



OFFICE OF ADVOCACY *FactSheet*

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Advocacy Asks FCC To Consider Impact on Small Competitive Carriers

Advocacy's Letter to Chairman Powell of the Federal Communications Commission

On February 5, 2003, the Office of Advocacy of the U.S. Small Business Administration (Advocacy) filed a letter commenting on the Federal Communications Commission's (FCC) review of the Baby Bell's obligations to make portions of their networks (such as switching and transport) available to competitive carriers at predetermined rates. Competitive carriers (often small businesses) rely upon these network elements to gain entry into the local market while they build a customer base and construct their own network.

Please note that the Office of Advocacy is an independent office, and the views expressed in this summary and referenced letter do not necessarily reflect SBA or Administration policy.

The full letter may be accessed at <http://www.sba.gov/advo/laws/comments/>.

Small Businesses Are Significantly Affected by the Proposed Rule

- Removing network elements from the list of available network elements changes the basic business model in existence today. The existence of many small competitive carriers is dependent on the availability of these elements.
- Small business end users are also affected by this proposal, as the majority of a competitive carriers' customer base are small businesses.

FCC Would Benefit from Small Business Policy Analysis on New Issues under Consideration

- Reports in the press suggest that the FCC is considering removing specific elements (such as switching) from the list of network elements that Baby Bells must make available at predetermined rates. This step was not proposed in the initial rulemaking.
- If the FCC removes competitive carrier access to network elements, then the current initial regulatory flexibility analysis (IRFA) appears inadequate, because it does not analyze the impact of these new issues on small carriers.
- The Office of Advocacy recommends that the FCC issue a supplemental proposed rulemaking and a revised IRFA to analyze any specific regulatory approach that the FCC is considering. A revised IRFA provides an opportunity for small businesses to comment meaningfully on all the elements of the proposed rule, including those that may have been added subsequent to the publication of the rule.

For more Information on the Office of Advocacy

- Visit Advocacy's Web page at <http://www.sba.gov/advo>.