



UNE-P Competition Increases Bell Investment, Phoenix Center Says

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Bell companies frequently complain that the FCC’s unbundled network element platform (UNE-P) rules discourage them from investing in their own networks. But The Phoenix Center claims the opposite is true, due in part to the competition UNE-P provides. It found that the Bells are investing more heavily in their networks in states where UNE-P competition is greatest, despite a poor economy where Bells lowered their overall investment by 7% in 2002. “Each UNE-P access line increased [Bell] average net investment by \$759 per year, or about 6.4% per year in the aggregate,” it said. The study excluded Qwest because it hadn’t filed 2002 data yet. The report noted that reduced investments weren’t necessarily a bad sign because “the surge of telecom [investment] in the 5 years immediately following the Telecom Act must ultimately slow as new facilities come on line.” In addition, decreased investment sometimes is an indication of improved economic performance, said Phoenix Center Pres. Lawrence Spiwak. Nonetheless, he said, “given the mounting evidence that the market-opening provisions of the Telecom Act benefit U.S. consumers and businesses, the current cynicism and ideological bias... toward UNE-P and TELRIC pricing must come to an end.”