

[Home](#) [Sports](#) [Entertainment](#) [Lifestyle](#) [Opinion](#) [City Guide](#) [Classifieds](#)

NEWS

[Local](#)

[Business](#)

- » [Real Estate](#)
- » [Columnists](#)
- » [Stock Market](#)

[Obituaries](#)

[Neighbors](#)

[DeSoto](#)

[Nation & World](#)

[Special Reports](#)

[Columnists](#)

[Archives](#)

[GoForums](#)

[Corrections](#)

Contact Us

To report Memphis - area business news call 901-529-2321, fax 901-5292384 or E-mail [Business](mailto:Business@gomemphis.com).

Business Editor: Sonny Albarado
901-529-2703

Business News Department telephone and e-mail directory

Site Tools

- [About us](#)
- [Contact](#)
- [Customer service](#)
- [Help/FAQ](#)
- [Jobs opportunities](#)
- [Set homepage](#)
- [Site map](#)
- [Subscribe Online](#)
- [Webmaster](#)
- [Web tools](#)

[PRINT THIS STORY](#) | [E-MAIL THIS STORY](#)

FCC sidesteps Internet-phone issue

States will make own regulations regarding Bells

By Mark Watson
watson@gomemphis.com
February 21, 2003

Faced with stiff arguments from all sides in the debate over telephone and Internet rules, federal regulators on Thursday largely punted the issue back to state regulators.

The Federal Communications Commission voted 3-2 to let states decide whether conditions in their jurisdictions are so monopolistic that they require regional Bell phone companies like BellSouth and SBC to offer their local phone facilities at a discount to competitors.

But the FCC also allowed the Bells to deny competitors discounted access to their high-speed telecommunications systems, such as digital subscriber lines (DSL).

For businesses that use DSL provided by a competitor, "this is trouble, and rates will be affected," said Memphis telecom consultant Ed Horrell.

BellSouth's DSL customers and people who simply use dial-up Internet access should face no change, Horrell said.

In contrast, Jonathan Harlan, chief executive officer of Aeneas Internet & Telephone of Jackson, Tenn., said he thinks the ruling is positive for consumers.

"The Bells have been crying to Washington about losses, while their earnings remain at all-time highs," Harlan said. "The FCC ruling today hopefully means a stable cost environment allowing competitive carriers like Aeneas to flourish and bring choice to Tennessee consumers.

"An open telephone network means competition, which means lower costs across the board," Harlan said. "Consumers win."

BellSouth spokesman Marty Dickens disagrees.

"This is not a victory," Dickens said. "While some aspects of the order may be helpful, overall the decision fails to establish a national policy, fails to provide the stability necessary for capital investment, and fails to provide the incentive to invest - which

Search

Marketplace

gomemphis
Residential &
Classified Ads
Autos Careers
coupons
personals

HGTV
COMPL
FIX-
BOO



Showcase

gomemphis
Casino Home
New Home
Home
Explore local business
gomemphis

Briarcrest Church
The West

means jobs.

"The decision fails to supply for research and development or innovation, which will ultimately hurt consumers," he said.

Wall Street saw the decision as a blow to the Bells. BellSouth's stock fell \$1.54, or 7 percent, to \$20.60. The stock price of SBC, which serves most of Arkansas, fell \$1.73, or 7.5 percent, to \$21.30.

The commission approved the ruling over the dissent of its chairman, Michael Powell. In a long, sharply critical statement he said the decision "could prove quite harmful to consumers" and will "prove too chaotic for an already fragile telecom sector."

He applauded the broadband decision but called the phone competition ruling a "molten morass of regulatory activity."

It is unusual for a chairman of the agency to dissent on such a large matter, said Blair Levin, chief of staff for former FCC chairman Reed Hundt and now an analyst with the Legg Mason investment firm.

Behind the commission's divided vote is a requirement that the regional Bells lease parts of their local networks to competitors like AT&T Corp. and WorldCom Inc. at discount rates. The policy was adopted seven years ago to encourage companies to compete in the Bells' markets while giving the Bells the chance to offer long-distance service in their regions.

"A majority of the FCC has voted to preserve competition in the residential local market," Wayne E. Huyard, president of MCI Mass Markets for WorldCom. "This will enable us to continue providing and, indeed, expanding our revolutionary 'all-distance' service, The Neighborhood. . . . We are confident that state commissions will continue to make the responsible decisions necessary to keep their local markets open.

"Unfortunately, changes in the FCC's rules regarding broad band are highly detrimental to competition. This order prohibits competitors from accessing existing and future fiber in Bell networks, stifling their ability to provide consumers with the benefits of competitive choice."

- Mark Watson: 529 -5874



NURSING / PROFESSIONAL
Baptist Mem Hospital

SONOGRAPHY
Regional Dia Services, Inc

CAREER OPPORTUNITIES
GN Mortgage

AVON SALE
Susan Roper

CAREER OPPORTUNITIES
Union Plante

RN SUPERVISOR
Overton Part Care Center

ASSISTANT DIRECTOR
CAREER SEARCH
ITT Technica

LEGAL SECURITY
United State Service

DIRECTOR ALUMNI AFFILIATION
COMMUNICATIONS
Leadership M

OVERNIGHT STOCKING
Target

ADMINISTRATIVE ASSISTANT
Make-A-Wish Foundation c Memphis

CLINICAL COORDINATOR
UT Medical C

EDI COORDINATOR
Fred's



Copyright 2003 - The Commercial Appeal is an E.W. Scripps Company newspaper.
Other E.W. Scripps sites: HGTV | Food Network | Do It Yourself | Fine Living
gomemphis.com traffic is audited by the Audit Bureau of Circulations. View our latest audit results.

[User agreement](#) | [Privacy statement](#) | [E-mail Webmaster](#) | [Amplifications & corrections](#)
Make Gomemphis.com your home page