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Even Under the Proposed Amendments, SB 400 Deregulates Monopoly Services The Commission Should Retain Jurisdiction Of All Wholesale Issues

- 1. Original SB 400 Section 10 needs further amendment:
 - 1. AT&T FIX "Broadband Service" should read as follows:

 "Broadband service" means any <u>retail</u> service that transmits
 information <u>to the Internet</u> at a rate that is generally not less than
 190 kilobits per second in at least one direction.
 - 2. Rationale: Unless retail is specified SB 400 deregulates wholesale services which is a monopoly service. Unless the Internet is specified, every business service provided over a high capacity line would also be deregulated in addition to true broadband Internet service.
- 2. Under SB 400 the PUC-N would have no jurisdiction over any wholesale activities, including the setting of wholesale rates, commercial disputes, federal requirements for access to Sprint or SBC facilities on prices, terms and conditions.
 - A. AT&T FIX: Regulatory forebearance of broadband services should be modified to allow commercial complaints concerning broadband services. Accordingly original SB 400 Section 4(1) **should read**:

"The Commission must not regulate broadband service, including imposing any requirements related to the terms, conditions, rates or availability of broadband service, with the exception of consumer complaints brought under 703.310 and commercial complaints brought under NRS 704.282 over which the Commission retains iurisdiction and duties.

Rationale: SBC and Sprint are monopoly providers of wholesale DSL facilities in their respective territories. Resellers are large customers of the wholesale monopoly providers and should have a right to have their legitimate complaints addressed by the PUC-N.

B. AT&T FIX: maintain the current definition of "public utilities" NRS 704.020 (original SB 400 Section 11) and "telecommunications services" NAC 704.00884 (original SB 400 Section 7)
Rationale: There is no competition between wholesale providers. SB 400 eliminates PUC-N oversight of wholesale providers. With such regulatory oversight, resellers and new competitors are at the mercy of the monopolists.

Submitted by John Frankovich and Julian Chang on behalf of AT&T April 4, 2003

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