



ORIGINAL

TENNESSEE REGULATORY AUTHORITY



Sara Kyle, Chairman
Lynn Greer, Director
Melvin Malone, Director

EX PARTE OR LATE FILED
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

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November 30, 2001

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The Honorable Michael K. Powell, Chairman
Federal Communications Commission
445 12th Street S.W.
Washington, DC 20554

Federal Communications Commission
Office of Secretary

Re: Petition of ITC^DeltaCom for Waiver in CC Docket No. 96-98

Dear Chairman Powell:

It was a pleasure meeting you and listening to your comments at Vanderbilt University earlier this month. As a follow-up to our conversation, I am writing this letter to advise you that, consistent with previous decisions of the Tennessee Regulatory Authority, I support competing local exchange companies' ("CLECs") use of enhanced extended links ("EELs"). EELs provide an efficient, cost-effective method for CLECs to serve multiple markets with minimal capital. Without sufficient access to EELs, some CLECs have to purchase duplicative switching equipment for each market it wishes to serve. Such duplicative investment is often uneconomical in the smaller, rural markets that are common in Tennessee.

The availability of EELs improves the attractiveness of market entry for CLECs as well as consumer benefits from competition. During this time of constrained capital markets in the telecommunications sector, policy-makers at the state and federal levels should take all prudent steps to foster competition in all markets, but especially in the secondary and rural markets where competition is developing more slowly. Accordingly, the Tennessee Regulatory Authority has supported competitive entrants' use of EELs in order to encourage the spread of competition throughout the state.

As you review the above-referenced petition of ITC^DeltaCom for waiver, I hope you recognize the benefits currently and potentially accruing to consumers from ITC^DeltaCom's and other CLECs' use of EELs. I also urge you to eliminate any unnecessary limitations of which ITC^DeltaCom seeks a waiver. Thank you for your consideration of this matter. Please do not hesitate to contact me if I can be of any assistance.

Sincerely,

H. Lynn Greer, Jr.

Attachment (Senator Frist's June 20, 2001, comments in the Congressional Record)

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June 20, 2001

CONGRESSIONAL RECORD—SENATE

S6515

critical in order to guarantee a healthy generation of children in America. To this end, I, along with my Senate and House colleagues, have introduced the Immigrant Children's Health Improvement Act, 582 and H.R. 1143, to give States the option to provide health care coverage through Medicaid and CHIP.

Legal immigrant children who came to this country after August 22, 1996 are no different than those who arrived before that date or kids who were born on American soil. Our children go to school together, study together and play together.

On this World Refugee Day, I call upon the Congress and the President to work in earnest to eliminate the arbitrary designation of August 22, 1996 as a cutoff date for allowing children to get health care.

Let us treat the hard working people in our nation, regardless of their immigration status, with fairness and dignity.

TELECOMMUNICATIONS ACT OF 1996

Mr. FRIST. Mr. President, I am increasingly concerned about the stalled promise of the Telecommunications Act of 1996. There are many indications that the pro-competitive course we charted in 1996 when we enacted the Telecommunications Act is not moving as quickly as we intended. In response to that landmark law, hundreds of companies invested billions of dollars in an effort to bring a choice of service provider to local consumers. Yet the competitive telecommunications industry has virtually collapsed in the past year. Every day brings reports of competitors declaring bankruptcy, shutting down operations, or scaling back plans to offer service. Even in my home State, five competitive local exchange carriers with major operations in Tennessee have gone bankrupt.

We have all read recent reports of the difficulties that competitive telecommunications firms are facing in the current economic downturn. For those that continue to struggle in operation, stock prices have plunged, and the capital market has virtually dried up. While telecommunications companies captured an average of two billion dollars per month in initial public offerings over the last two years, they raised only \$76 million in IPOs in March, leading numerous companies to withdraw their IPO plans.

The difficulty in entering local markets has also caused nearly all competitors to scale back their plans to offer service. Covad had established offices in Chattanooga, Knoxville, Memphis and Nashville, but is now closing down over 250 central offices, and will suspend applications for 500 more facilities. Rhythms has cancelled plans to expand nationwide. Net2000 has put its plans for expansion on hold. Numerous other competitors, such as DSL.net, have resolved to focus on a

few core markets. Each of these decisions has been accompanied by hundreds of eliminated jobs. In all, competitive local carriers dismissed over 6500 employees nationwide in the last year while attempting to remain in business. Tennessee is among the hardest hit States.

The repercussions of these events on consumers is significant. Competitors reinvested most of their 2000 revenues in local network facilities. Competitors that declared bankruptcy in 2000 had planned to spend over \$600 million on capital expenditures in 2001. Those competitive networks will not be available to consumers.

In this uncertain financial climate, it is imperative that we maintain a stable regulatory framework. The 1996 Telecom Act established three pathways to a more competitive local telecommunications marketplace: a new entrant could purchase local telephone services at wholesale rates from the incumbent and resell them to local customers; a competitor could lease specific pieces of the incumbent's network on an unbundled basis, using what the industry calls unbundled network elements; or a competitor could build its own facilities and interconnect them with the incumbent's network. Each of these alternatives must remain available to new entrants. Making fundamental changes to the structure of the 1996 Act will destabilize the already shaky competitive local exchange industry, depriving consumers of even the prospects for meaningful choice.

Recent press reports indicate that investors will not sink more money into local competitors when there is a "growing view that regulators are working against the new entrants." We need to ensure that the market-opening requirements of the 1996 Act are vigorously implemented. Without a supportive regulatory environment, there will be no more capital flowing to new entrants in the local telecommunications market spurring competition and lower consumer prices. This was not the promise of the Telecommunications Act I voted for in 1996.

LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH of Oregon. Mr. President, I rise today to speak about hate crimes legislation I introduced with Senator KENNEDY in March of this year. The Local Law Enforcement Act of 2001 would add new categories to current hate crimes legislation sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a terrible crime that occurred November 7, 1988 in Easton, MA. An Easton teenager threw a large rock at a 17-year-old boy he thought was gay, kicked him in the head and yelled, swore, and called the victim a "fag." The victim suffered a broken nose and a concussion. A week before the assault, the perpetrator told friends he hated gay people and thought they should be beaten up.

I believe that Government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can become substance. I believe that by passing this legislation, we can change hearts and minds as well.

AMENDMENT NO. 805 TO ESEA

Mr. TORRICELLI. Mr. President, yesterday, the Senate passed, by unanimous consent, an important amendment that will protect our children from pesticide exposure in our Nation's schools. Inadvertently, Senators BOXER and REID were left off this amendment as original cosponsors. I would like the record to reflect that Senator BOXER and Senator REID should have been listed as original cosponsors of amendment #805 to H.R. 1, the Better Education for Students and Teachers Act.

I regret this unfortunate oversight, as these two Senators are largely responsible for the passage of this amendment. They have as much claim to authorship of this important effort as any Member of this body. If not for their commitment to the protection of our Nation's children, we would not be celebrating the passage of this amendment today. Were it not for Senator BOXER's unwavering commitment to protecting our children, as she has done with the introduction of the Children's Environmental Protection Act, the Senate would not even be having this debate. Were it not for Senator REID's understanding of the important issues facing the Senate, and his advocacy as a member of the Environment and Public Works Committee, this amendment would not have enjoyed the support that it has.

I thank my friends for their support and ask that the Senate recognize Senator BOXER and Senator REID as original cosponsors of the School Environmental Protection Amendment.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Tuesday, June 19, 2001, the Federal debt stood at \$5,841,114,076,861.51, five trillion, six hundred forty-one billion, one hundred fourteen million, seventy-six thousand, eight hundred sixty-one dollars and fifty-one cents.

One year ago, June 19, 2000, the Federal debt stood at \$5,649,976,000,000, five trillion, six hundred forty-nine billion, nine hundred seventy-six million.

Five years ago, June 19, 1996, the Federal debt stood at \$5,120,985,000,000, five trillion, one hundred twenty billion, nine hundred eighty-five million.

Ten years ago, June 19, 1991, the Federal debt stood at \$3,498,343,000,000, three trillion, four hundred ninety-eight billion, three hundred forty-three million.

Fifteen years ago, June 19, 1986, the Federal debt stood at \$2,039,861,000,000,