



OFFICE OF
THE COMMISSIONER

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

June 11, 2007

Chairman Edward J. Markey
United States House of Representatives
2108 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Markey:

Thank you for your letter of May 23, 2007, expressing your views regarding the potential impact of the Commission's special access rules and policies on the winners of the upcoming auction for licenses in the 700 MHz band.

The encouragement of a market-based approach to ratesetting in the special access market has been a key goal of the Commission since the Commission implemented a system of price cap regulation in 1991 and subsequently introduced pricing flexibility in 1999 and adopted the CALLS plan in 2000. The most recent step towards that goal was the release of the January 2005 Notice of Proposed Rulemaking (NPRM) that, among other things, sought comment on whether the Commission should maintain or modify the Commission's pricing flexibility rules for special access services.

Since the record in the proceeding initiated by that NPRM closed in July 2005, a number of highly significant events occurred in the industry. SBC merged with AT&T, MCI merged with Verizon, and, most recently, AT&T and BellSouth have merged. In the context of each of these mergers, the applicants voluntarily committed to certain conditions relating to special access pricing, including commitments to freeze special access prices in the current Verizon and AT&T territories for a period of at least two years.

Given the significant changes that have occurred in this market, I believe that it would be prudent to refresh the record in order to ensure that we have the best information available before reaching a decision in this important proceeding. Accordingly, I advised Chairman Martin in April that I support his proposal to refresh the record and seek comment on how the Commission should proceed with regard to special access pricing. I commit to conducting our deliberations will all due speed upon release of a notice to refresh the record.

I appreciate your interest in the Commission's review of its special access rules and policies. Please do not hesitate to contact me if I may be of further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Deborah Taylor Tate". The signature is fluid and cursive, with the first name "Deborah" being the most prominent.

Deborah Taylor Tate
Federal Communication Commission
(202) 418-2500