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ALTS ASKS FCC TO ENSURE SBC OPENS COMPETITION “PRONTO”

CLEC Group Wary of “Voluntary Commitments”

WASHINGTON, D.C., July 21, 2000 -- The Association for Local Telecommunications Services (ALTS) today asked the Federal Communications Commission (FCC) to ensure that “Project Pronto” – SBC’s plan to place some 20,000 remote terminals into its network – is deployed in a manner that does not stifle competitive rollout of innovative technologies and services.

In a recent letter to the FCC, SBC pledged to undertake “voluntary commitments” as part of its merger approval conditions that it contends will guarantee competitive access to SBC’s network. ALTS, in its letter submitted today to Chairman Kennard, proposed a couple of simple yet vital steps the Commission must take to ensure that the commitments made by SBC are actually available in a timely and nondiscriminatory manner to competitive LECs.

ALTS urged the FCC to ensure that SBC’s “voluntary commitments are binding, enforceable, and subject to the market-opening provisions of the Telecom Act. ALTS further urged that SBC’s commitments extend beyond SBC’s proposed sunset period, so that SBC cannot effectively terminate competitive LEC service offerings, leaving competitors unable to offer service to current and future customers through SBC remote terminals.

“ALTS welcomes SBC’s investment in its network and the promise of widespread availability of broadband services,” John D. Windhausen, Jr., President of ALTS. “At the same time, we are concerned that SBC’s ‘voluntary’ proposal will leave SBC with too much control over a competitor’s access to the network. As a result, consumers risk losing the benefits that widespread competition is bringing to the broadband marketplace.”

The “voluntary” nature of SBC’s commitments has the effect of insulating its proposals from any obligations under the 1996 Telecommunications Act and any regulatory checks on its implementation of those commitments, ALTS said. SBC should be subject to the same oversight from the Commission and state commissions as when it establishes rates, terms, and conditions for any of its other wholesale offerings. If CLECs do not have the option of seeking the assistance of state commissions to resolve pricing and other disputes, competitors are no better off than if SBC had never proposed the offering at all.

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“Voluntary commitments are no comfort at all,” said Jonathan Askin, General Counsel of Alts. “Project Pronto can only benefit consumers if it preserves the ability of all telecommunications carriers to provide innovative services.”

ALTS also noted that its CLEC members doing business in SBC territory have indicated in separate letters that SBC “voluntary” commitments are too vague and ambiguous and insufficient to promote rollout of competitive technologies and services. ALTS’ objective in its letter was simply to ensure that what commitments are imposed are sufficiently binding and enforceable.

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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