

AMENDING THE COMMUNICATIONS ACT OF 1934, AS  
AMENDED

JULY 23, 1953.—Committed to the Committee of the Whole House on the State  
of the Union and ordered to be printed

Mr. ROGERS of Florida, from the Committee on Interstate and Foreign  
Commerce, submitted the following

R E P O R T

[To accompany H. R. 6436]

The Committee on Interstate and Foreign Commerce, to whom was referred the bill (H. R. 6436) to amend the Communications Act of 1934, as amended, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

The purpose of the legislation is to clarify the provisions of the Federal Communications Act with regard to the jurisdiction of the Federal Communications Commission over telephone and telegraph companies which are engaged primarily in intrastate activities and which, therefore, should be subject to State and local regulation rather than Federal regulation. Questions have been raised, however, with regard to the possibility that such companies might become subject to Federal regulation on account of the use by such companies of radio as a medium instead of wire lines. Under certain circumstances the use of radio is the best engineering solution as, for example, in the case of telephone service to moving vehicles or to isolated locations, such as farmhouses in rural communities or isolated business developments, such as mines, oil-drilling operations, seasonal resort areas, etc. The legislation is designed to make certain that the use of radio will not subject to Federal regulation companies engaged primarily in intrastate operations.

The legislation is sought by the United States Independent Telephone Association, the national trade organization of more than 5,000 so-called independent telephone companies. These companies, in the main, operate in the smaller communities and in rural areas. The legislation has the endorsement of the National Association of Railroad and Utilities Commissioners. There is no known opposition to this legislation.

A subcommittee of the Committee on Interstate and Foreign Commerce held hearings on H. R. 3189 and H. R. 3311, and as a result of the hearings, a clean bill (H. R. 6436) was introduced which incorporates certain technical changes which were agreed to by the Federal Communications Commission and the United States Independent Telephone Association. The letters received from the Federal Communications Commission with regard to H. R. 3189 and H. R. 3311 and with regard to the aforementioned technical changes are set out in the appendix.

The legislation will remove the present uncertainties with respect to the jurisdictional status of the so-called independent companies. These uncertainties have had a definite hampering effect upon the utilization of radio by these small enterprises. The enactment of this legislation will enable these companies to make the necessary investment in radio-telephone equipment in order to provide the best possible telephone service in the public interest.

## APPENDIX

FEDERAL COMMUNICATIONS COMMISSION,  
Washington 25, D. C., May 7, 1953.

HON. CHARLES A. WOLVERTON,  
Chairman, Committee on Interstate and Foreign Commerce,  
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN WOLVERTON: This is in reply to your letter of February 21, 1953, requesting comment on H. R. 3189 and your letter of February 24, 1953, requesting comment on H. R. 3311. The two bills are identical and propose to amend sections 2 (b) and 221 (b) of the Communications Act of 1934, as amended.

The Commission appreciates having been informed of H. R. 3189 and H. R. 3311 and afforded an opportunity to comment thereupon. We regret the delay in submitting the enclosed comments, but the intricate details of the bills necessitated rather lengthy consideration.

The Commission will be pleased to submit any further information or comments that your committee may desire. In view of the request from your committee for immediate submission of our comments on the two bills, the attached comments are submitted to you prior to obtaining clearance from the Bureau of the Budget.

By direction of the Commission:

ROSEL H. HYDE, *Chairman.*

COMMENTS OF THE FEDERAL COMMUNICATIONS COMMISSION ON H. R. 3189 AND H. R. 3311, BILLS TO AMEND SECTIONS 2 (b) AND 221 (b) OF THE COMMUNICATIONS ACT OF 1934

H. R. 3189 and H. R. 3311 are identical bills, introduced in the 83d Congress, 1st session, proposing to amend sections 2 (b) and 221 (b) of the Communications Act of 1934, as amended. Section 2 (b) is concerned with the Commission's jurisdiction over interstate and foreign communication services and common carriers engaged in such services, and section 221 (b) restricts the Commission's jurisdiction over interstate wire telephone exchange service.

The two bills would amend section 2 (b) of the Communications Act to read as follows (*italic indicates proposed new language*):

SEC. 2.

"(b) Subject to the provisions of section 301, nothing in this Act shall be construed to apply or to give the Commission jurisdiction with respect to (1) charges, classifications, practices, services, facilities, or regulations for or in connection with intrastate communication service of any carrier of (2) (I) any carrier engaged in interstate or foreign communication solely through physical connection with the facilities of another carrier not directly or indirectly controlling or controlled by, or under direct or indirect common control with such carrier; or (II) any carrier engaged in interstate or foreign communication through telephone service by radio, or by wire and radio, between stations located within the same State, or through mobile service, or through any combination of such services, where but for such service or services involving the use of radio such carrier would be a carrier described in sub-

clause (1) of this clause (2); except that sections 201 to 205 of this Act, both inclusive, shall, except as otherwise provided therein, apply to carriers described in clause (2)."

Under the existing provisions of section 2 (b) of the Communications Act, the Commission does not have jurisdiction over the charges, classifications, practices, services, facilities, and regulations for, or in connection with, intrastate communication service of common carriers. It has only limited jurisdiction (i. e., jurisdiction conferred by secs. 201 through 205 of the Communications Act) over carriers which are engaged in interstate or foreign communications solely through physical connection with the facilities of another carrier not directly or indirectly controlling or controlled by, or under direct or indirect common control with such carrier. However, the above limitations on the Commission's jurisdiction are, by the introductory clause to section 2 (b), made subject to the provisions of section 301 of the act, which sets forth in general terms the authority of the Commission over radio transmission.

The amendment to section 2 (b) proposed by these bills is apparently intended to accomplish two things:

(a) To make certain that a carrier otherwise falling within the exemption of section 2 (b) (2) will come under that exemption notwithstanding the fact that the carrier may be engaged in interstate or foreign communication through telephone service "by radio, or by wire and radio, between stations located within the same State \* \* \*"

(b) To make certain that a carrier otherwise falling within the exemption of section 2 (b) (2) will come under that exemption even though it operates an interstate mobile radio service.

With respect to the apparent purpose set forth in (a) above, the Commission believes that the proposed amendment is not necessary. The Commission has taken the position that where a proposed radio operation by a carrier such as described in section 2 (b) (2) of the act will be point-to-point in nature, and only between points within the same State, such radio operation would not alter the status of such carrier as a section 2 (b) (2) carrier under the act.<sup>1</sup> In view of the Commission's position on this aspect of the matter, that part of the proposed amendment which appears to relate to point-to-point radio operations is deemed to be unnecessary, although unobjectionable.

The Commission is not opposed to an amendment achieving the second apparent purpose of the proposed legislation—bringing within the exemption of section 2 (b) (2) those carriers meeting the requirements of the section other than in the operation of interstate mobile radio service. It is believed, however, that the language of the proposed legislation is objectionable in that it applies to foreign mobile service by such carriers as well as interstate service. Hence, carriers engaged in mobile radio transmissions to ships or airplanes in foreign commerce—outside the 3-mile limit or across an international boundary—would be exempted from all the common carrier provisions of the act except sections 201 through 205, even though such carriers might not be subject to the regulatory jurisdiction of any State or locality.

Moreover, the proposed amendment appears to be ambiguous or inconsistent in certain respects. Thus, the exemption of section 2 (b) (2) seemingly is not extended to those telephone carriers whose interstate communication is by means of an interstate radio connection with the facilities of another carrier, leaving it applicable to those carriers that engage in interstate communication solely by means of a physical connection with the facilities of another carrier. The proposed point-to-point radio communication exemption applies only to communication "between stations located within the same State" and therefore would not include carriers having an interstate radio connection with the facilities of another separately controlled carrier. Similarly, the exemption of carriers engaging in interstate or foreign mobile service is apparently limited to those carriers which have interstate physical connection with the facilities of another carrier. The entire exemption encompassed by the proposed subclause (II) to clause (2) of section 2 (b) is made subject to a requirement that "where but for such service or services involving the use of radio such carrier would be a carrier described in subclause (I) of this clause (2)." The only carriers described in subclause (I) of clause (2) are those "engaged in interstate or foreign communication solely through physical connection with the facilities of another carrier." Also, it may be observed that while the present section 2 (b) (2) applies to both telephone and telegraph carriers, the proposed amendment applies only to telephone carriers. There

<sup>1</sup> This position is expressed in a letter sent, by direction of the Commission, to the Northern Ohio Telephone Co. A copy of this letter is attached as an appendix.

would appear to be no sound basis for the discriminations which seemingly result from the foregoing provisions of the proposed amendment.

In order to remedy the above objections, the Commission recommends that section 2 (b) be amended as follows (*italic indicates proposed new language*):

SEC. 2.

"(b) Subject to the provisions of section 301, nothing in this Act shall be construed to apply or to give the Commission jurisdiction with respect to (1) charges, classifications, practices, services, facilities, or regulations for or in connection with intrastate communication service *by wire or radio* of any carrier, or (2) any carrier engaged in interstate or foreign communication solely through physical connection with the facilities of another carrier not directly or indirectly controlling or controlled by, or under direct or indirect common control with such carrier, or (3) *any carrier engaged in interstate or foreign communication solely through connection by radio, or by wire and radio, with facilities, located in an adjoining State, of another carrier not directly or indirectly controlling or controlled by, or under direct or indirect common control with such carrier, or (4) any carrier to which clause (2) or clause (3) would be applicable except for furnishing interstate mobile radio communication service;* except that sections 201 to 205 of this Act, both inclusive, shall, except as otherwise provided therein, apply to carriers described in clauses (2), (3), and (4)."

It would also be necessary to amend section 3 (u) of the act in order to bring it up to date, as follows (*italic indicates proposed new language*):

SEC. 3.

"(u) 'Connecting carrier' means a carrier described in clauses (2), (3), or (4) of section 2 (b)."

The recommended substitute amendment to section 2 (b) would limit mobile radio transmission in which common carriers coming within the section may engage to "interstate mobile radio communication service." This would eliminate the possibility that carriers engaged in certain mobile communications in foreign commerce, as to planes in flight or ships at sea, would not be subject to the jurisdiction of any regulatory agency, except under sections 201 through 205 of the act. The recommended revision would be applicable to both telephone and telegraph common carriers. In addition, the substitute amendment proposed by the Commission would make clear that a carrier may retain section 2 (b) (2) status after making a connection by radio with the facilities of another carrier, under separate control, located in an adjoining State. As section 2 (b) (2) is now written, and under the amendment proposed in the two bills, it is possible that an interstate connection by radio would bring the connecting carriers within the full jurisdiction of this Commission. This possibility may have discouraged some independent telephone companies from applying for the use of microwave radio in connecting across a State boundary with some other company. This would not appear to be in the public interest. The proposed broadening of the exemption is limited to radio connection with facilities in adjoining States in order to retain Commission jurisdiction over connections with facilities in foreign countries, and also to put radio connections on a par with physical or wire connections, which are always with facilities in adjoining States. Finally, the Commission recommends that section 2 (b) (1) be amended by inserting "by wire or radio" after "intrastate communication service" to make doubly certain that point-to-point radio communications between points within the same State are not subject to the jurisdiction of the Commission as to charges, classifications, practices, services, facilities, or regulations of any carrier.

H. R. 3189 and H. R. 3311 would also amend section 221 (b) of the Communications Act to read as follows (*italic indicates proposed new language and word proposed to be deleted is lined through*):

SEC. 221.

"(b) Nothing in this Act shall be construed to apply, or to give to the Commission jurisdiction, with respect to charges, classifications, practices, services, facilities, or regulations for or in connection with *wire or radio, or wire and radio,* telephone exchange service or *mobile service in whole or in part in connection therewith,* even though a portion of such exchange or mobile service constitutes interstate or foreign communication, in any case where such matters are subject to regulation by a State commission or by local governmental authority."

The apparent intent of the proposed amendment to section 221 (b) is to assure that, where radio service is provided as part of telephone exchange service, including mobile as well as point-to-point service, it should be construed as exchange service under the section and hence not subject to the Commission's jurisdiction with respect to charges, classifications, practices, services, facilities, and regula-

tions of common carriers, unless such service is not subject to regulation by State or local authorities. )

The Commission does not oppose amendment of section 221 (b) to achieve the apparent purpose of the two bills, although the exclusion of radio telephone exchange service from Commission jurisdiction over the charges, classifications, practices, services, facilities, and regulations of common carriers would further complicate some already difficult jurisdictional problems, particularly with regard to determination of what constitutes an exchange service. "Telephone exchange service" is defined in section 3 (r) of the act as:

"\* \* \* service within a telephone exchange, or within a connected system of telephone exchanges within the same exchange area operated to furnish to subscribers intercommunicating service of the character ordinarily furnished by a single exchange, and which is covered by the exchange service charge."

Under this definition, the limits of wire telephone exchange service often cannot easily be established. But at least the boundaries of a wire telephone exchange can be determined with some degree of exactness by the physical location of associated wires, which would not be the case with a radio telephone service. However, despite these difficulties, the Commission recognizes that it may be deemed logical to treat radio telephone exchange operations in the same manner, for jurisdictional purposes, as wire telephone exchange service.

In the event that section 221 (b) is amended to apply to radio as well as wire telephone exchange service, the Commission strongly urges that the section be made "subject to the provisions of section 301" of the act. Such a provision, which is presently included in section 2 (b) (2) of the act, is desirable in order to avoid any implication that the radio stations to which the section would have reference, would not be subject to the general radio regulatory provisions of title III of the act. The possibility that such radio operations, left unregulated, would cause destructive interference with other interstate radio operations makes essential that this Commission retain jurisdiction over the noncommon carrier regulatory aspects of the radio stations involved, and it is believed that the proposed legislation is not intended to restrict such jurisdiction.

The language of the proposed amendment to section 221 (b) should, it is thought, be clarified in certain other respects. By making the section applicable to "wire or radio, or wire and radio, telephone exchange service or mobile service in whole or in part in connection therewith," the proposed legislation seemingly implies that there is a distinction between "wire and radio telephone exchange service" and "mobile service" employed in telephone exchange operations.

Actually, of course, "wire or radio, or wire and radio telephone exchange service" in itself would necessarily include any mobile radio service associated therewith. But as a result of the construction of the language of the proposed amendment, such amendment may be construed as not exempting from Commission jurisdiction certain small and local independent common carriers that engage in mobile radio communication and which do not operate land line facilities. As long as mobile radio operations in connection with wire or point-to-point radio telephone exchange service are removed from Commission jurisdiction when regulated by State or local agencies, the exclusively mobile operations referred to should also be exempt under section 221 (b), in the opinion of the Commission. Hence, it is suggested that the section be modified to apply to "wire, mobile, or point-to-point radio telephone exchange service," so that "telephone exchange service" would clearly include radio as well as wire, and mobile as well as point-to-point radio operations, whether rendered in any single category or any combination thereof.

In addition, it is recommended that Commission jurisdiction over telephone exchange service be removed only in those situations where such service is regulated by a State commission or local governmental authority rather than where such service is "subject to regulation" by State or local governmental bodies, as is now provided in section 221 (b) and in the two bills. In view of the aggravation of present difficulties in making jurisdictional determinations as to what constitutes a telephone exchange, which is expected to result from the inclusion of radio telephone exchange service within the exemption of section 221 (b), a revision of the section as recommended by the Commission seems particularly desirable in order to avoid situations in which all regulatory bodies concerned might be uncertain of their authority. The suggested revision would assure that these important common carrier telephone services would be regulated by some governmental body.

The Commission therefore recommends that the following language be substituted for the proposed amendment to section 221 (b) contained in the two bills

(italic indicates proposed new language and words to be deleted are struck through):

## SEC. 221

"(b) *Subject to the provisions of section 301*, nothing in this Act shall be construed to apply, or to give the Commission jurisdiction, with respect to charges, classifications, practices, services, facilities, or regulations for or in connection with wire, *mobile or point-point radio* telephone exchange service, even though a portion of such exchange service constitutes interstate or foreign communication, in any case where such matters are ~~subject to regulation~~ *regulated* by a State commission or by local governmental authority.

To summarize, the Commission, in general, has no basic objection to the apparent purposes of the proposed legislation although it recognizes that certain difficulties will be engendered thereby. Some revision of the Communications Act to achieve these purposes may be conducive to a better division of control of communications common carrier activities among the Federal Communications Commission and the various State and local regulatory bodies, and encourage greater usage of radio by independent telephone companies. It is emphatically urged, however, that any amendment be very carefully drawn so as not to derogate from the Commission's noncommon carrier authority over radio transmissions and to avoid placing the common carrier operations beyond the control of any governmental agency. It is believed that the language recommended herein by the Commission is adequate satisfactorily to meet this task.

SEPTEMBER 19, 1946.

Reference File Nos. 7576 and 7577-PE-A.

NORTHERN OHIO TELEPHONE Co.,  
*Bellevue, Ohio.*

(Attention: Mr. William C. Henry.)

GENTLEMEN: The Commission has this day granted the above-noted applications for construction permits to establish an experimental point-to-point short-distance toll telephone service between Fort Clinton, Ohio, and Kelley's Island, Ohio.

The Commission has noted the statement in your letter of May 16, 1946, concerning the status of your company as a "connecting carrier" under section 2 (b) (2) of the Communications Act. Since the proposed radio operation will be point-to-point in nature, and only between points within the same State, the Commission is of the view, as presently advised, that the grant of the foregoing applications will not alter your company's present status under the act. However, it should be noted that the Commission's formal determination of the status of this company as being only partially subject to the act was made in March 1936, hence the conclusions expressed in this letter are not to be construed as constituting a further formal determination by the Commission that your present operations, which may be different from those existing in March 1936, are necessarily such as to entitle your company now to the status of a connecting carrier under section 2 (b) (2) of the act.

By direction of the Commission:

WM. P. MASSING,  
*Acting Secretary.*FEDERAL COMMUNICATIONS COMMISSION,  
*Washington 25, D. C., July 8, 1953.*HON. JOSEPH P. O'HARA,  
*Chairman, Subcommittee No. 2,  
House Interstate and Foreign Commerce Committee,  
House of Representatives, Washington, D. C.*

DEAR CONGRESSMAN O'HARA: Pursuant to your suggestion, the Commission has consulted with representatives of the United States Independent Telephone Association to discover whether it might not be possible to reach agreement on the exact text of amendments to H. R. 3189 and H. R. 3311 on which your subcommittee held hearings June 26, 1953. Following a meeting between the members of the Commission's staff and representatives of the United States Independent Telephone Association such an agreement has now been reached which has received the approval of the Commission. The substance of this agreement is set forth below.

It was agreed that the framework of the substitute proposal suggested by the Federal Communications Commission in its comments and testimony would be utilized in preference to the original language of H. R. 3189 and H. R. 3311 to

the extent that the two differ from one another. The following four changes, however, would be made in the text of the proposal from that originally submitted by the Commission:

1. Amend the language of the proposed section 2 (b) (3) so that it would read "any carrier engaged in interstate or foreign communication solely through connection by radio, or by wire and radio, with facilities, located in an adjoining State or in Canada or Mexico (*where they adjoin the State in which the carrier is doing business*), of another carrier not directly or indirectly controlling or controlled by, or under direct or indirect common control with such carriers,". (New language italic.)

The italic language above has been added to make clear that where a carrier is engaged in foreign communication solely because of the fact that it connects by radio with the facilities of another carrier across the border in Canada or Mexico it will not, because of the fact, become wholly subject to the Commission's jurisdiction.

2. Amend the proposed section 2 (b) (4) to read "any carrier to which clause (2) or clause (3) would be applicable except for furnishing interstate mobile radio communication service or *radio communication service to mobile stations on land vehicles in Canada or Mexico*". (New language italic.)

The italic language here has been added to insure that the furnishing of land mobile communication service across an international boundary would not deprive a carrier, otherwise exempt, of its exemption, while at the same time preserving the jurisdiction of the Commission over common carriers providing mobile service in foreign commerce to ships and airplanes outside the United States.

3. Amend the proposed revision of section 221 (b) of the Communications Act to add the language "or any combination thereof" after the words "wire, mobile or point-to-point radio telephone exchange service",

The new language has been inserted to obviate any doubt that any combination of wire or radio service which constitutes telephone-exchange service would be comprehended within the meaning of the section.

4. Substitute the language "subject to regulation" for the word "regulated" in the final phrase of the proposed section 221 (b) of the act so that it would read "in any case where such matters are subject to regulation by a State commission or by local governmental authority."

This proposed revision would leave the language of this phrase of the section as it now appears in section 221 (b) of the existing act. As indicated in the original Commission comments on H. R. 3189 and H. R. 3311, as well as in our testimony on the bills, the proposed change in the language had been recommended because of the difficulties which the Commission felt would inevitably arise in determining what was telephone-exchange service where such exchange service includes, as here proposed, service by radio to mobile units. As indicated previously, the problem was a dual one; the limits of the exchange must be capable of definition and a determination must be reached as to whether, in individual cases, interstate mobile radio service is in fact subject to State regulation where it is part of exchange service. The language originally suggested by the Commission was primarily intended to clarify these matters by achieving a greater certainty on the part of both the Commission and the carriers involved, rather than to assert Commission jurisdiction over local telephone service. The Commission recognizes, however, that the language originally proposed by it is subject to an interpretation other than that which was intended and, after careful consideration of the matter, believes that reversion to the existing language of the act on this point would not be inappropriate. It should be pointed out, however, that a company claiming exemption under 221 (b) of the act, as it would read as now suggested, necessarily would have the burden of demonstrating to the Commission both that the operations in question are in fact part of telephone-exchange service and that such operations are subject to regulation by a State commission or by local governmental authority.

In addition to the four amendments referred to above, consideration has been given to a suggestion by the United States Independent Telephone Association that language be added to section 2 (b) to make clear that communications by radio from one point within a particular State to another in the same State do not lose their characterization as intrastate communications because of the fact that they might have to pass over or through another State in transit. The fear was expressed that such communications, though clearly intended to be intrastate in nature from the standpoint of common carrier regulation of charges and services of the type contemplated by title II of the Communications Act, might conceivably be held to be interstate because of their passage over or

through the territory of the intervening State. The Commission agrees that such communication services should not be subject to the Commission's jurisdiction under title II of the act. It believes, however, that any amendment to cover this particular situation is unnecessary since service by radio between points in the same State is already comprehended within the language "intrastate communication service by \* \* \* radio of any carrier" which the proposed redraft of section 2 (b) (1) would incorporate into the act as a complete exemption from the Commission's common carrier regulation under title II. And the Commission believes that, in view of this fact, it would be unwise to attempt to draft an additional amendment to the act to cover this remote and, in our opinion, unlikely possibility, particularly since we have been unsuccessful in efforts to develop appropriate language which would not at the same time cast doubt on other important facets of the Commission's activities. However, the Commission would have no objection to the inclusion of an appropriate statement in the committee report on the bill removing any doubt, which might otherwise exist, that communication services by radio between points in the same State are, or are to be considered as, intrastate service within the meaning of section 2 (b) (1) of the act as it is proposed to be amended.

The complete bill as it would read if these suggested changes were to be incorporated into the language of H. R. 3189 and H. R. 3311 along with the other changes which have been suggested by the Commission and upon which there is final agreement is set forth in the enclosed appendix.

The Commission appreciates the opportunity which has been afforded it to work out common areas of agreement with representatives of the United States Independent Telephone Association and it is pleased that it has been able to achieve this objective. If there is any further information or assistance which we can give your committee in connection with this matter, please do not hesitate to call on us.

By direction of the Commission:

ROSEL H. HYDE, *Chairman.*

#### CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

#### COMMUNICATIONS ACT OF 1934, AS AMENDED

##### APPLICATION OF ACT

##### SEC. 2. (a) \* \* \*

(b) Subject to the provisions of section 301, nothing in this Act shall be construed to apply or to give the Commission jurisdiction with respect to (1) charges, classifications, practices, services, facilities, or regulations for or in connection with intrastate communication service *by wire or radio* of any carrier, or (2) any carrier engaged in interstate or foreign communication solely through physical connection with the facilities of another carrier not directly or indirectly controlling or controlled by, or under direct or indirect common control with such **carrier;** *or (3) any carrier engaged in interstate or foreign communication solely through connection by radio, or by wire and radio, with facilities, located in an adjoining State or in Canada or Mexico (where they adjoin the State in which the carrier is doing business), or another carrier not directly or indirectly controlling or controlled by, or under direct or indirect common control with such carrier, or (4) any carrier to which clause (2) or clause (3) would be applicable except for furnishing interstate mobile radio communication service or radio communication service to mobile stations on land vehicles in Canada or Mexico; except that sections 201 [to] through 205 of this Act, both inclusive, shall, except as otherwise provided therein, apply to carriers described in [clause (2)] clauses (2), (3), and (4).*

\* \* \* \* \*

DEFINITIONS

SEC. 3. For the purposes of this Act, unless the context otherwise requires—

(a) \* \* \*

\* \* \* \* \*

(u) "Connecting carrier" means a carrier described in [clause (2)] clauses (2), (3), or (4) of section 2 (b).

\* \* \* \* \*

SPECIAL PROVISIONS RELATING TO TELEPHONE COMPANIES

SEC. 221. (a) \* \* \*

(b) [Nothing] Subject to the provisions of section 301, nothing in this Act shall be construed to apply, or to give the Commission jurisdiction, with respect to charges, classifications, practices, services, facilities, or regulations for or in connection with [wire] wire, mobile, or point-to-point radio telephone exchange service, [even] or any combination thereof, even though a portion of such exchange service constitutes interstate or foreign communication, in any case where such matters are subject to regulation by a State commission or by local governmental authority.

)