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Despite job losses attributable to a weak economy and the burst of the Internet investment bubble, total employment in the telecommunications' industry's wireline sector has increased significantly because of the additional competition and investment stimulated by the 1996 Telecom Act, the Phoenix Center said in a new policy bulletin. The bulletin shows total industry employment was 92,000 higher in July of this year than it would have been without passage of the 1996 Act.

"The data shows that the Telecom Act has provided a substantial boost to the economy. By opening the door to competition, it has generated substantial new investment and employment," Phoenix Center President Lawrence Spiwak told Communications Today. "Jobs created by new entrants into the phone market place have substantially surpassed job losses by incumbent."

An examination of government data shows a steady drop in telecom industry employment in the five years before passage of the 1996 Act. On average, telecom employment fell 2.3 percent per year between January 1990 and January 1995. Total employment in the industry fell by nearly 80,000 during the period (from 676,000 to 595,600 jobs). The Department of Labor's Bureau of Labor Statistics had predicted that the downward trend would continue at least through 2004. But the employment trend reversed dramatically after enactment of the 1996 Act. The entry of new competitors in the wireline market for local phone service employment in the sector climbed 5 percent annually between February 1996 and April 1, 2001.