

PROGRAM IV: COMMON CARRIER

Statutory authority.—Communications Act of 1934, as amended, and the Communications Satellite Act of 1962.

Nature of program and benefits.—Communications services furnished for hire by common carriers to the public by use of wire, radio, or satellite facilities. Regulatory activities include: regulation of rates, services, and accounting practices of common carriers; prescription of depreciation rates; licensing and certification of facilities; preparation for and participation in international telecommunications conferences.

The outputs of this program are basically the establishment and maintenance of (1) adequate services and facilities to meet all reasonable demands for expeditious and efficient communication, and for the purpose of national defense; and (2) just, reasonable, and nondiscriminatory communication rates, classifications, regulations, and practices.

Specific examples of regulatory activities which have resulted or are expected to result in direct benefit to the public include:

Completion of the first phase of the Commission's inquiry into the Bell System's interstate telephone rates resulting in total savings in long distance tolls for telephone users estimated at \$120 million per year. The second phase of the proceeding is now in progress, directed toward the establishment of just, reasonable, and nondiscriminatory rate levels for the principal individual classes of service.

Savings of \$1.4 million are anticipated as a result of establishment of "after 8" rates and evening charges for station-to-station calls to Alaska from the other continental States.

Recently revised rate structures for wide area telephone service (WATS) are expected to result in savings of \$5.6 million.

An inquiry into the regulatory and policy problems presented by the interdependence of computer communication services and facilities is now in progress. The growing convergence of computers and communications has given rise to a number of regulatory and policy questions within the purview of the Communications Act. These questions require timely and informed resolution by the Commission in order to facilitate the orderly development of the computer industry and promote the application of its technologies in such fashion as to serve the needs of the public effectively, efficiently, and economically.

The Commission has initiated investigations into telephone company charges for channel service to CATV operators. This inquiry is expected to establish the legitimate role for communications common carriers in the developing CATV and related wired variety of wired communications services to the home.

The Commission has before it several cases involving tariff restrictions on the subscriber's use of attachments, or devices not furnished by the carrier; interconnection of private systems with those of communications common carriers, and the entry of competing common carriers. The rulings in these cases could significantly affect the structure of the industry and the degree of competition that is to exist in the supply of equipment and the provision of communication services.

The Commission, after extensive informal inquiry and study, has advised the American Telephone & Telegraph Co. that it will entertain an application for a fifth trans-Atlantic voice cable, subject to certain conditions, including the requirement that rates shall be reduced by at least 25 percent upon placing the cable in service.

Over 700 projects are authorized by the Commission annually to extend or supplement wire and microwave radio facilities. These actions lead to improved and expanded telecommunication service, and cost benefits flowing from economies of scale and application of new technologies.

Name of the official having direct operational responsibility over the program is Bernard Strassburg, Chief, Common Carrier Bureau.

Mr. HYDE. Mr. Strassburg is the Chief of that Bureau.

Mr. Chairman, may I make a brief statement while Mr. Strassburg is coming up. This is the Bureau which regulates the rates and practices of the carriers. It includes international and interstate. It includes such matters as satellite communications.