



AMERICANS FOR TAX REFORM

Grover G. Norquist

President

February 4, 2003

The Honorable Michael Powell
Chairman, Federal Communications Commission
445 12th Street SW
Washington, DC 20554

This letter is being submitted as an ex-parte communication Re: In the Matter of Review of Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers and Implementation of the Local Competition Provisions in the Local Telecom Act of 1996, CC Docket No. 01-338; 96-98; 98-147

Chairman Powell,

Seldom does any government agency hold such powerful potential to encourage or undermine free enterprise and state authority as the FCC does now with its Triennial Review of the Telecom Act of 1996. It is the sincere hope of Americans for Tax Reform that the FCC will take this opportunity to reinforce the existing market opening provisions of that Act, especially now that consumers and small businesses are finally beginning to enjoy the benefits of competitive choice.

It is by no means coincidental that those benefits are being felt first in states that have exercised their right and responsibility to enforce the Telecom Act's requirement that the incumbent Bell monopolies lease capacity on their publicly subsidized networks to new competitors at reasonable wholesale rates. The UNE-P system is bringing free-market economics to states where regulators have stood up for the rights of consumers to choose their own local telecom providers.

That is why ATR joined 21 other conservative groups in writing to you on December 11th urging that the FCC not pre-empt UNE-P or the states' authority to enforce UNE-P rates which are fair to all parties and reflect the reality of each state's telecom market. ATR believes that the route to a competitive, healthy telecom market is through the enforcement of the Telecom Act, not its abandonment.

Market experience to date demonstrates that leasing of Bell network capacity by new competitors lays the foundation for facilities-based competition. This principle applies equally well to the leasing of high-speed capacity. In a marketplace where broadband technology will soon be essential for simple voice as well as advanced high-speed services, denying new competitors access to high-speed network capacity is equivalent to denying them any market access at all.

We believe it is a dangerous and heavy-handed flirtation with industrial policy to rationalize the elimination of the Bell companies' emerging telecom competitors with the theory that the future inevitably belongs to a duopoly market consisting of the regional Bells and the cable TV companies. America has consistently rejected the notion that government should pick winners and losers in the marketplace.

Our government, beginning with the FCC, should be putting its energies into letting telecom competition bloom from all sources, from every type of company with the courage and the commitment to make a competitive offer. Please do not eliminate the competition which already exists -- and which is increasingly emerging in local voice and broadband services -- by eviscerating the legislation that made it possible.

Onward,

A handwritten signature in black ink, appearing to read 'G. Norquist', written in a cursive style.

Grover Norquist

cc: all FCC commissioners