



July 26, 2000

The Honorable «First_Name» «Last_Name»
US Senate
Washington DC 20515

Re: Broadband Internet Regulatory Relief Act – S. 877

Dear Senator:

On behalf of the Information Technology Association of America I am writing to you regarding the Broadband Internet Regulatory Relief Act, S. 877, sponsored by Senator Brownback.

I believe that this legislation would undermine telecommunications competition. It would release the incumbent telephone companies from the market opening requirements of the Telecommunications Act of 1996 under the guise of "broadband relief." As a result, our companies oppose such legislation.

The companies our association represents have the strongest possible interest in seeing consumers receive access to advanced broadband services as soon as possible. ITAA consists of 26,000 direct and affiliate members throughout the U.S., that provide products and services in the IT industry. These companies use telecommunications services to make the promise of the information age a reality by offering products and services with ever increasing speed and power. As computing power doubles every 18 months, the limitations of analog, circuit-switched networks become all the more apparent. Picture trying to funnel a raging river through a garden hose; it cannot be done.

As an association, ITAA has been actively engaged in telecommunications policy on behalf of the information technology issue for over three decades. That experience makes ITAA skeptical of the claims made by some large incumbents, that the pro-competitive regulatory requirements contained in the Telecommunications Act have deterred them from deploying broadband services necessary to provide high-speed access to the Internet and other information services. The real reason for the incumbent local carriers' failure to deploy advanced telecommunications services is that, in the absence of competition, they have little incentive to do so. The best means to promote the deployment of advanced services, therefore, is to promote competition in the local market.

Reliance upon those competitive mechanisms -- as opposed to the incumbent-centric proposals -- will best meet this surging demand. The provisions of the Telecommunications Act of 1996 encourage incumbent carriers to open up their markets to competition, while providing essential safeguards that will deter them from using their monopoly power to impede the efforts of potential rivals.

Information Technology Association of America

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The current debate reflects a choice between two competing views about how best to encourage investment in new telecommunications technologies. Under one view, the regulatory regime should provide assurances that incumbent carriers will recover of their investment before they deploy new services. Under the other view, regulations should facilitate a competitive market - which is the best means to cure the complacency typically found in a market controlled by a single dominant provider. ITAA supports the latter view, as did the majority of the authors of the Telecommunications Act of 1996.

We ask that you oppose any so-called "broadband relief" measures and support the growth and innovation that benefits every American. The Brownback bill would discourage competition in local telecommunications markets, slow technologic innovation and stymie customer price reductions

- The Brownback bill would undermine the market opening incentives contained in the Telecommunications Act of 1996 by rewarding incumbent telephone companies that delay opening their local telephone markets to competition.
- The Brownback bill could jeopardize the competitors' ability to raise capital and invest in broadband telecommunications networks. Many of the companies that are most aggressively deploying advanced services do not yet make a profit. These companies are especially vulnerable to the reaction of capital markets.
- The Brownback bill extends to incumbent telephone additional competitive advantages against new entrants by limiting the availability of key services to competitors.

In advance, we thank you for your careful consideration of this important issue. If you have any questions about the matters raised above, please feel free to contact me (703 -284-5340; hmill@itaa.org) or Mark Uncapher (703-284-5344; muncapher@itaa.org) of my staff.

Sincerely,

Harris N. Miller
President