

Statement of Disclosure
Verizon/MCI Merger Proceeding, Docket No. UT-050814
Philip B. Jones, Commissioner

I recently attended the 2005 Summer Meeting of the National Association of Regulatory Utility Commissioners (NARUC) in Austin, Texas from July 24th to 27th. As a new member of the Telecommunications Committee of NARUC, I listened to all of the panel discussions and participated in the discussion of several resolutions. One of the panels I attended was a general discussion of the proposed mergers in the telecommunications industry, including several representatives of firms that propose to merge. In addition, I participated in the discussion and voting (in the affirmative) for two resolutions that address some of the concerns and issues involved in these proposed mergers from the standpoint of a state regulatory commission.

The first was the Resolution on Mergers in the Telecommunications Industry; the second was the Resolution on Stand Alone DSL in a Changing Telecommunications Industry. I have attached to this statement a copy of the former resolution as adopted, and the latter resolution as proposed.

I am making this disclosure not because I believe that my support of these resolutions is in conflict in any way with my responsibilities as a deciding official in this pending merger docket, but because I believe that actions of the Commissioners on topics relevant in any way to pending matters should be disclosed for parties to review.

The first resolution, relating to telecommunications mergers, notes that mergers may have effects that are both beneficial and detrimental to competition. It resolves that the Federal Communications Commission and the Department of Justice should closely review any significant merger, and that conditions should be considered to remedy any demonstrated anti-competitive effects. It further resolves that state commissions should play a meaningful participatory role in any merger conditions, as appropriate, and directs the NARUC General Counsel to act with due diligence to further the Resolution in all FCC and Department of Justice proceedings relevant to a merger.

This resolution passed the Telecommunications Committee unanimously with a voice vote, and then was referred to the Board for its approval. It was adopted by the NARUC Board of Directors on July 27, 2005.

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The second Resolution related to the provision of DSL services.

This resolution first recites that bundling pricing plans could require persons who choose to rely exclusively on "Voice Over Internet Protocol" or VOIP to pay significantly more for DSL service than persons who choose to purchase both DSL and analog telephone service as part of a bundle of services. It then Resolves that merger reviews at both the federal and state levels carefully consider the competitive effect of such pricing and that if the evidence demonstrates anti-competitive effects, the relevant bodies consider a Condition barring any requirement of incumbent local exchange companies that analog telecommunications service be a condition of the provision of DSL service or for favorable pricing of DSL service. It concludes by directing the NARUC General Counsel to act with due diligence to further the result of the Resolution. This resolution passed the Telecommunications Committee with a voice vote, was referred to the Board, but was not adopted since it had not complied with the procedural requirements of NARUC for the submission and review of resolutions.

One of the primary jobs of NARUC is to advance the discussion and debate on important policy issues that confront policymakers and regulators both at the national and state level. The various committees of NARUC carry out this responsibility by putting together panel discussions of national and state experts that engage in broad, policy dialogue without interfering in any specific case or matter that is before a state regulatory body.

Neither Resolution makes a finding that would prejudice any matter relevant to this docket.

Sincerely,

Philip B. Jones, Commissioner
August 8, 2005