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Federal Communications Commission
445 12th Street, S.W.
Washington, D. C. 20554

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Contact: David Fiske
(202) 418-0513

FCC CHAIRMAN POWELL RECOMMENDS INCREASED FCC ENFORCEMENT POWERS FOR LOCAL TELEPHONE COMPETITION

FCC Chairman Michael Powell has recommended that Congress increase the forfeiture level imposed on common carriers violating local competition provisions of the Telecommunications Act of 1996 from the current statutory limit of \$1.2 million per violation to at least \$10 million per violation. Powell said "In my discussions with competitive local exchange carriers, they cite enforcement as the key area for increased regulatory effort."

In a letter sent Friday to leaders of the Senate and House Commerce and Appropriations Committees, Powell also recommended a longer statute of limitations than the current one year period for FCC investigations of local competition violations, and asked for Commission authority to award punitive damages in formal complaint cases.

Powell wrote, "A vibrant competitive local exchange carrier (CLEC) industry is central to Congress's vision for opening local markets to competition."

He said, "In my view, the difficulties currently facing the CLEC industry stem from a variety of conditions....And in some cases, CLECs may have been stymied by practices of incumbent local exchange carriers (ILECs) that appear designed to slow the development of local competition." He added that given the "vast resources" of many of these ILECs, the current \$1.2 million forfeiture limit "is insufficient to punish and to deter violations in many instances." He recommended a higher statutory forfeiture level "to enhance the deterrent effect of Commission fines."

Powell said the FCC must "vigorously enforce the local competition provisions of the 1996 Act, " and said, "I believe there is more that we can do with the help of Congress."

The text of the full letter is attached.

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