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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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United States Senate
WASHINGTON, DC 20510

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March 15, 2001

The Honorable Michael Powell
Chairman
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Dear Chairman Powell:

We are writing with respect to the Federal Communications Commission's (FCC) consideration of the merger of VoiceStream Wireless, Deutsche Telekom and PowerTel. In that proceeding, the FCC has been asked to interpret Section 310(a) of the Communications Act to preclude a telecommunications carrier with substantial government ownership from indirectly owning a U.S. wireless licensee. In our view, such an interpretation of the law would place the United States in direct violation of its commitments under the World Trade Organization Agreement on Basic Telecommunications ("Basic Telecom Agreement") and the General Agreement on Trade in Services ("GATS"). We instead urge you to adopt the interpretation of Section 310(a) previously articulated by the United States during negotiations leading to the Basic Telecom Agreement, which harmonizes Section 310 and U.S. trade obligations. Any other result would devastate U.S. trade policy and invite trade sanctions in any sector, not just telecommunications.

By all accounts, the Basic Telecom Agreement, which has now been in effect for nearly 3 years, has been an overwhelming success. U.S. firms hold substantial investments in telecommunications companies in over three dozen countries on every inhabited continent. U.S. firms are the largest investors in almost every international submarine cable consortium and global satellite system, and have invested heavily in overseas wireless operations. U.S. firms are also taking the lead in moving globally into next-generation Internet Protocol services, spurred by the rapid fall in international bandwidth prices resulting from telecommunications trade liberalization.

Because the Basic Telecom Agreement has been an important engine of economic growth, we believe it is crucial that the FCC not back away from or undermine that Agreement. In a key part of that Agreement, the United States committed that it would not bar foreign telecommunications companies, including government-owned companies, from entering the U.S. market or from obtaining a controlling interest in U.S. wireless telecommunications licenses.

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If the FCC were now to interpret Section 310(a) to prohibit control of a U.S. wireless licensee by a foreign government-owned corporation, the U.S. would be in clear violation of its commitments under the Basic Telecom Agreement and the GATS. The FCC would forfeit the United States' position as a leader of worldwide trade liberalization. U.S. industry in all sectors, not just telecommunications, would face the threat of trade sanctions.

We therefore urge you and your colleagues to interpret Section 310 in a manner that is consistent with upholding U.S. international trade commitments and obligations.

Please place a copy of this letter in the VoiceStream/Deutsche Telekom merger docket.

Sincerely,











