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A United Effort to Restore America's Global Leadership in Telecommunications

Telecommunications is the central nervous system of the American economy. It has revolutionized virtually every aspect of our lives, from education and health care to our work and home lives. Between 1995 and 2004, advances in telecommunications and information technology were responsible for as much as 75% of U.S. labor productivity gains.

Maintaining America's position as a global leader in telecommunications is key to sustaining real economic growth and to improving our standard of living.

The Challenge

Unfortunately, the nation's telecommunications laws have failed to keep pace with advances in technology, have stifled new investment, and have denied consumers and our economy the full benefits of a wide variety of new telecommunications services and choices. Consequently, in rankings of global broadband deployment, the United States has fallen to 13th place, down from 5th just five years ago.

By failing to keep pace with technologies being deployed in other parts of the world, the United States will suffer severe economic consequences as companies move jobs overseas and innovative technologies are invented elsewhere.

To combat this decline and to ensure that our nation creates an economic climate that fosters innovation and investment in its telecommunications industry, the U.S. Chamber of Commerce is forming the TeleCONSENSUS coalition. The coalition, which seeks to update the nation's telecommunications laws to revitalize this critical sector of the economy

and promote market-driven demand, will be made up of trade associations, chambers of commerce, telecommunications providers, equipment manufacturers, businesses, and consumers.

The Principles

The coalition's efforts will be guided by the following six principles:

1. Federal telecommunications laws must be updated to foster innovation, expand consumer choice, spur investment, create jobs, enhance efficiency, and increase productivity.
2. Telecommunications markets should be driven by consumer demand, advances in technology, and competition between telecommunications companies, while encouraging public safety, consumer protection, access for people with disabilities, and other public interest goals.
3. Universal service, which ensures affordable basic telephone service for all Americans and Internet access in the nation's schools and libraries, is an important national commitment and must be preserved.
4. Government should not burden consumers with discriminatory or excessive telecommunications taxes, nor should obsolete regulations limit Americans' access to innovative services and choices.
5. Consumer choice and private-sector investment should drive the deployment of high-speed Internet access into our communities.
6. Additional spectrum should be allocated for innovative wireless services.

MEMBERSHIP FORM

Economic Collapse

The continued application of outdated government regulations has come at a high price to the nation and its workers. From March 2000 to July 2004, market capitalization in the telecommunications service industry fell from \$1,135 billion to \$375 billion, a decline of 67%. Annual capital spending in telecommunications plummeted—from a peak of \$132 billion in 2000 to just \$55 billion in 2004.

Employment has also fallen dramatically. Between March 2001 and May 2004, the telecommunications industry lost 380,500 jobs. These job losses accounted for 29% of the 1.3 million nonfarm jobs lost throughout the entire U.S. economy, even though the telecommunications industry employs only 1% of the nonfarm labor force.

Regulatory Obsolescence

When the nation's telecommunications laws were last updated in 1996, telephone companies delivered services you heard, cable companies delivered services you watched, and cell phones were expensive luxury items used primarily by business travelers. In 1996, the Internet had not yet exploded into the mainstream, and, as a result, was mentioned only a handful of times in the 276,000-word Telecommunications Act of 1996.

Today, advances in technology afford consumers unprecedented choices from a wide variety of satellite, cable, wireline, and wireless companies that are vying to provide the same suite of voice, data, and video services. Using Voice over Internet Protocol (VoIP) technology, cable companies are moving aggressively into the voice marketplace.

Similarly, local phone companies are increasingly using Internet Protocol technology to offer digital television services.

Meanwhile, the telecommunications industry continues to be regulated as if a technological revolution has not occurred and competition is still limited. This approach has produced an excess of regulatory uncertainty and has deterred investment in new or updated networks.

To make matters worse, the telecommunications industry is subject to discriminatory and excessive taxes that further hinder innovation and the deployment of advanced services. For example, as of 2001, telecommunications taxes averaged 17.9%, while taxes on other goods and services averaged only 6%.

The Solution

By eliminating burdensome regulations, innovative technologies can flourish. For example, in the mid-1990s, when the Federal Communications Commission revised its rules to allow more than two wireless carriers to serve each local market, the wireless industry experienced explosive growth. By 2001, six national carriers had emerged. Between 1993 and 2002, the average price-per-minute of wireless service declined by 79%, and the number of wireless minutes used increased 20-fold. Further, as of 2004, wireless service has replaced 60% of wireline long-distance calls.

Over a five-year period, modernizing the laws that govern the entire telecommunications industry has the potential to generate a net gain of more than 212,000 jobs, create \$58 billion in new capital investment, and increase the gross domestic product by \$634 billion. This increased economic activity could, in turn, generate more than \$113 billion in new government revenues.

The Choice

The United States faces a crucial choice. It can either continue to stifle the telecommunications industry with outdated regulations, or it can update its laws and allow market forces and technological innovation to create the world's most advanced and efficient telecommunications system.

You Can Help

Telecommunications impacts every worker, household, community, business, and economic development effort in our country. It is time to update our telecommunications laws to establish market-based competition that puts consumers in the driver's seat.

Each year of delay will cost the U.S. economy \$12 billion in investment spending and \$127 billion of the gross domestic product and will deter the creation of more than 42,000 jobs.

Join the TeleCONSENSUS coalition today and help us educate Congress and the public about the benefits of an economically robust telecommunications system. As a member, you will be kept up to date about the coalition's activities and afforded opportunities to help ensure that our nation fully benefits from advanced and innovative telecommunications. Make a difference. With your support, we can unleash the promise of modern telecommunications for the U.S. economy and for American consumers.

General membership in the TeleCONSENSUS coalition is free. For more information, contact us via phone at 202-778-2400, via e-mail at teleconsensus@uschamber.com, or visit our Web site at www.teleconsensus.com.

Our organization will join the TeleCONSENSUS coalition

General Membership is FREE!

Name of Organization

Name of Contact

Title

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I would like to help with the following:

- In-District Visits
- Letter Writing Campaign
- Media Outreach
- Membership/Recruitment
- Special Events/Publicity

