In re Review of the Section 251
Unbundling Obligations of Incumbent
Local Exchange Carriers, Notice of
Proposed Rulemaking, in CC Dkt. No.
01-338 (Dec. 20, 2001).

The Federal Communications Commission (the
"FCC" or "Commission") initiated its first trien-
nial review of the Commission's policies on un-
bundled network elements. The NPRM considers
the circumstances under which incumbent local
exchange carriers ("ILECs") must make parts of
their networks available to requesting carriers on
an unbundled basis pursuant to Sections
251(c)(3) and 251(d)(2) of the Telecommunications
Act of 1996 ("the 1996 Act"). The Commis-
sion seeks comment on most aspects of its un-
bundling framework, including: (1) application of
the statutory "necessary" and "impair" standards;
(2) how the Commission should take into account
its goal of encouraging broadband deployment
and investment in facilities and technological in-
novation; (3) whether the unbundling rules
should vary by type of service, geography or other
factors; and (4) the proper role of state commis-
sions in the implementation of unbundling rules.
The goals of the NPRM are to ensure that the
FCC's regulatory framework remains current and
faithful to the pro-competitive, market-opening
provisions of the 1996 Act and that the implemen-
tation of the provisions fosters competition and
expands broadband availability to all consumers.

Recognizing that ILECs control some bottle-
nack facilities, Congress adopted Section 251 of
the 1996 Act in order to permit competitors to
overcome the obstacles posed by that control. In
1996, the FCC applied the statute and determined
which network elements need to be unbundled to
permit requesting carriers to compete. Recogniz-
ing that changing market conditions would create
a need for changes to the unbundling rules, the
FCC determined to revisit its unbundling rules in
three years. The present NPRM embodies this
first revisitation.

Under Section 251(d)(2) of the 1996 Act, in de-
determining what elements should be made availa-
ble, the FCC shall consider: (1) whether access to
such networks as are proprietary in nature is nec-
essary and (2) whether the failure to provide ac-
cess to such network elements would impair the
ability of the telecommunications carrier seeking
access to provide the services that it seeks to offer.
The FCC interpreted "necessary" to mean the lack
of access to that element would, as a practical, eco-
nomic and operational matter, preclude a car-
rier from providing service. The FCC defined
"impair" to mean the lack of access to that ele-
ment would "materially diminish" a requesting
carrier's ability to provide the services it seeks to
offer. The Commission identified seven network
elements without which requesting carriers were
impaired: (1) loops (dark fiber, high capacity
lines, inside wire), (2) subloops, (3) network in-
terface devices, (4) local circuit switching, (5) in-
teroffice transmission facilities, (6) signaling net-
works and (7) operations support systems. As a
threshold question, the FCC seeks comment on
the Commission's definitions of these terms and
the identified elements without which carriers
would be impaired.

The FCC identified five factors that further the
goals of the Act for consideration in its un-
bundling determination: (1) the rapid introduc-
tion of competition, (2) investment and innova-
tion, (3) reduced regulation, (4) market certainty
and (5) administrative practicality. The Commis-
sion seeks comment on whether these factors are
complete and what the relative weight of each
should be.

The FCC seeks comment on whether it can en-
courage broadband deployment through the pro-
motion of local competition and investment in in-
frasture or if imposing unbundling require-
ments on incumbent LECs would deter invest-
ment by both incumbent LECs and others. Essen-
tially, can the FCC balance the goals of Sections
251 and 706 (encourage the deployment of ad-
vanced telecommunications services)? As a means
of answering this question, the FCC asks com-
menters to provide evidence of where and how in-
vestment by carriers led to technological innova-
tions that benefited customers.

The FCC also seeks comment on whether it
should apply the following analyses when crafting
unbundling rules: (1) service-specific (e.g. tele-
phone exchange service, exchange access, etc.), (2) level of competition, (3) customer and business considerations, (4) geography and (5) transmission facilities differences.

The FCC seeks comment on the proper role of state commissions in the implementation of unbundling requirements. Specifically, should the FCC establish national standards that the states will apply, or are states better suited to tailor their own unbundling rules?

Finally, given the reasons for the triennial review, the FCC invites comment on whether it should continue with a fixed period review process or whether alternative plans should be implemented.


Pursuant to the Telephone Consumer Protection Act of 1991 (the "TCPA"), the FCC adopted rules in 1992 restricting unsolicited telephone and fax machine advertising. The FCC is now seeking comments on whether its rules need to be revised to reflect the changes in technology and telemarketing practices that have occurred in the past decade. The FCC’s stated goal is to “enhance consumer privacy protections while avoiding imposing unnecessary burdens on the telemarketing industry, consumers and regulators.” In this Memorandum Opinion and Order, the FCC closes CC Dkt. No. 92-90 and opens a new docket to deal with issues raised in this Notice.

The FCC seeks comments on whether to revise its rules on the following subjects: (1) Unwanted telephone and fax machine solicitations and use of automatic telephone dialing systems and prerecorded or artificial voice messages; (2) The effectiveness of company-specific do-not-call lists; and (3) The establishment of a national do-not-call list, and if it can be done in conjunction with the Federal Trade Commission’s (“FTC”) proposed national do-not-call registry for those entities over which it has jurisdiction (the FTC does not have jurisdiction over banks, common carriers, insurance companies and certain other entities, but does have jurisdiction over third-party telemarketers those entities might use to conduct telemarketing activities on their behalf), as well as with the do-not-call lists that have been established by various states.

The widespread use of predictive dialers and answering machine detection technology has resulted in many hang-up calls where the consumer is not able to request the telemarketer not call in the future. The FCC seeks comment on what legitimate business or commercial speech interests (determined under the four-part test of Central Hudson Gas & Elec. Corp v. Public Service Commission) are promoted by these calls.

With the growing volume of telemarketing calls, the FCC seeks comment on whether the company-specific do-not-call lists balance the interests of consumers who wish to receive such calls and the telemarketers who make them against the interests of consumers who do not want to receive such calls. Since consumers must repeat their request to not be called on a case-by-case basis each time a call is received, the FCC seeks comment on whether this approach is unreasonably burdensome for consumers.

The TCPA authorized the FCC to establish a national do-not-call database, but the FCC chose not to do so because of concerns over costs, maintenance of accurate information, and jeopardizing telemarketing proprietary information and the privacy of telephone customers who pay to have their numbers unlisted. The greatly increased number of telemarketing calls has raised public concerns about these unwanted calls and solicitations. Thus, the FCC is now asking for comment on whether its original reasons for not establishing a national do-not-call database are no longer matters of concern.

MEDIA

In re Inquiry Concerning High-Speed Access to the Internet over Cable and Other Facilities, Declaratory Ruling and Notice of Proposed Rulemaking, in CS Dkt. No. 02-52 (March 15, 2002).

In a Declaratory Ruling, the FCC concluded that cable modem service is properly classified as an interstate information service. The FCC determined that cable modem service is not a "cable
service” as defined by the Communications Act of 1934 (the “1934 Act”). The FCC also said that cable modem service does not contain a separate “telecommunications service” offering and is therefore not subject to common carrier regulation. The FCC also adopted a Notice of Proposed Rulemaking to examine: (1) whether there are legal or policy reasons to reach a different regulatory classification of cable modem service; (2) the scope of FCC’s jurisdiction to regulate cable modem service and whether there are any constitutional limitations on the exercise of that jurisdiction; (3) whether it is appropriate to require multiple ISP access (open access); and (4) the role of state authorities in regulating cable modem service.

The FCC is guided by three policy goals in issuing this Notice. (1) Encouragement of ubiquitous availability of broadband access to the Internet to all Americans; (2) ensuring a minimal regulatory environment promoting investment and innovation; and (3) development of a consistent framework for the regulation of competing services that are provided via different technological platforms.

Cable modem service provides high-speed, broadband access to the Internet over cable system facilities. By September 2001, 50.5% of all US homes had Internet connections, however, most homes had a narrow-band connection (i.e. dial-up connectivity) instead of broadband. Cable modem service is available to 73% of all US households. Approximately 80% of all homes in the U.S. have access to either cable modem or Digital Subscriber Lines (“DSL”). However, only 11% of homes subscribe to one or the other. Other platforms for high-speed access to the Internet include satellite and fixed-wireless.

Parties have advocated different classifications of cable modem service, and this has caused much industry controversy concerning the service’s regulatory status. The Supreme Court has ruled that when “the subject matter is technical, complex and dynamic,” agencies have the authority to fill in the gaps where statutes are silent. *Chevron U.S.A. Inc. v. Natural Resources Defense Council, Inc.*, 467 U.S. 837 (1984). The Commission has found that Internet access service is appropriately classified as an information service because the provider offers a single, integrated service to the subscriber. Accordingly, the FCC concluded that the classification of cable modem service turns on the nature and functions that the end user is offered. The FCC concluded that although the transmission of information to and from these computers may constitute “telecommunications,” that transmission is not necessarily a separate telecommunications service because no cable modem service provider has made a stand-alone offering of transmission for a fee directly to the public, but instead contract with Internet Service Providers (“ISPs”). Cable modem service is therefore classified as an information service, defined as “the offering of a capability for generating, acquiring, storing, transforming, processing, retrieving, utilizing or making available information via telecommunications.”

The FCC seeks comment on four issues. Beyond seeking comment on whether this classification is appropriate in light of any possible contrary legal or policy reasons, the FCC seeks comment on jurisdictional and constitutional issues, open access issues and state authority issues.

The FCC first seeks comment on whether it is able to assert its Title I ancillary jurisdiction over cable modem service as derived from the 1934 Act. The FCC notes that assumption of ancillary jurisdiction is not unrestrained and may only be exercised provided that such action is “necessary to ensure the achievement of the Commission’s statutory responsibilities.” The Commission’s statutory responsibilities are derived from Sections 1 and 4 of the 1934 Act, charging the Commission with the responsibility of “executing and enforcing the provisions of the Act which extend to all interstate and foreign communication by wire and radio,” as well as granting the FCC power to “perform any and all acts, make such rules and regulations and issue such orders not inconsistent with the Act.”

The FCC also seeks comment on whether an assertion of jurisdiction would run contrary to the First Amendment “Free Speech Clause” or the Fifth Amendment “Taking Clause.” The questions here are whether there is any form of viewpoint discrimination taking place, as well as whether the cable operators are given “just compensation” if the FCC allows ISP access to their networks.

The FCC seeks comment on the open access issue—that is, whether regulation should require common carriers to provide service to all subscrib-
ing ISPs. The FCC seeks comment on whether such regulation would promote competition in the marketplace, have a positive affect on the broadband industry, and, ultimately, whether there needs to be any government intervention at all.

Finally, the FCC notes that cable modem service is an interstate information service within the scope of its jurisdiction over interstate and foreign communications. The FCC, however, also recognizes that it is provided over the facilities of cable systems that occupy public rights-of-way in local communities, and, as such, the Commission seeks to clarify the authority of the state and local governments to regulate cable modem service, not inconsistent with the FCC’s national policy goals.


This Notice of Proposed Rulemaking seeks to outline policy goals and to determine whether the FCC’s media ownership rules, which have undergone significant change since their adoption, still satisfy these policy goals. Pursuant to 47 U.S.C. Sections 307, 308, 309(a) and 310(d), the Commission is authorized to consider the public interest when issuing broadcast station licenses. In this context, the FCC has decided to focus on promoting diversity, competition and localism in the media. Generally, the courts have been willing to adopt the Commission’s rulings if rationally related to the stated policy goals.

With the substantial changes brought about by the 1996 Act, the FCC is required under Section 202(h) to re-evaluate broadcast ownership law to ensure protection of the public interest. This Notice reviews the legislative history of biennial ownership review and initiates examination of four rules: (1) the national television multiple ownership rule, (2) the local television ownership rule, (3) the radio-television cross-ownership rule, and (4) the dual network rule. These rules should be analyzed for their collective effect on the stated policy goals. Therefore, this Notice invites comment on potential changes to ownership rules and possible avenues other than broadcast ownership goals to better satisfy the stated goals of diversity, competition and localism. Contributions will assist the Commission in determining whether retained or adopted rules accomplish its policy goals in such a way that satisfies the current marketplace.


In this NPRM, the Commission seeks comment on the viability of mandating a digital broadcast copy protection mechanism for digital television (“DTV”) and what impact such regulation may have on consumers.

The FCC, noting that the lack of digital broadcast copy protection may be a key impediment to the transition to DTV, also recognized that many programming content providers will be reluctant to permit the digital broadcast of quality programming amid concerns of inadequate or nonexistent copy protection. Without quality digital programming, consumers would likely be wary of purchasing DTV receivers, thereby further delaying the DTV transition. Industry negotiators have come to a consensus on a technical “broadcast flag” standard that would protect some programming from being copied. However, there is not universal agreement on the use and implementation of the flag, nor is there an industry agreement on how to enforce digital broadcast copy protection. Logistical questions on digital broadcast copy protection still linger. Should broadcasters and content providers be required to embed the broadcast flag in transmissions? Is there sufficient incentive for content providers to do this without an FCC mandate? On the reception side, should the Commission mandate that consumer electronic devices recognize and give effect to the broadcast flag? Is there jurisdictional basis for this action? The Commission notes that finding effective answers to these questions will be vital in ensuring
that programming gets adequate copy protection and to guaranteeing a smooth transition to DTV.


Through this Second Report and Order and Second Memorandum Opinion and Order, the Commission seeks to address lingering issues that are an impediment to the transition of the broadcast television system from analog to digital.

First, the Commission resolves several jurisdictional issues raised by industry advocates who contend that the 1962 All Channel Receiver Act ("ACRA") was not meant to cover digital television transmissions, only the then dominant VHF and UHF signals. The Commission rejects this argument and notes that the language of ACRA is clear, and Congress clearly meant it to apply to all frequencies of broadcast signals, even those yet undiscovered or unused, not merely to UHF and VHF signals that were the only option at the time of ACRA's enactment.

The FCC also concludes that insufficient progress is being made toward bringing to market equipment consumers need to receive DTV broadcast signals over-the-air. This is viewed as a serious impediment to the DTV transition because, while manufacturers have developed DTV receivers, they are not widely available at a reasonable price. Broadcasters have progressed to the point that nearly a third of all stations are broadcasting DTV signals, while the percentage of consumers with DTV capable receivers is very low. The Commission also notes an absence of a trend toward rapidly providing U.S. households with the ability to receive DTV signals. This is a serious impediment to the completion of the DTV transition.

The Commission refuses to delay the application of the DTV tuner requirement despite manufacturer and industry concerns over the yet unresolved issues of copy protection and standards for DTV "plug and play" cable compatibility. While these issues are important, the Commission notes that it is concurrently taking steps to resolve those concerns, and they need not be a further impediment to the DTV transition.

A phase-in schedule was developed that the Commission believes will give manufacturers enough time to integrate the DTV receivers into new products and to allow economies of scale to develop that will further promote efficiency and lower costs. Therefore, larger, more expensive television sets are required to have the DTV receiver installed before smaller sets. This phase-in period will best serve consumer expectations that televisions sets they purchase will be able to receive over-the-air signals, while addressing manufacturer concerns that integration of DTV will not be cost effective in the short run.

Finally, the Commission approved an update of the DTV transmission standard to allow for several new factors including requiring a signal to identify colorimetry and an increase in the maximum allowable audio bit rate. The FCC declined to impose labeling requirements on receivers that are not able to receive over-the-air broadcasts. Consumer advocates sought the imposition of performance standards for DTV receivers, but the FCC instead decided to rely on market forces to ensure adequate quality and performance.


The FCC created new equal employment opportunity ("EEO") rules for broadcasters and revised its EEO rules for multichannel video programming distributors ("MVPDs"), such as cable and satellite TV operators. The FCC's new EEO rules were created as the result of the U.S. Court of Appeals for the District of Columbia striking down the FCC's previous EEO program requirements for broadcasters in MD/DC/DE Broadcasters Association v. FCC, 347 U.S. App. D.C. 19 (D.C. Cir. 2001). The new program requirements are substantially similar to those upheld by the D.C. Circuit.

The Second Report and Order adopts the following three-pronged requirements for broadcasters. Broadcasters must: (1) widely disseminate information concerning full-time job vacancies; (2) provide notice of each full-time job vacancy to recruitment organizations that have requested such notice; and (3) complete two or four (depending
on the number of employees and market size) longer-term recruitment initiatives within a two-year period. These can include job fairs, scholarships, internships and other community events designed to raise awareness of employment opportunities in broadcasting.

Broadcasters will be required to: collect listings of their vacancies and how they sought to fill those vacancies; keep an annual report of that information in the station’s public file; submit the station’s EEO public file report to the FCC during its renewal application; and post the current EEO public file report on its website (if applicable). The EEO rules will be enforced through review during the renewal application, at mid-term for large broadcasters, and through random audits and targeted investigations resulting from information received about possible violations.

MVPDs will be subject to the same outreach requirements. MVPDs with six to 10 full-time employees or located in smaller markets will be required to do one recruitment initiative a year, while MVPDs with more than 10 employees and in larger markets must do two recruitment initiatives per year. The FCC will also require MVPDs with six or more full-time employees to submit copies of their EEO public inspection file every five years.

The FCC deferred action until September 2003 on the collection of race/ethnicity and gender data of broadcast and MVPD employment units.

The FCC also issued a Third Notice of Proposed Rulemaking seeking comments on whether and how to expand the EEO rule to part-time positions.

WIRELESS

*In re Verizon Wireless’s Petition for Partial Forbearance from the Commercial Mobile Radio Services Number Portability Obligation; Telephone Number Portability,* Memorandum Opinion and Order, in WT Dkt. No. 01-184, CC Dkt. No. 95-116 (July 16, 2002).

The FCC denied Verizon’s request for permanent forbearance of wireless local number portability (“LNP”). The FCC has determined LNP is a valuable objective; however, they are willing to extend the LNP deadline for implementation until November 24, 2003.

Two major justifications for LNP implementation exist. First, allowing wireless subscribers to retain their phone number when switching carriers promotes competition among wireless and wireline carriers. Second, as more customers become dependent upon their wireless phone, portability increases consumer choice. In theory, more customers would be willing to change carriers if they had the option of retaining their current telephone number. Thus, wireless carriers are forced to provide innovative service plans, better coverage and lower prices in order to attract customers.

The one year extension of LNP compliance to November 24, 2003 allows for the resolution of non-technical tasks which have not been appropriately addressed. Moreover, an additional year reduces the burden of simultaneous implementation of number portability and number pooling. By this *Order*, the deadline for the thousands-block number pooling remains November 24, 2002. This allows carriers to focus solely on the implementation of number pooling, thus protecting against network problems that could occur with simultaneous implementation. Finally, the extension provides more time for public safety coordination.

The *Memorandum Opinion and Order* determined that the justifications for LNP implementation remain valid, the consumer benefits outweigh the cost of LNP implementation and the extension of the deadline for wireless carriers to implement LNP by one year is an acceptable amount of time for the carriers to get ready for the change.


Through this *Report and Order*, the Commission seeks to streamline Part 22 of its rules and update it to reflect the impact of supervening rules, technological change and increased competition.
among providers of Commercial Mobile Radio Services ("CMRS").

In January 2001, the Commission staff completed an evaluation that included review of rules affecting cellular radiotelephone service and other CMRS. As a result of that evaluation, the FCC decided to implement rule changes modifying the requirement that cellular providers provide analog service compatible with Advanced Mobile Phone Service ("AMPS"). The rule, the Commission concluded, was no longer needed because of the nationwide coverage achieved by cellular carriers, nationwide market demand and the current competitive state of mobile telephony. The Commission also concluded that the rule imposed costs and impeded spectral efficiency. The Commission modified the rules to sunset the requirement that carriers provide service compatible with AMPS. Commenters were concerned that immediate elimination of the requirement would result in disruption to some consumers, particularly those with hearing disabilities and those with emergency-only products, who currently rely on analog service or who lack the digital alternative. The sunset period of five years is seen as sufficient to ensure that these problems regarding access will be resolved. The Report and Order also eliminates the manufacturing requirements governing electronic serial numbers in cellular telephones and the requirement that electromagnetic waves radiated by transmitters be vertically polarized.


The FCC amended Part 15 of its rules to permit the manufacture and operation of certain types of new products incorporating ultra wideband ("UWB") technology. UWB devices operate by employing very narrow or short duration pulses that result in very large or wideband transmission bandwidths. The FCC believes that UWB technology offers significant benefits for government, public safety, business and consumers. To ensure that UWB devices do not cause harmful interference, this Order establishes different technical standards and operating restrictions for three types of UWB devices based on their potential to cause interference. The three types of UWB devices are: (1) imaging systems including ground penetrating radars and wall through-wall surveillance, and medical imaging devices; (2) vehicular radar systems; and (3) communications and measurement systems.

The emission limits adopted for UWB devices are significantly more stringent than those imposed on other Part 15 devices. The technical standards and operational restrictions will ensure that UWB devices coexist with the authorized radio services without the risk of harmful interference while the FCC gains experience with the UWB technology. Specifically, the order makes the following actions:

 Imaging Systems: Ground penetrating radar systems must operate below 960 MHz or in the frequency band 3.1 – 10.6 GHz. Operation is restricted to law enforcement, fire and rescue organizations, scientific research institutions, commercial mining companies and construction companies.

 Wall Imaging Systems: Must operate below 960 MHz or in frequency band of 3.1-10.6. Operation is limited to law enforcement, fire and rescue organizations, scientific institutions and construction companies.

 Through-Wall Imaging Systems: These systems must be operated below 960 MHz or in the frequency 1.99 – 10.6 GHz. Operation is limited to law enforcement, fire and rescue.

 Surveillance Systems: Treated the same was as through-wall imaging and permitted to operate in the frequency band 1.99 – 10.6 GHz. Operation is limited to law enforcement, fire and rescue. Communication and Measurement Systems must operate in the frequency band 3.1 – 10.6 GHz. The equipment must be designed to ensure that operation can only occur indoors, or it must consist of hand-held devices that may be em-
ployed for such activities as peer-to-peer operation.


This Order allocates a total of 90 MHz to fixed and mobile services. This allocation provides two contiguous 45 MHz blocks suitable for the provision of Advanced Wireless Services ("AWS") or 3G services. Specifically, the Commission allocates spectrum in the 1710-1755 MHz and 2110-2155 MHz bands for AWS.

The spectrum at 1710-1755 MHz is currently used for federal government operations, but is part of the spectrum identified by NTIA for transfer from federal government use to mixed federal government/non-federal government use. It will be available to non-governmental users in 2004. One of the main reasons why this spectrum is perfectly suitable for future AWS use is that the band is already being used in other countries for 2G-style wireless services. Thus, use of this band for AWS in the U.S. will likely promote global spectrum harmonization, which in turn will foster global roaming capabilities and the development of economies of scale in the industry.

The second block of contiguous spectrum allocated in this Report and Order is the spectrum at 2110-2155 MHz. The spectrum at 2110-2150 MHz was identified in the Balanced Budget Act of 1997 for advanced wireless use and was also identified as suitable for new services as part of the Commission’s Emerging Technologies proceeding. Further, the 2110-2150 MHz band is among those frequency bands identified on a worldwide basis for the implementation of IMT-2000 services. The Commission will use existing relocation rules to provide for the migration of incumbent point-to-point microwave licensees that are currently licensed in the 2110-2150 MHz band.

To provide for a contiguous 45 MHz of spectrum, the Order allocates 5 MHz of spectrum, 2150-2155 MHz, currently licensed to the Multipoint Distribution Services ("MDS"). The Commission will consider relocation spectrum and propose relocation procedures for MDS operators in the 2150-2155 MHz band in a future proceeding.

By providing two 45 MHz blocks of contiguous spectrum that can be paired, the Commission provides more options for assigning and configuring large spectrum blocks suitable for AWS use.

POLICY

FCC Chairman Michael K. Powell’s Statement Before the U.S. Senate, Committee on Commerce, Science, and Transportation (July 30, 2002).

Following Worldcom’s bankruptcy filing, FCC Chairman Michael Powell spoke before the Senate’s Committee on Commerce, Science and Transportation, hoping to calm the rising panic within the telecommunications industry. With the rising spectre of bankruptcy in the telecommunications industry, the FCC is attempting to achieve three goals: (1) maintain the operation of the network, (2) contain the fallout to prevent damage to other companies or consumers, and (3) provide for an orderly transition of customers and assets.

Chairman Powell attributes the "Internet Gold Rush" to the current turmoil within the telecommunications industry. Companies fed into the Internet craze by trying to out-build each other in establishing local and global networks. Although there was an increase in the demand for telecommunications accessibility, the demand did not grow to the amount that was needed to satisfy the supply, which was starting to glut the industry. As a result, many companies were faced with staggering amounts of debt and not enough available revenue to pay down this debt and generate a return on investment. Inevitably, many of these companies began entering into bankruptcy. Those companies who wished to avoid the prospect of bankruptcy altogether resorted to fraud and deception to mask the problems that their companies were facing.

Chairman Powell set forth six steps for the Commission to take: (1) protect service continuity, (2) root out corporate fraud, (3) restore financial health, (4) acknowledge prudent industry restructuring, (5) provide new revenue through new services, and (6) reform economic
and regulatory foundations. When taken, these steps will manage the current turmoil and stabilize the industry over time.

These six elements will not be effective unless there is a collective effort on the parts of Congress, federal and state regulators, the private sector and the financial markets to help the industry recover and bring new and vital communications capabilities to peoples' lives.