

CO-SPONSOR H.R. 1697 & H.R. 1698
GREATER COMPETITION, MORE INNOVATION, AND LOWER PRICES
FOR BROADBAND INTERNET SERVICES

May 9, 2001

Dear Colleague:

Last week, we introduced bipartisan legislation -- H.R.1697, the Broadband Competition and Incentives Act of 2001, and H.R. 1698, the American Broadband Competition Act of 2001 -- to ensure greater competition, more innovation, and lower prices in the emerging broadband market.

Local telephone service is still owned by monopolies that control over 90% of the market -- monopolies which, historically, were created and maintained by the federal government. It is this unique history which has driven both the Courts and a bipartisan Congress to require that the local telephone monopolies' facilities be opened to competitors. Indeed, that principle drove the passage of the 1996 Telecommunications Act, which is widely credited for spurring a new generation of competition and innovation in telephony.

At this critical juncture, however, when the local telephone networks are being used as the essential facility to launch broadband Internet service known as "DSL," some want to end this bi-partisan policy against monopolization. This would give the local Bell Operating Companies totally unregulated monopoly control over local telephone markets that can then be used to leverage similar monopoly control over broadband services.

We urge you to heed the opposition of consumer groups and a broad range of competitive business trade associations who believe that repeal of the bi-partisan 1996 Act's competition and open-access requirements would dramatically increase prices and decrease competition and innovation. We ask you to consider embracing a more pro-competitive, pro-consumer approach to ensuring a competitive -- and thus more robust -- rollout of broadband services.

H.R. 1697 and H.R. 1698 together would ensure that:

- ! The bi-partisan policy of open access stays in place if local Bell monopolies provide service to more than 85% of business or residential subscribers in local markets;
- ! Disputes relating to existing competition requirements for local telephony be resolved more speedily through arbitration;
- ! Antitrust laws continue to protect against anti-competitive conduct that could gouge consumers;
- ! Loans are granted to ensure that universal service policies are extended to broadband; and
- ! Broadband services are not subject to discriminatory taxation.

H.R. 1697 and 1698 have been endorsed by Consumers Union, Information Technology Association of America (ITAA), Small Business Survival Committee, International Communications Association (ICA), American ISP Association, CompTel, Association for Local Telecommunications Services (ALTS), CompTIA, Voices for Choices, COVAD, WorldCom, Sprint, AT&T, McLeod USA, and the American Corn Growers Association.

We don't need to do special favors for monopolies. We need more competition, more innovation and lower consumer prices.

If you would like to become a co-sponsor or require further information regarding the legislation, please contact Cori Flam or Scott Deutchman with the Judiciary Democrats at x56906, or Thad Bingel with Rep. Cannon at x57751.

Sincerely,

s/Hon. John Conyers, Jr.

s/Hon. Chris Cannon