

STATE OF NEW YORK

Public Service Commission

William M. Flynn, Chairman

Three Empire State Plaza, Albany, NY 12223

Further Details: (518) 474-7080

<http://www.dps.state.ny.us>

FOR RELEASE: IMMEDIATELY

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PSC Seeks Comment on Regulatory Framework for Telecommunications Services

Albany, NY—9/28/05—The New York State Public Service Commission has scheduled a series of statewide public involvement events concerning the Commission's broad examination of its telecommunications policies, practices, and rules in light of rapidly changing technologies and competitive marketplace advances, including the emergence of Internet and cable-based telephone services. To help guide its decision-making process, the Commission is actively seeking the views of the public through educational forums and public statement hearings.

Technological and marketplace advances are rapidly changing the telecommunications industry. Many consumers in New York are already benefiting from a vigorous marketplace and have considerable choice. New intermodal forms of competition are quickly gaining acceptance in the marketplace and thus are creating substantial facilities-based competition. Traditional cable providers are offering digital telephones. Wireless services are being used as basic telephone service by an increasing number of New Yorkers. In addition, advanced broadband services are widely available in New York and emerging applications, such as Voice over Internet Protocol (VoIP), also provide local and national telecommunications services to residences and business users. As intermodal competition flourishes, traditional carriers are being forced to respond.

Given the rapid evolution and adoption of new telecommunications technologies and applications, the Commission's goal is to establish a flexible regulatory framework that promotes innovation and encourages economic investment in the state's telecommunications infrastructure. The Commission's proceeding will result in the adoption of policies designed to foster and

encourage the delivery of the benefits of competitive markets to all telecommunications consumers, while ensuring that telecommunications services are available at just and reasonable rates and provided in a safe and adequate manner.

The public involvement events are designed to provide information to consumers and solicit their views about the rapid changes in telecommunications technology and advances in the competitive marketplace. The dates, times, and locations for the second round of events are:

Thursday, October 6

Educational Forum & Public Statement Hearing
Lussi Rink, Olympic Center
2634 Main Street
Lake Placid, NY
4:00 PM – 6:00 PM

Tuesday, October 11

Educational Forum & Public Statement Hearing
Bethlehem Public Library
Community Room
451 Delaware Avenue
Delmar, NY
4:00 PM – 6:00 PM

Background on PSC Proceeding

In June, the Commission announced that it was undertaking a re-examination of its telecommunications policies, practices and rules. New York has long been on record stating its strong preference for competitive markets as the most effective approach to ensure the provision of reasonably priced and reliably provided telecommunications services. The Commission also recognized that during the transition to competitive markets, the degree of regulation needs to be flexible. Where competition is robust, regulatory restraint is the best approach; where it is not, some intervention may be required to restrain the exercise of market power and to ensure adequate consumer protections. The Commission's approach has been designed to ensure consumer protection while maximizing competitive benefits.

The fast-changing telecommunications environment also raises a number of questions regarding the varying regulation that is applied to a variety of competitors offering telecommunications services using different technologies (also known as intermodal competition). The Commission indicated its intent to eliminate, consistent with the public

interest and to the extent practicable, these regulatory differences, or asymmetries, and to create a more level playing field for all telecommunication technologies.

The Public Involvement Events

At each educational forum, Department of Public Service staff will conduct a one-hour session for consumers to informally discuss the purpose of the Commission's examination, including a review of the questions posed by the Commission. Staff will summarize the Commission's examination of the regulatory requirements for telecommunications services and review recommendations in its white paper regarding the future of regulation of the telecommunications industry. Staff's white paper is available on the Commission's Web site (www.dps.state.ny.us). The white paper and informational handouts prepared by staff also will be available at the educational forums, and knowledgeable staff will be available to answer questions.

Promptly following each educational forum, consumers will have an opportunity to make comments before an Administrative Law Judge at a public statement hearing. It is not necessary to make an appointment in advance or to present written material in order to speak. Speakers will be called in the order in which they sign up at the door, on a first-come, first-served basis. Everyone wishing to comment will be heard or other acceptable arrangements will be made. A court reporter will transcribe all public statements. The transcripts, as well as a summary of the public comments, will be included in the Commission's formal record.

Disabled persons requiring special accommodations may place a collect call to the Department of Public Service's Human Resource Management Office at (518) 474-2520, as soon as possible. TDD users may request a sign language interpreter by placing a call through the New York Relay Service at 711 to reach the Department of Public Service's Human Resource Office, or their representative may call the office collect at the number mentioned above.

Other Ways to Comment

Persons not wishing to speak, or who are unable to attend the public events, may comment on the staff's recommendations by mailing their written statements to Jaclyn A. Brillling, Secretary, New York State Public Service Commission, Three Empire State Plaza, Albany, New York 12223. These letters should reference Case 05-C-0616 – "Commission's

Examination of Issues Related to the Competitive Provision of Telecommunications Services" and should be received no later than Tuesday, November 1, 2005.

Other alternatives available for submitting comments for consideration by the Commission, include:

Toll-free Opinion Line: Interested persons may call the Commission's toll-free Opinion Line at 1-800-335-2120. This phone line is set up to receive comments from in-state callers, 24 hours a day. Callers should press "2" to leave comments about the proceeding.

The Internet: Comments also may be submitted via the "PSC Comment Form" in the "Contact Us" file accessed through the homepage of the Commission's consumer Web site. The Web site address is www.AskPSC.com, and comments are downloaded regularly. Many libraries offer free Internet access.

All statements and comments received by the Commission are placed in the public case file and will be made available for public inspection in the Commission's file room. All statements and comments should be received no later than Tuesday, November 1, 2005. The public file can be viewed online at <http://www.dps.state.ny.us> or at the Commission's Offices, Central Files, 14th floor, Three Empire State Plaza, Albany, NY.