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ALTS SAYS S. 2902 IS ANTI-COMPETITIVE AND UNNECESSARY

Focal CEO Testifies That Half of American Homes Are Capable of Receiving DSL

WASHINGTON, DC, JULY 26, 2000 –In testimony before the Senate Commerce Committee today, Robert Taylor, Chairman of the Association for Local Telecommunications Services (ALTS) and the CEO of Focal Communications, told Congress that S. 2902, the "Broadband Internet Regulatory Relief Act of 2000," is anti-competitive and unnecessary because competition for local telecommunications services is already happening. Taylor testified on behalf of the Association for Local Telecommunications Services (ALTS), the leading national organization representing facilities-based competitive local exchange carriers (CLECs).

The incumbent local exchange carriers (ILECs) and CLECs are already deploying broadband services without any change in the 1996 Telecommunications Act, Taylor said. He cited USWest's recent announcement to offer digital subscriber lines (DSL) in 30 new markets, SBC's installation of 3500 DSL lines each day, and BellSouth's announcement of deployment of Internet service to 30 cities.

"Legislation to change the 1996 Telecommunications Act is not needed to speed the deployment of advanced services," Taylor said. "CLECs are deploying advanced services across the country, and the ILECs are already deploying new DSL services as fast as they can to respond to this competition. Because S. 2902 would weaken the pro-competitive provisions of the 1996 Act, the legislation would delay competitors' ability to provide advanced services, and reduce the ILECs' incentives to deploy their own broadband services more quickly."

Many of the legislative proposals pending before Congress, including S. 2902, will ultimately slow broadband deployment, Taylor said. In order to provide DSL services, digital local exchange carriers (DLECs) need to obtain some packet-switching elements of the ILEC network. The proposed bill would remove the requirement for the ILEC to provide packet-switching elements to competitors. Without collocation and local loops, DLECs can't provide DSL.

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"Separating packet-switched technologies from circuit-switched technologies is completely infeasible," said John D. Windhausen, Jr., ALTS' President. "In passing the Telecommunications Act in 1996, Congress correctly decided that competition policy should not favor one technology over another. Without the threat of competition, the ILECs' incentive to deploy broadband technologies is weakened. That would mean fewer choices for and higher prices to consumers."

Focal Communications is a rapidly growing communications provider offering innovative data, voice and collocation services to large corporations, Internet service providers and value-added resellers across the United States. Focal is doing business in 19 major markets, and has announced plans to deploy services in a total of 24 markets.

ALTS is the leading national industry association whose mission is to promote facilities-based local telecommunications competition. Created in 1987, ALTS has offices in Washington, D. C. and Irvine, California and now represents more than 200 companies that build, own, and operate competitive local networks. For more information on ALTS, contact Crawford Public Relations at 703-318-5460 or visit the ALTS web site at www.alts.org.

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