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VERIZON CASE BEFORE U.S. HIGH COURT GETS LAWMAKER'S ATTENTION

by Scott Lanman

Bloomberg News – 06 November 2003

House Judiciary Committee Chairman James Sensenbrenner said he would press for congressional action if a U.S. Supreme Court ruling in an antitrust case involving Verizon Communications Inc. harms consumers.

The Wisconsin Republican said he is concerned that a high court decision favoring Verizon case might limit consumer power to sue under antitrust law. The Telecommunications Act of 1996 requires Verizon, the biggest U.S. local-telephone company, and other regional carriers who want to sell long-distance service to open networks to rivals, he noted.

The high court heard arguments last month on whether Verizon and other regional carriers may be sued for antitrust violations for failing to obey Congress's mandate to let rivals offer competing local phone service. Antitrust law provides for damages that are triple the amount of any losses. The high court is expected to rule by July.

"If the Verizon position is affirmed by the United States Supreme Court, there will have to be a statutory remedy to overturn that decision," Sensenbrenner said in a speech at a telecommunications conference in Washington hosted by the Phoenix Center, an advocacy and research group.

A Supreme Court ruling that weakens antitrust protections in the 1996 law "will necessitate a swift and decisive legislative response from the Judiciary Committee and Congress," he said.

Administration's Position:

The Bush administration joined Verizon in urging the justices to reverse a decision by the 2nd U.S. Circuit Court of Appeals in New York that allowed New York lawyer Curtis Trinko's firm to press his case.

U.S. Solicitor General Theodore B. Olson, the administration's top courtroom lawyer, argued before the Supreme Court that Congress enacted the 1996 law because Verizon and other Baby Bells "had no obligation" under antitrust law to open their networks.

Verizon Deputy General Counsel John Thorne said he looks forward to working with Sensenbrenner "on the particular concerns he has about the Trinko case" and that the company agrees with the "fundamental

stuff” Sensenbrenner discussed, such as how antitrust laws have promoted competition and spending on new technologies and phone equipment.

In the phone industry, though, “too much sharing can deter investment,” Thorne said in an interview. “Courts always approached this area with a bit of caution. That’s obviously a controversial area.”

The case is *Verizon v. Trinko*, 02-682.