



CIRF

Converging Industries Research Foundation

Practical Solutions for Communications Policy

TIAP Questionnaire

November 17, 1996

*Presentation at the November 1996 NARUC Meeting,
San Francisco, CA*

TIAP Questionnaire

*Presentation at the NARUC Communications Committee
November 17, 1996, San Francisco, CA*

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Telecommunications Industries Analysis Project:

**Telecommunications Industries Analysis Project
Questionnaire**

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Presentation at the NARUC Communications Committee
November 17, 1996, San Francisco, CA.

The Telecommunications Industries Analysis Project is associated with the Public Utility Research Center at the University of Florida College of Business Administration.

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I. Questionnaire Results

Introduction

Over the past six years, the Telecommunications Industries Analysis Project has assisted policy makers by providing them with tools to make informed decisions. Our research objectives are to produce educational materials and to explore alternative approaches to key issues, all within a neutral setting. This research consortium, which includes NARUC participants, is setting its agenda for the upcoming year.

At the suggestion of the NARUC Communications Committee Policy Subgroup on Regulatory Methodologies, a questionnaire was sent to the Commissioners on the Communications Committee. The objective was to help TIAP to continue providing NARUC and others with useful research - the importance of which cannot be overstated in this period of unprecedented change.

The questionnaire covered four main topics: (A) revising and/or eliminating cost allocation mechanisms; (B) network evolution; (C) impact of the Internet; and (D) consumer protection mechanisms. The Commissioners were asked to rank the four topics by order of preference, and, in addition, to indicate preferences on issues associated with each of these topics.

Questionnaire Results

The following results will be used in setting the Project's research agenda for the coming year.

Out of the thirty Commissioners polled, twenty-nine responded (97%). **Figure 1** shows the results of ranking the four main topics by the number of responses. Although individual Commissioner responses varied, there was widespread interest in each of the Project's proposed main topics. Two main topics drew slightly more interest than the rest: network evolution and consumer protection.

Figures 2 through 4 indicate the level of interest in the issues (sub-topics) associated with each of the main topics. **Figure 2** shows the number of responses in each level of interest category (very interested, moderately interested, and no interest) by topic. Overall, the first two categories received a larger response (47% very interested, 43% moderately interested) than the last category (10% no interest). The Commissioners expressed strong levels of interest in many of the sub-topics associated with each of the four main topics.

To simplify the patterns, **Figure 3** replaces the three levels of interest for each issue with one weighted number. The weighting assigned the following numbers to each level of interest: 3 for very interested, 2 for moderately interested, and 1 for no interest. In order to see which sub-topics are of the most interest to the Communications Committee, **Figure 4** ranks the sub-topics by the weighted responses in **Figure 3**.

Across the topics, the greatest interest is in alternative approaches, impacts, and incentives.

Figure 1: Topics Ranked by Preference

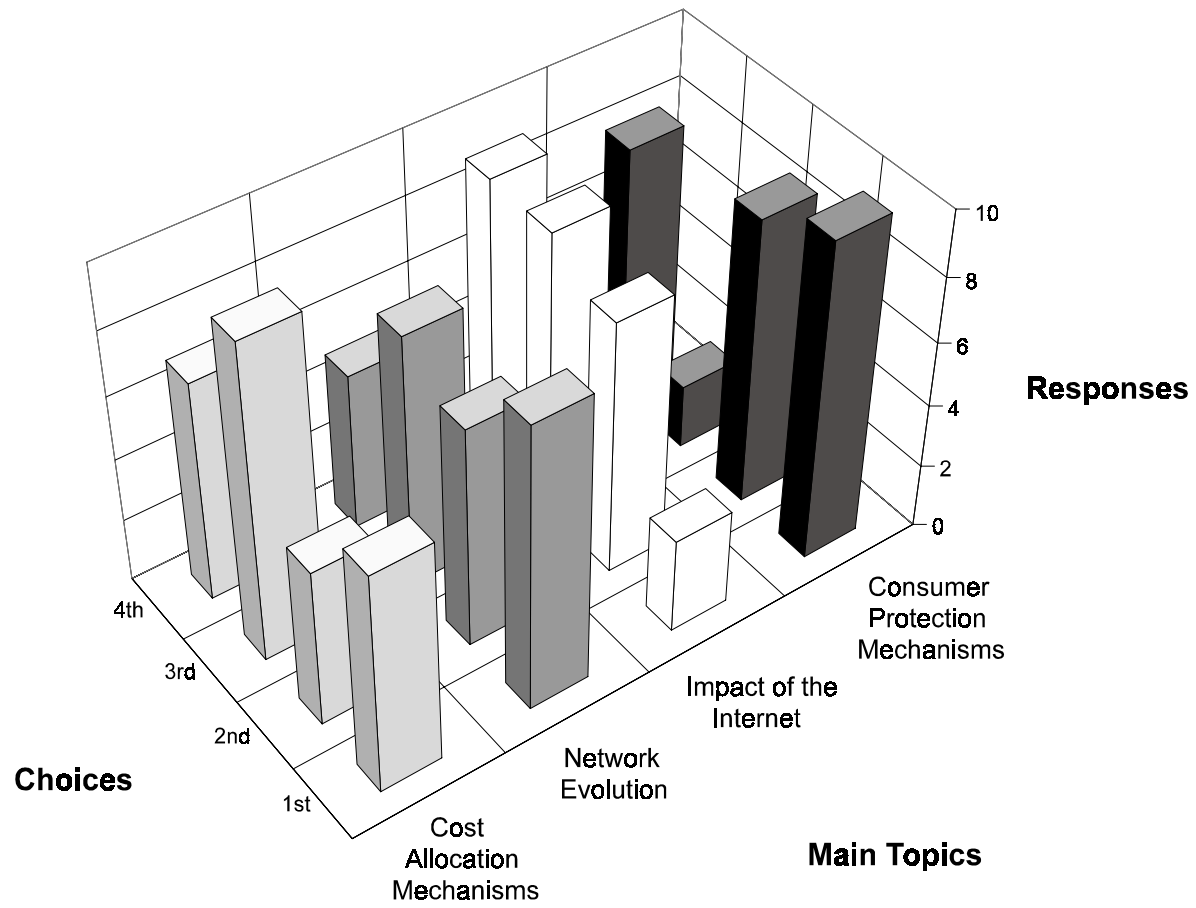


Figure 2: Level of Interest by Issues

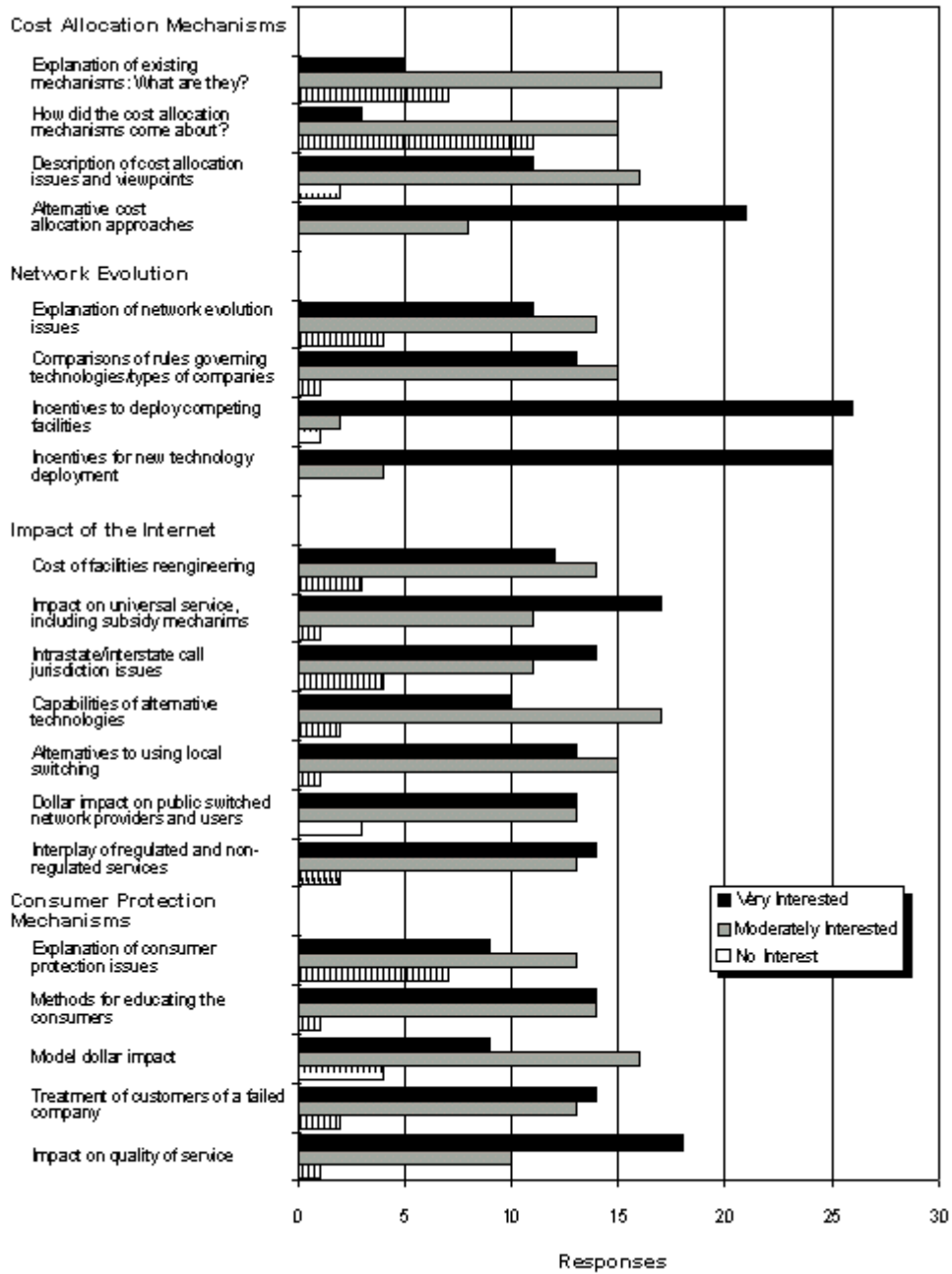


Figure 3: Level of Interest by Issues (Weighted Responses)

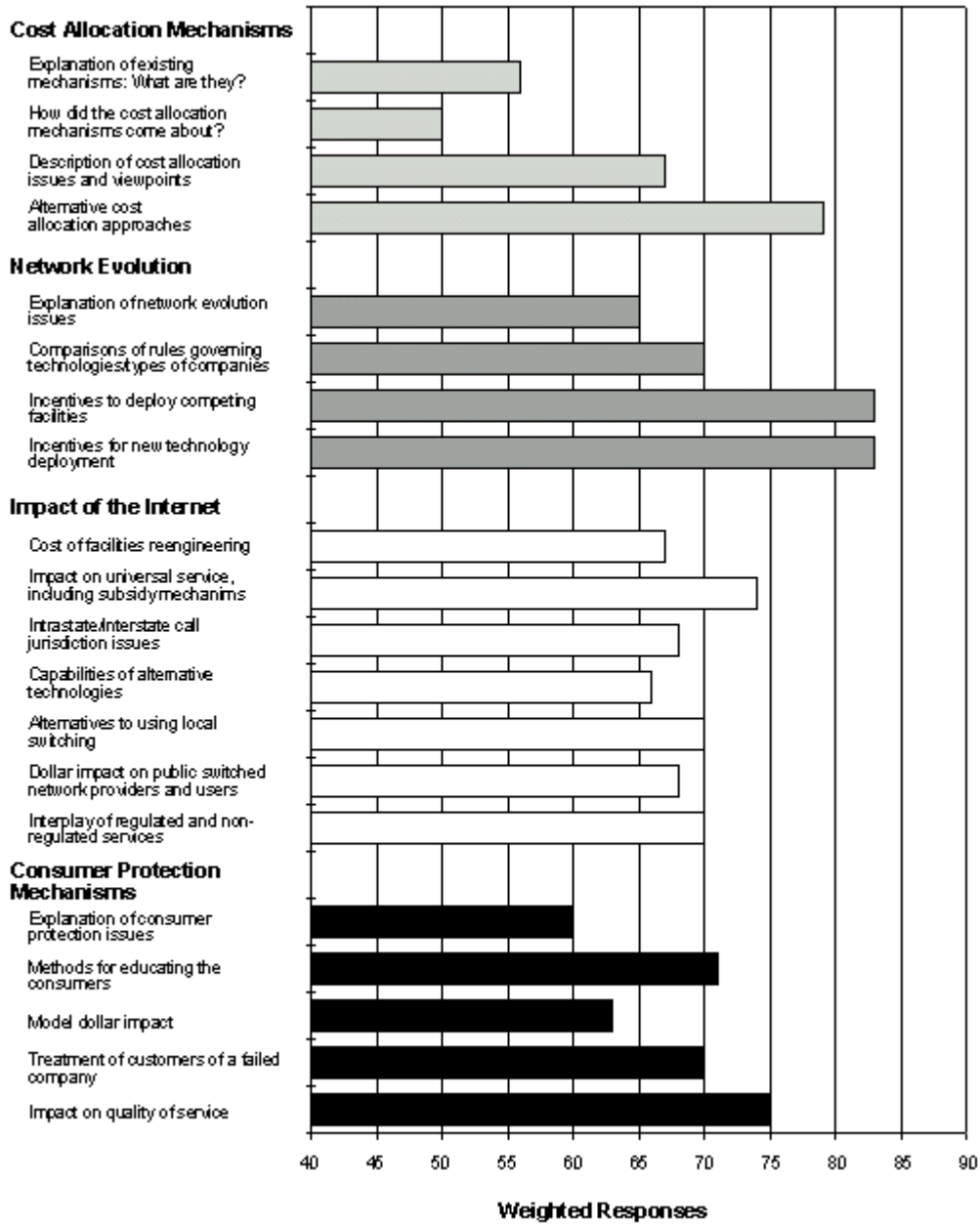
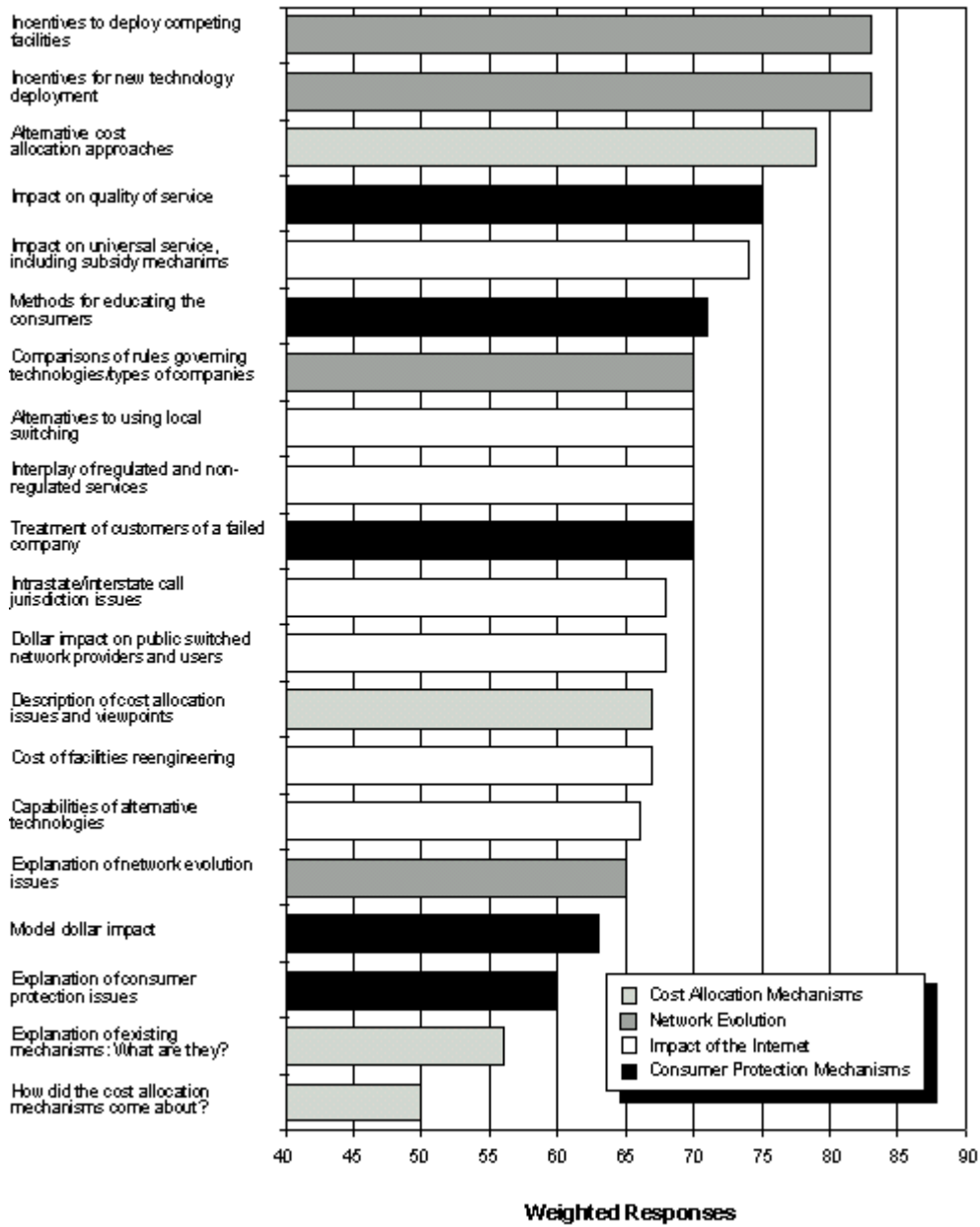


Figure 4: Level of Interest by Issues (Ranked Weighted Responses)



II. Questionnaire

**Questionnaire for the NARUC Communications Committee Commissioners
Telecommunications Industries Analysis Project
October 22, 1996**

1. Please place a check mark to indicate your level of interest in the issues associated with each of the main topics described below:

- A. Cost allocation methodologies were developed to solve specific problems arising within a monopoly, rate base/rate-of-return framework. As this framework disappears, some of these problems may also disappear, new problems may arise, and new solutions will be needed. What current problems are cost allocations solving? Could these problems be solved differently? What might a world without cost allocations look like? What would it take to get there?

<i>Very Interested:</i>	<i>Moderately Interested:</i>	<i>No Interest:</i>	<i>Sub-topic:</i>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Explanation of existing mechanisms: What are they?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	How did they come about?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Description of issues and viewpoints
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Alternative approaches (i.e., what needs to be kept and what can be eliminated).

- B. The importance of network evolution, including new technology deployment, is assumed by the Telecommunications Act of 1996. What are the incentives for network investment? What are the disincentives? Are the policies implemented today going to result in the facilities needed for the future?

<i>Very Interested:</i>	<i>Moderately Interested:</i>	<i>No Interest:</i>	<i>Sub-topic:</i>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Explanation of issues.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Comparisons of rules governing various technologies and types of companies
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Incentives to deploy competing facilities.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Incentives for new technology deployment.

II. Questionnaire, cont.

C. The Internet's popularity is already straining portions of the public switched network through increases in trouble reports, in problems with dial-tone delay, and in reengineering costs. What is the impact of Internet services on the public switched network? And on existing mechanisms (e.g., universal service)?

<i>Very Interested:</i>	<i>Moderately Interested:</i>	<i>No Interest:</i>	<i>Sub-topic:</i>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Cost of facilities reengineering due to shifts in traffic patterns and growth in network usage.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Impact on universal service, including subsidy mechanisms, as voice calls move to the Internet.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Intrastate/interstate call jurisdiction issues.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Capabilities of alternative technologies, i.e. wireline and wireless.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Alternatives to using local switching.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Dollar impact on public switched network providers and users if nothing is changed.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Interplay of regulated and non-regulated services

D. The move toward competitive, technology-driven markets requires changes in the mechanisms for consumer protection. What are potential problem areas and what are the potential costs to the consumers?

<i>Very Interested:</i>	<i>Moderately Interested:</i>	<i>No Interest:</i>	<i>Sub-topic:</i>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Explanation of issues.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Methods for educating the consumers.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Model dollar impact (e.g., cost to customers and companies when slamming occurs).
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Treatment of customers of a failed company.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Impact on quality of service.

2. Please rank the four main topics in the order of preference.

- ___ A. Revising and/or eliminating cost allocation mechanisms.
- ___ B. Network evolution.
- ___ C. Impact of the Internet.
- ___ D. Consumer protection mechanisms.

III. Project Information

1996 Participants in the Telecommunications Industries Analysis Project

State Regulators	NARUC representatives from: Florida Public Service Commission Illinois Commerce Commission Iowa Utilities Board New York Public Service Commission Washington Utilities and Transportation Commission
Regional Holding Companies	Bell Atlantic Bell South NYNEX SBC Communications U S WEST
Independents	GTE Kalona Cooperative Telephone Sprint Local Telecom Division
Interexchange Carriers	AT&T Sprint
Cellular and Wireless Carriers	360° Communications
Foreign Domestic	InfoCom Research NTT America
International Government Representatives	France
Materials Manufacturers	Corning
Telecommunications Equipment Manufacturers	Nortel

Sponsors:

Corporation for Public Broadcasting

Assisting with *public* data:

Bellcore
Federal Communications Commission
National Exchange Carrier Association
National Telecommunications and Information Administration

III. Project Information, cont.

Background on the Telecommunications Industries Analysis Project

The goal of the Telecommunications Industries Analysis Project is to provide information to support the development of alternative communications policies to meet the needs of stakeholders in an environment that includes competitive and non-competitive markets, federal and state regulatory jurisdictions, and a proliferation of new services made possible by technological advances. The purpose of the project is to produce research and analysis that will assist policy makers in making informed decisions.

The project provides a neutral forum for communications industry stakeholders exploring multiple viewpoints on selected issues. This forum incorporates the following elements:

- **Broad representation:** The current forum includes foreign and domestic local exchange carriers (LECs), interexchange carriers (IXCs), materials and equipment manufacturers, and federal and state regulators. The project actively seeks expansion of this forum to include other communications industry representatives such as competitive access providers, cable television companies, computer companies, electric power utilities, and publishers.
- **Multiple viewpoints:** Participants are required to play an active role in the research and analysis, to represent their own interests, to understand and to assist in developing others' perspectives, and to work toward the common goal of representing multiple views. Since papers reflect multiple viewpoints and ideas, authors and reviewers may not agree with particular views or approaches expressed in the papers. The objective is to lay out ideas and options to assist policy makers in their decisions.
- **Analysis and results of alternative policies:** Research tools, including a jointly produced data base and computer software models, and data analysis developed by this forum create a common language for examining issues. The common language allows the participants to focus on underlying issues. Appropriate computer software tools, including modifications to existing tools, are developed.
- **All data, analysis methods, and results are public:** Data used by this project must be publicly available on a nationwide basis. Research products become public domain information.
- **Neutral setting:** The project resides in a neutral setting, free of partiality, thereby ensuring objective and independent research.

What the Project has Done

The project has conducted public workshops at the national meetings of the telecommunications industry regulators. The project's research papers have been the basis for meetings with the Federal Communications Commission, Congressional staffs, the Congressional Research Service, and the National Telecommunications Information Administration. The project has also produced a number of papers plus software modeling tools for analysis of financial structures and new technology deployment.

IV. Order Form for TIAP Papers

Fill out the form and fax (617-367-7127) or mail your request to:

TIAP, Carol Weinhaus

Meeting House Offices

121 Mount Vernon St.

Boston, MA 02108

Telephone: (617) 367-6909 e-mail: weinhaus@worldnet.att.net

Name _____ Title _____

Company _____ Phone _____

Address _____ Fax _____

RESEARCH PAPERS

1996:

- _____ *Regulatory Wildcards: Unforeseen Impacts on Investments Decisions in Regulated Companies.*
- _____ *A Snapshot in Time: LEC Switch Investment and Price Structures for Connections to the Switch Just before the Telecommunications Act of 1996*

1995:

- _____ *Cellular to PCS: A Wireless Primer*
- _____ *Overview of Universal Service*
- _____ *The Information Studio*
- _____ *Schools in Cyberspace: The Cost of Providing Broadband Services to Public Schools*
- _____ *Loop Dreams: The Price of Connection for Local Service Competition*
- _____ *Overview of New Technology Deployment Model: Broadband with Associated Depreciation and Overheads*

1994:

- _____ *Abort, Retry, Fail? The Need for New Communications Policies*
- _____ *Redefining Universal Service: The Cost of Mandating the Deployment of New Technology in Rural Areas*
- _____ *Universal Service Tool Kit, Part 1: Getting From Here to There: Transitions for Restructuring Subsidies*
- _____ *Universal Service Tool Kit, Part 2: Beyond Cost Allocations: Benchmark Subsidy Method*
- _____ *Apples and Oranges: Differences between Various Subsidy Studies*
- _____ *Long-Term Restructuring Idea 1: Layering or Integrating Networks and Services*

1991-1993:

- _____ *Beyond Future Shock: Need for a New Response to Technological Change*
- _____ *Breaking the Mold: Changing Policies to Meet Customer Needs*
- _____ *What is the Price of Universal Service? Impact of Deaveraging Nationwide Urban/Rural Rates*
- _____ *Square Pegs and Round Holes: Mismatches between Government Policies and Converging Communications Markets*

IV. Order Form for TIAP Papers, cont.

____ *Who Pays Whom? Cash Flow for Some Support Mechanisms and Potential Modeling of Alternative Telecommunications Policies*

____ *Technical Documentation of the Paradox Database: 1989 Nationwide Data Set, User Guide.*

____ *Data Analysis Tool and Data Entry Forms: 1989 Nationwide Data Set, User Guide.*

____ *New Technology Deployment Model: Broadband and Depreciation Models: 1989 Nationwide Data Set, User Guide.*

____ *New Wine and Old Wineskins: Modeling Effects of Competition and Expanded Interconnection in the Local Exchange.*

____ *Support Mechanisms: Issues and an Example of Potential Problems in the Future.*

____ *Broadband Capable Network: Voice, Data, Video, and Graphics - Architecture and Modeling Assumptions.*

____ *Current Status, Alternative Costing Methods Project: Examples of Modeling – Transport and Other Issues.*

____ *Current Status, Alternative Costing Methods Project: Update on Modeling and Key Components of Technology Deployment Model.*

____ *Interim Report of the Alternative Costing Methods Project: An Example of Modeling an Issue – Transport: EqualCharge for Equal Unit of Traffic.*