



...best of all, they're FREE!



search wst

Go

Advanced Search

news and analysis

The IT Wire
In Depth
Current Issue
Back Issues
WS&T Week
Supplements



wst marketplace

Data-Mgmt. Challenge
STP Challenge
Wealth Mgmt. Challenge
Product Functionality
Charts
Market Data
Market & Credit Risk
Operational Risk
Portfolio Mgmt. Sys.
Trade Order Mgmt.
WST Buyers' Guide
Solutions Center
RFP Central

resources

Resource Centers
Electronic Trading
Invest. Mgmt. Tech.
Market Data
Risk Mgmt. Tech.
STP
Tech Library
IT Career Center
Reader Advisory Board

events

Upcoming
Previous Events

services

Edit. Calendar
Subscription Cust. Serv.

**Wall Street &
Technology**
online
Part Of The InformationWeek Media Network

IN DEPTH

Home > In Depth > Story

Reports: AT&T, MCI Could Begin Dropping Local Service

Local telephone competition could decline and consumer prices rise if new reports prove accurate that AT&T and MCI will begin phasing out of local markets.

By declining to review telephone access fees on Monday, the Supreme Court added another coffin nail into attempts by [long distance telephone providers](#) to connect to regional Bell operating companies' (RBOCs) lines at low rates.

Asked to respond to widespread reports that AT&T is planning to cease offering local service in some states, an AT&T spokeswoman said she couldn't comment on the reports. Both AT&T and its chief long distance competitor -- MCI -- have indicated for months that they would have to begin withdrawing from offering local service if they can't link to RBOCs' lines at rates low enough for them to make a decent profit.

"This forced exodus of competitive choice is going to hit both the mass market and enterprise market hard," said Lawrence Spiwak of the Phoenix Center Tuesday, "and deprive them of savings of over \$10 billion a year." Spiwak, who is president of the economics consultancy, said the decision by the Federal Appeals Court in March "eviscerated" FCC rules built on the 1996 Telecommunications Act. Effective appeals appear to have been exhausted by the Supreme Court decision Monday.

One facet of the demise of inexpensive access fees for long distance and other independent telecommunications providers is that investment in broadband facilities will drop, Spiwak said. However, the RBOCs have long maintained that rules permitting them to raise access fees would encourage them to raise investment in broadband.

While various state regulatory agencies will see their power in telephony diminish, Spiwak said they will still retain some powers. "States will have to deal with interconnect issues," he said in an interview. "They have their own state telecom regulations and they'll have arbitration (responsibilities). They'll still have a very strong role to play."

Spiwak said the RBOCs and the long distance companies face "a tremendous challenge" to negotiate workable solutions to the access fee problem. "It should come as no great shock to anyone that so-called arms'-length negotiations between monopolists and competitors will fail," he said.

For its part, the FCC has been attempting to formulate guidelines for negotiations between the two sides in the issue. To date, one RBOC -- Qwest -- has worked out an agreement with MCI. The remaining RBOCs -- BellSouth, SBC, and Verizon -- haven't been able to reach any agreement on the issue with long distance carriers or with other independent telecom service providers.

Consumer organizations say the demise of the discounted access fee schedule will likely lead to higher telephone rates for subscribers. The RBOCs, who will now be able to raise access fees, say they will have more resources to put into other telecom facilities.

Date: Jun 15, 2004

Publication: WST

By: W. David Gardner, [TechWeb News](#)

Utilities

Print this article
 e-mail this article

Subscribe

[Subscribe to WS&T magazine](#)

[Subscribe to Wall Street & Technology Week](#)

[Renew Wall Street & Technology Week](#)

White Papers

Search our TechLibrary:

Go

Related Articles

- [MIT-Spinout plant Attacke auf Datenkonverter-Markt](#)
- [SEC Charges Siebel With Violating Fair Disclosure Rule--Again](#)
- [ST. Hynix China fab plan due in two months, says report](#)

Sponsored Links

[Learn more about SAVVIS, The Network That Powers Wall St](#)

[The adaptive enterpr How consolidating IT transforms business](#)

[Find the right informa fast: Simplify enterpri search](#)

[The right software m: monitoring SLAs, apy easier.](#)



At the end of the day, what's essential to insurance carriers?

o e i i e
Wealth management

See how Allstate services its producers more effectively



Feedback
Help
Email Newsletter
Media Kit
Contact Us
About Us
RSS Feed
Privacy Statement
Reprints

TechWeb Sites

InformationWeek
InternetWeek
Network Computing
Financial Tech. Network
Bank Systems & Tech.
Insurance & Technology
Wall Street & Tech.
Technology & Learning
Optimize Magazine

Ad Info

Wall Street and Tech Marketplace (sponsored links)**[End the spreadsheet shuffle with Intuit QuickBase!](#)**

Track, update, share info w/your team, vendors, clients in one place on Web. Create reports, charts & calendars. Control who sees what data. Get started fast by importing right from Excel. Free Trial!

[Free Spam Guide for Network Administrators](#)

"Prevent unsolicited email from penetrating your network. Find out what methods are available to fight spam and other unsolicited email with A Network Administrators Guide to Spam, a free White Paper for industry experts."

[Intrusion Prevention Software for MS IIS - \\$99.](#)

ThreatSentry Intrusion Prevention Software surpasses the capabilities of rules-based systems to defend IIS against new and progressive attack techniques, protect network weak points and block system misuse. \$99 per server. Free 30-day trial.

[Protect Data in Real Time, Recover Data in No Time](#)

Storageactive continuous backup software for MS Exchange Servers and enterprise desktop, mobile & remote PCs automatically backs up mission-critical data as it is saved. Rapidly recovers the most recent data, reduces downtime & saves money. Free Trial!

[ComputerRepair.com - National On-Site](#)

National On-site IT Service-MCSEs, CCNA, A+Techs-Hourly Rates Starting \$40.00. Thousands of IT service providers ready to help On-Demand without a contract. There is no downside to our system, and the upside savings is sure to beat your expectations

[Buy a Link Now](#)

You've heard of Dear Abby?

Now Wall Street & Technology brings you Dear CIO.

**Wall Street &
Technology**

[Privacy Statement](#) - [Copyright © 2004 CMP Media LLC](#) - [Terms of Service](#)