



"Broadband Supply, Demand and the Role of Regulatory Policy: Should All Providers Be Regulated the Same?"

From the point of view of America's Internet Service Providers (ISPs), this question ignores a basic fact.

All providers of broadband service in the United States currently ARE regulated the same.

Functionally, it's true. When regulations are ignored, and regulators look the other way, it's like the regulations don't exist.

Although limited interconnection has been required as a result of mergers in the cable industry, it is not generally required of all cable providers. The nation's monopoly phone companies like to ask why they're forced to interconnect when other large companies are not. But the truth is, the nation's monopoly phone companies are SHUTTING ISPs OUT of their networks, even though regulation is supposed to prevent this.

How? By charging ISPs sky-high rates to interconnect to the public phone network, these monopolies have guaranteed that the high speed access known as DSL (Digital Subscriber Line service) is unprofitable for an ISP to sell. Costly provisioning delays and customer theft will eliminate the few ISPs who are foolish enough to try anyway. As the new DSL market kings, the monopolies have then hiked prices even more, stifling consumer demand.

Why would the phone monopolies not want consumers to buy DSL? Residential customers often buy 2 phone lines in order to have uninterrupted Internet access. No upgrades of telecom equipment are needed – everyone already has 2 lines coming into their home, so the phone company can sell two lines for the cost of providing one. DSL, which doesn't require a 2nd line because it uses the same phone line as voice, cuts into those profits.

If you're a small business, the cost of a high speed phone line for Internet can run into the thousands. DSL offers a similar product for substantially less...cutting into those profits once again.

Regulation requires the Bells to interconnect, but the regulations are being ignored. The FCC is rubber stamping Bell tariffs for ISPs in the dead of night, and refuses to investigate proven violations brought to its attention by ISPs. This is the same as no regulation. The law continues to be broken, and the monopoly phone companies now monopolize DSL too.

The answer is not to erase regulation on unquestioned monopolies because it's inconvenient for regulators, or the regulated monopolies, but to ENFORCE the law.

For more information on the violations that are occurring daily, across the country, by an industry determined to suppress demand, and a full explanation of how the phone monopolies are stealing America's high speed future, contact Sue Ashdown, at the American ISP Association: 202-530-7947 (sue@americanisps.org)

