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In June 1990, the District of Columbia Public Service Commission prepared a study on the issue of why separate subsidiaries are necessary for competitive services offered by telecommunications companies which also provide noncompetitive services. The study was entitled, "For Whom Do The Bells Toll? The case for separate subsidiaries." This paper will highlight the findings of the D.C. Commission study on separate subsidiaries. Prior to discussing the findings, the paper will review the genesis of the study.

During the late 1980's the regional bell operating companies intensely lobbied Congress regarding the need for legislative relief from business restrictions imposed in the Modified Final Judgment (MFJ) that concluded the U.S. Department of Justice's antitrust suit against AT&T in 1984. Under the MFJ, the Regional Bell Operating Companies (RBOCS) were prohibited from (1) manufacturing telephone equipment, (2) providing information services, and (3) providing long distance service. If Congress had allowed the RBOCS to provide information services, the question arises as to what safeguards are necessary for monopoly ratepayers (and other competitors) because of the advantages the RBOCS have from the joint provision of monopoly and competitive services using the same integrated network. The study addressed the problem of how to develop realistic and adequate safeguards. Since Judge Greene under the direction of the Appeals Court has allowed the