



October 2, 2007

Chairman Kevin Martin  
 Commissioner Michael Copps  
 Commissioner Deborah Taylor Tate  
 Federal Communications Commission  
 445 12<sup>th</sup> Street, S.W.  
 Washington, DC 20554

Commissioner Jonathan Adelstein  
 Commissioner Robert McDowell

Dear FCC Chairman & Commissioners:

Our organizations share the common belief in a competitive and less onerous tax structure, fewer regulations and the power of free markets. Today we write to express deep concern over what we fear is a re-regulatory direction being taken at the FCC in the broadband enterprise marketplace, including Special Access services.

Specifically, we are concerned that recent developments at the Commission indicate that voices favoring government intervention and prescriptive regulation are pushing the government to pick winners and losers in the competitive broadband marketplace. This would be an abject policy failure and would effectively undo the success of the Commission's deregulatory approach to this market over the past ten years, and its impact in creating a pro-investment environment for the broadband marketplace.

The Commission's deregulatory, pro-competition policies have yielded positive results for business customers. A 2006 GAO study on Special Access found that prices are declining in all of the areas studied. Claims that deregulation have led to less competition and higher prices are simply false. There is no evidence of market failure and no reason to return to price controls.

Currently, the market for broadband for both business and consumers is thriving. Competition between not only the traditional CLECs and ILECs, but also the emerging wireless

and cable competitors, is growing. Sophisticated enterprise customers are presented with a variety of choices and are skilled at managing the procurement of these services, typically pitting competitor against competitor as part of their contract renewal process. They are acting on these opportunities to garner the best pricing for innovative services, custom-tailored to meet the needs of their businesses.

Those proposing a return to broadband regulation, however, ignore these facts and instead simply rely on tired rhetoric.

The Commission should not consider abandoning its deregulatory approach for the broadband marketplace. Rather, we urge the FCC to look comprehensively at the nature of today's broadband market and consider the growing competition that has come about as a result of the Commission's pro-investment broadband policies.

As the Commission and the Courts have previously found, regulation serves to discourage investment in facilities-based competition for incumbent providers, existing competitors and potential new entrants, thereby limiting the potential for additional competition and new, innovative services for businesses.

Thank you for your time and consideration.

Sincerely,

Jeffrey Mazzella  
President  
Center for Individual Freedom

J. William Lauderback  
Executive Vice President  
The American Conservative Union

Grover Norquist  
President  
Americans for Tax Reform

Harry C. Alford, Jr.  
President & CEO  
National Black Chamber of Commerce

Pete Sepp  
Vice President of Communications  
National Taxpayers Union

Leroy Watson  
Legislative Director  
National Grange

Chuck Muth  
President  
Citizen Outreach

Jim Martin  
President  
60 Plus Association

Karen Kerrigan  
President & CEO  
Small Business and Entrepreneurship Council

Tom Schatz  
President  
Citizens Against Government Waste

Wayne Crews  
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Vice President for Strategy  
FreedomWorks

Tim Phillips  
President  
Americans for Prosperity

William Greene, Ph.D.  
President  
RightMarch.com

Derek Hunter  
Executive Director  
Media Freedom Project

Phil Krinkie  
President  
Taxpayers League of Minnesota

Cc: Members of Congress