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May 3, 2002

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street SW
Washington, D.C. 20554

**Re: USIIA and SBC Joint Submission
CC Docket Nos. 02-33, 95-20 and 98-10**

Dear Ms. Dortch:

The US Internet Industry Association (USIIA) and SBC Communications Inc. (SBC) hereby file this Joint Submission in the above-referenced dockets. In addition to this Joint Submission, USIIA and SBC are separately filing individual comments in this proceeding.

The attached Memorandum of Understanding (MOU) represents the shared view of USIIA — a trade association representing nearly 300 diverse members of the Internet industry — and SBC — a leading provider of broadband services — as to the optimal regulatory and business environment for all broadband Internet services. In particular, USIIA and SBC agree on a number of fundamental principles that will facilitate the maximum deployment of broadband Internet services:

- the Commission must establish a uniform national broadband framework with minimal regulation for all broadband Internet services;
- all providers of broadband services must be allowed to operate pursuant to the same regulatory framework so that no provider is advantaged or disadvantaged by asymmetrical regulation; and
- market-based commercial arrangements, rather than regulation, will best serve the interests of ISPs, broadband providers and consumers.

Consistent with these principles, SBC commits that commercial agreements for broadband Internet access will be available and negotiated between SBC and ISPs in a deregulated broadband market.

We believe the MOU is important because it demonstrates that SBC is committed to doing business with ISPs and that ISPs recognize the business advantages of negotiating commercial agreement with SBC in a deregulated, market-driven environment.

Respectfully submitted,

A handwritten signature in cursive script that reads "Donald E. Cain". The signature is written in black ink and is positioned above a horizontal line.

Donald E. Cain
SBC Communications Inc.

A handwritten signature in cursive script that reads "David P. McClure". The signature is written in black ink and is positioned above a horizontal line.

David P. McClure
US Internet Industry Association

Memorandum of Understanding

SBC and USIIA

Purpose: The purpose of this document is to delineate points of agreement between SBC Communications Inc. (SBC) and the US Internet Industry Association (USIIA) as it relates to the joint provisioning of high-speed Internet services to customers in SBC's operating territory.

Intent: The intent of this document is to facilitate consumer choice through regulatory parity, deregulation, and the implementation of fair and reasonable commercial contracts.

Outcome: If implemented, the following proposal and rules will facilitate the maximum deployment of high-speed (broadband) Internet services throughout the SBC operating territory.

National Broadband Framework

Technological convergence has made it possible for a variety of facility platforms to offer broadband services. The Federal Communications Commission (Commission) is the only regulatory body with authority over competing broadband platform providers -- cable, wireless, wireline and satellite. Accordingly, the Commission is the only regulatory body with the requisite jurisdiction to establish a uniform national framework governing this new and evolving convergent broadband marketplace. The Commission must exercise exclusive authority to encourage broadband investment and deployment in a manner that fairly governs the entire marketplace. The Commission must preempt any current or future state action that is inconsistent with the national framework or that seeks to impose regulatory requirements in a disparate manner on competing broadband platforms or providers.

Regulatory Parity

Fundamental to any uniform national framework is the premise that all providers of broadband services must be allowed to operate pursuant to the same regulatory framework with minimal regulation. This is essential to encourage investment, deployment, and the creation of new and beneficial market-driven products and services. No operators or technology platforms should be artificially advantaged or disadvantaged by asymmetrical regulatory rules.

Market-Driven Commercial Terms

Commercial agreements between SBC and ISPs should determine their business relationship. National policy must facilitate the formation of creative commercial arrangements that allow for differentiation in business relationships based on volume, terms, points of connection, and other established market services. Market-driven commercial contracts will facilitate the most efficient, productive, creative and technology-neutral provisioning of broadband services. SBC and the USIIA support market-based approaches to prices, terms, and conditions governing the business relationship between SBC and ISPs. Accordingly, existing Federal and State tariffs and other common carrier obligations should be replaced by market-based commercial arrangements. These business arrangements would remove constraints on both parties that deprive them of the opportunity to provide creative and innovative services to consumers.

Universal Service

No broadband service provider should be disadvantaged in the marketplace by having certain government-imposed universal service fund costs asymmetrically applied to its products while competitors are free from any such government obligation.

SBC Commitment

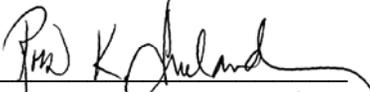
In a deregulated broadband market, SBC is willing to commit that, at a minimum, commercial agreements for high-speed Internet access will be available and negotiated between SBC and ISPs with connection at either Layer 2 (ATM) or Layer 3 (IP) (including converged Layer 2/3 networks) for the provision of Internet services to end users. Furthermore, the Commission could spur investment and improve efficiencies and ISP options even further if it was willing to allow SBC to transport and aggregate data traffic without regard to LATA boundaries.

Transition to Market-Based Commercial Agreements

In a deregulated broadband market, SBC is willing to grandfather existing agreements with ISPs for the remaining term of existing agreements or for one year, at the choice of the ISP. Information about generic business options will be made available for review by ISPs when they are considering SBC as a business partner for the delivery of broadband Internet services to customers.

Dated: May 2, 2002

SBC Communications, Inc.

Name: 
Title: Sr. Exec. VP-Services

US Internet Industry Association

Name: 
Title: President and CEO, USIIA