



## Broadband Policy Position Paper

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*The Competitive Telecommunications Association (CompTel) is the principal industry association representing U.S., international and global competitive telecommunications companies and their suppliers. CompTel's members include nationwide companies as well as smaller regional carriers providing local, long distance and Internet services. Since its inception in 1981, CompTel has advocated policies to promote the development of full and fair competition in the provision of telecommunications services. CompTel's role is to ensure that companies of all sizes with different entry strategies have an equal opportunity to compete in all telecommunications service markets.*

### Overview

Congress codified a comprehensive broadband policy with passage of the landmark Telecommunications Act of 1996. The intent of the Act was to end monopoly control of local telecommunications services. For over 100 years, the AT&T/Bell Telephone System enjoyed a government-guaranteed and subsidized monopoly over all forms of telecom services and equipment. The 1984 court-ordered break-up of AT&T marked the beginning of the end of the Bell monopoly. After the birth of competition in the long-distance market, Congress sought to extend competition to the local arena with the 1996 Act. It is the Act's pro-competition tenets (such as unbundling (§251) at wholesale prices that include cost plus a reasonable profit to the Bells (§252)) that sparked the explosion of entrepreneurial brilliance that resulted in the fastest-ever penetration of a new technology (broadband) into the American economy. Accordingly, any future broadband policies should be geared toward enhancing competition, not stifling it.

### **The Telecom Act of 1996 Is Working and Is Helping Competition Bring Advanced Services to Every American.**

According to the FCC, roughly 85% of the American public has access to at least one form of broadband technology -- illustrating a

phenomenal rate of penetration. Billions in investment dollars have poured into the development and deployment of broadband technologies due to competition. In fact, entrepreneurs, not the Bell monopolies, were the first to offer broadband services. Facing no competition, the Bells possessed DSL-type technology for over 15 years but suppressed it to protect their margins from more profitable T-1 services. Today the Bells are offering DSL, and profiting handsomely from it, thanks to competitive pressures as envisioned by Congress in 1996.

### **CompTel Advocates Competition Within Each Telecom Technology As Well As Among Different Technologies.**

CompTel advocates unbundling of incumbents' network elements at wholesale rates that include cost plus a reasonable profit as a primary engine driving a pro-competition market place. In this vein, CompTel strongly opposes legislative and regulatory efforts to undermine or destroy §§251-252 of the Act (*e.g.*, the reduction of availability of UNEs and the imposition of pricing models that rely on anything other than forward-looking cost-based rates would essentially eliminate entrepreneurs from the market place). Similarly, CompTel supports cable open access, a form of unbundling that allows cable modem consumers to access their Internet service providers of choice.

