

ANTITRUST LAWS APPLY TO TELECOM SECTOR, KEY CHAIRMAN SAYS

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Congress meant for antitrust laws to apply to the telecommunications industry, and unless the U.S. Supreme Court reaches the same conclusion, lawmakers will respond with legislation affirming their position, a key House committee chairman said on Thursday.

"The competitive outlook for the telecommunications industry and antitrust oversight is under assault," Judiciary Chairman James Sensenbrenner, R-Wis., said at a Phoenix Center symposium, complaining that decisions by the FCC and some courts have thwarted Congress' intent to apply antitrust laws to the industry.

The Supreme Court heard arguments in mid-October in a case brought by the law offices of Curtis Trinko, an indirect customer of Verizon Communications. The firm claimed antitrust violations after receiving allegedly poor service from AT&T, and the FCC found that Verizon had degraded the quality of service it provided to AT&T over Verizon networks, causing harm to AT&T's customers. Verizon paid \$3 million to the U.S. treasury and \$10 million to AT&T, but the Justice Department filed a brief siding with Verizon.

If the Supreme Court sides with Verizon, lawmakers will respond, Sensenbrenner said, adding that "judicial circumvention will necessitate a swift and decisive response" from his committee and Congress. "There will have to be a statutory remedy."

"Given the clear language [in the 1996 Telecommunications Act], the judicial confusion about the applicability of antitrust law strains the boundaries of credulity," he said.

Sensenbrenner also is concerned about a February FCC decision to deregulate high-speed Internet services. Allowing competitors access to the regional Bell companies' networks at regulated prices is "a necessary stopgap" on the way to a fully competitive market, he said.

As a result of the FCC broadband decision, he added, "this sector of the market requires additional scrutiny" by antitrust officials and the FCC.

Lawmakers also should be paying attention. Sensenbrenner plans to conduct an "antitrust oversight hearing to examine the state of competition in the telecommunications field." He originally planned the hearing for next week, but with House now planning to recess for the week, he plans to "reschedule promptly."

But Sensenbrenner told reporters that he is not particularly concerned with recent efforts by the U.S. Telecom Association and the Bell companies to court the high-tech industry to support their deregulatory agenda. He said it is fair for the Bells to make that request, noting that "lobbying campaigns are part of the American tradition."