



February 7, 2000

VIA Facsimile

The Honorable William E. Kennard
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

*Re: Request of CIX and ITAA To Extend the Sunset Date of the
Structural Safeguards Governing Bell Operating Company
Provision of In-Region InterLATA Information Services
(CC Docket No. 96-149)*

Dear Chairman Kennard:

I am writing to express CompTel's support for the above-captioned petition by CIX and ITAA to extend the Section 272 structural safeguards governing the provision of in-region interLATA information services by Bell Operating Companies ("BOCs"). The current structural safeguards will, unless extended by the Commission, expire on February 8, 2000.

This request is of particular importance to CompTel's ISP members as well as the CLECs and backbone providers who serve them. The request filed by CIX and ITAA describes many instances of anticompetitive practices by the BOCs that have had the effect of harming competition in the in-region, intraLATA information services markets. The separate information services affiliate required under Section 272 would serve to make many of the discriminatory practices alleged by CIX and ITAA much more transparent and easier to detect if these practices were transferred to in-region, interLATA information services. CompTel agrees with CIX and ITAA that the current *Computer III* non-structural safeguards are inadequate to deter and adequately detect anti-competitive discrimination by the BOCs in the information services markets.

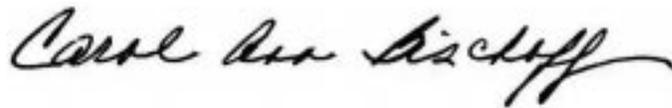
In most areas of the country today, ISPs seeking to provide high speed Internet access must rely on the incumbent for an essential input—DSL service. CompTel is hopeful that, once the cost benefits of line sharing are available on an equal basis to

competitive DSL providers, ISPs will be less dependent on the BOCs for a DSL link to their residential and small business customers. For the near future, however, ISPs will have few widely available competitive alternatives for DSL transmission service. Moreover, because DSL service is not regulated as an essential telecommunications service, the incumbents have been subject to very little price regulation on their DSL service. Indeed, as the Commission noted in its *Line Sharing Order*, the incumbent LECs have been attributing very little of their loop costs to this service (¶ 131), and, yet prices are not near zero.

By requiring the BOCs to use a structurally separate affiliate, subject to rigorous accounting requirements, the Commission could best detect anti-competitive behavior. Moreover, because their information services affiliate would be required to report its own financial results, the BOCs would have a greater incentive to offer cost-based prices on a nondiscriminatory basis to both affiliated and non-affiliated ISPs.

For these reasons, CompTel believes that the Commission should grant the above-captioned petition in order to further promote efficient Internet services competition.

Sincerely,

A handwritten signature in black ink, appearing to read "Carol Ann Bischoff". The signature is fluid and cursive, written in a professional style.

Carol Ann Bischoff
Executive Vice President and
General Counsel

cc: Commissioner Susan Ness
Commissioner Michael K. Powell
Commissioner Harold Furchtgott-Roth
Commissioner Gloria Tristani
Ms. Kathy Brown
Ms. Dorothy Attwood
Mr. Jordan Goldstein
Mr. Kyle Dixon
Ms. Rebecca Baynon
Ms. Sarah Whitesell
Ms. Magalie R. Salas (filed electronically)