Federal Communications Commission
Washington, D.C. 20554

March 31, 2004

Edward Whitacre
Chairman & CEO
SBC Communications
175 East Houston Street
Room 1300
San Antonio, TX 78205

Dear Mr. Whitacre:

We write to urge your participation in a serious effort to reach mutually acceptable terms for offering unbundled network elements. Ongoing litigation has unsettled the market. We call upon the telecommunications industry to begin a period of commercial negotiations designed to restore certainty and preserve competition in the telecommunications market. We have asked telecommunications carriers to engage in a period of good faith negotiations to arrive at commercially acceptable arrangements for the availability of unbundled network elements. We trust the parties to utilize all means at their disposal, including the selection of a third-party mediator, to maximize the success of this effort. For our part, we intend to petition the D.C. Circuit for a 45-day extension of the stay of the court's mandate vacating the Commission's rules. We likewise will request that the Solicitor General seek a comparable extension of the deadline for filing a petition for certiorari. We seek your support in these two matters.

The express, limited purpose of these requests is to allow negotiations to take place and for the parties to reach commercial agreements. The Communications Act emphasizes the role of commercial negotiations as a tool in shaping a competitive communications marketplace. After years of litigation and uncertainty, such agreements are needed now more than ever. In the past, the Commission has been divided on these issues. Today, we come together with one voice to send a clear and unequivocal signal that the best interests of consumers are served by negotiation. We call on all sides to commit to working in good faith toward a prompt resolution.

We urge you to participate fully in this important effort. Please indicate to us by Tuesday, April 6 whether your company or organization will participate and will support a stay of the court's mandate. In the end, we trust you share our view that America's telephone consumers are served best by ending this uncertainty and getting back to business. America's telephone consumers will be served by successfully negotiated agreements.

Sincerely,

Michael K. Powell
Chairman

Kathleen Q. Abernathy
Commissioner

Michael J. Copps
Commissioner

Kevin J. Martin
Commissioner

Jonathan S. Adelstein
Commissioner