

FCC En Banc Hearing – Recovery in the Telecom Industry

Kim N. Wallace, Chief Political Analyst

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The Mural is More Important than Snapshots

Drivers of a Robust 1990s Telecom Industry

- Capital Formation
- Technology Developments
- Rules Changes

Contributors to Industry Decline

- Overcapitalization
- Unrealistic Expectations
- Global recession
- Dented Capital Markets
- Skittish Business and Individual Investors
- Corporate Scandals
- Hard-to-Quantify Geo-political Risks

Outlook for Near-term Telecom Policymaking

- FCC, state regulators and the courts will continue to displace Congress
- Competition and choice likely will dominate decisions
- Absent a crisis, legislation politically difficult to enact
- Macroeconomic realities will inform microeconomic decisions
- Outcomes of pending mergers and telephony proceedings

Selected 1990s Policy Signals

Policy

1992 Cable Act

1994 and 1997 (Kennedy) Opinion

1996 Telecom Act

1999 (Scalia) and 2002 (Souter)

Opinions

1999 Satellite Home Viewer Act

Signal

Consumer Protection

“Bottleneck” Standard of Competition

National Deregulation and Competition

Upholding the 1996 Act

Consumer Choice



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