

Congress of the United States

Washington, DC 20515

May 20, 2009

The Honorable Michael Copps
Acting Chairman
Federal Communications Commission
445 12th Street SW, Room 8-B115
Washington, DC 20554

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Federal Communications Commission
Office of the Secretary

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Dear Chairman Copps:

As members of the Congressional Black Caucus, we have been closely monitoring the presence of small, independent, economically disadvantaged, minority and women-owned businesses in the telecommunications industry. In this regard, the recent Verizon Wireless/Alltel merger serves as another example of our nation's continuing trend towards media consolidation and the resulting process of divesting assets to comply with the antitrust and ownership requirements on which the FCC and DOJ conditioned the approval of the \$28.1 billion merger has left opportunities for small businesses unrealized. We are disappointed that the merged companies have not sought to include small business bidders as they divest over \$2 billion of overlapping properties. It is our understanding that media behemoth AT&T has emerged as a primary contender for over \$1 billion of identified assets and that small, independent, economically disadvantaged, minority and women-owned businesses have not received due consideration in this process. Given that the FCC has authority under Section 310(d) of the Communications Act to determine when a merger is in the "public interest, convenience and necessity," the FCC should condition any divestiture approvals on Verizon's showing that it has sought bids from the aforementioned groups. Proceeding with divestitures that only shuffle assets among large media companies is inconsistent with the FCC's public interest mandate.

Prior to the current financial crisis, small, independent, economically disadvantaged, minority and women-owned businesses were already experiencing unique challenges in securing ownership opportunities in the telecommunications industry. The current environment has only exacerbated the situation. Transferring over \$1 billion of the required divestiture assets to AT&T, the second largest wireless carrier, from Verizon, the largest wireless carrier, only redistributes valuable assets from one large industry titan to another, harming consumers and competition while continuing to raise the bar to prohibit new entrants from entering this market. Therefore, we strongly urge the FCC and Department of Justice to encourage Verizon to open good faith negotiations with small business owners prior to migrating all or most of these valuable assets from one behemoth company to another resulting in further diminishment of opportunities for small business owners in our country. The divestiture of these properties by Verizon offers a tremendous opening to increase the public interest goals of diversity of ownership in the telecommunications industry while supporting small businesses in an economic environment that finds opportunities substantially reduced.

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While Congress and federal agencies may need to review impediments to market entry barriers for small, minority, women owned and independent businesses, we must continue to promote private industry outreach as it would illustrate an understanding and appreciation by large businesses of the concerns of Congress and the American public.

Thank you for your time and consideration. We look forward to your response.

Sincerely,

Corrine Brown
Member of Congress

Amber C. Kilpatrick
Member of Congress

Marsha L. Ouder
Member of Congress

Eddie Bernice Johnson
Member of Congress

Alison E. Watson
Member of Congress

Member of Congress

John Lewis
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Sammy A. Davis
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Samuel W. Broyde
Member of Congress

Member of Congress

Steve Jackson Lee
Member of Congress



Member of Congress

CC: Commissioner Jonathan Adelstein, Federal Communications Commission
Commissioner Robert McDowell, Federal Communications Commission