Telecom Act Implementation

- Common Carrier
- Interconnection

Telecom Act of 1996: Sec. 251
Interconnection

- Carriers duties
  - "...to interconnect directly or indirectly with the facilities and equipment of others..."

Telecom Act of 1996: Sec. 251
Interconnection

- Carriers duties
  - "...to interconnect directly or indirectly with the facilities and equipment of others..."
  - "...not to install network features, functions, or capabilities that do not comply with the guidelines and standards..."

Telecom Act of 1996: Sec. 251
Interconnection

- Carriers duties
  - Exchange Carriers Obligations
    - Resale

Telecom Act of 1996: Sec. 251
Interconnection

- Carriers duties
  - Exchange Carriers Obligations
    - Resale: "... not to prohibit, and not to impose unreasonable or discriminatory conditions or limitations on, the resale of its ... services."
Telecom Act of 1996: Sec. 251

Interconnection

- Carriers duties
- Exchange Carriers Obligations
  - Resale
  - Number portability: "... to provide, to the extent technically feasible, number portability...."

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Telecom Act of 1996: Sec. 251

Interconnection

- Carriers duties
- Exchange Carriers Obligations
  - Resale
  - Number portability
  - Dialing parity

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Telecom Act of 1996: Sec. 251

Interconnection

- Exchange Carriers Obligations
  - Dialing parity: "... to provide dialing parity to competing providers ... and ... to permit all such providers to have nondiscriminatory access to telephone numbers, operator services, directory assistance, and listing, with no unreasonable...

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Telecom Act of 1996: Sec. 251

Interconnection

- Carriers duties
- Exchange Carriers Obligations
  - Resale
  - Number portability
  - Dialing parity
  - Access to rights-of-way

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Telecom Act of 1996: Sec. 251

Interconnection

- Carriers duties
- Exchange Carriers Obligations
  - Access to rights-of-way: "... to afford access to the poles, ducts, conduits, and rights-of-way ... to competing providers of ... services on rates, terms, and conditions that are consistent with section 224."
Reciprocal compensation: "... to establish reciprocal compensation arrangements for the transport and termination of telecommunications."

Incumbent Exchange Carriers
- Duty to negotiate: "... in good faith .... The requesting telecommunications carrier also has the duty to negotiate in good faith the terms and conditions of such agreements."

"Interconnection: The duty to provide, for the facilities and equipment of any requesting telecommunications carrier, interconnection with the exchange carrier's network"
Telecom Act of 1996: Sec. 251

Interconnection

- ...  
- **Incumbent Exchange Carriers**  
  - Duty to negotiate  
  - **Interconnection:**  
    - "at any technically feasible point ..."  
    - "that is at least equal in quality ... provided... to itself or ... any other party to which the carrier provides interconnection..."

Summary & Conclusions

- **Adequate Interconnection**  
  - Mechanics  
  - Unbundling  
- **Pricing**  
  - ROR rejected  
  - Incomplete specification  
  - Vague  
  - Not optimal

Interconnection Requirements

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