

stance, noting that Justice Department officials had known for at least two years of AirTouch's intention to enter markets banned to the Bells.

"We could not have been more clear about what we were talking about," said Richard Odgers, Pacific Telesis' general counsel. Moreover, he added, three law firms hired by the company came to the same conclusion that the decree didn't apply to AirTouch.

Justice Department officials counter that its antitrust division, as a prosecuting arm of the government, doesn't offer casual assessments. Pacific Telesis "could have made a request for a formal (legal) opinion" when the spinoff was being contemplated in 1993, Mr. Litan said. "But they never did that. They went ahead and took their chances."

AirTouch's public documents issued at the time it went public indicate that it knew it might be jumping the gun if it pursued business barred by the decree. The company's November 1993 prospectus, released in anticipation of its initial public offering last spring, noted that there was no assurance "that DOJ or a third party might not object at some time in the future or that the courts might not agree" with AirTouch's opinion that it wasn't subject to the decree restrictions.

The prospectus added that AirTouch had advised the Justice Department of "its belief that the [decree] would not apply to the company after the spinoff. . . . [and] DOJ has not stated any intention to object [Pacific] Telesis' position."

Margaret Gill, an AirTouch senior vice president, maintained last week that "that statement was made because we had carefully noted conversations with appropriate senior officials at the department."

Department opinions aren't binding with the courts, and even when it finds nothing objectionable, the agency can take action later. But it is virtually unheard of for the Justice Department to prosecute a company for engaging in activities that have been subject to a formal review, a process that can take several months or more to complete.

AirTouch has big plans. Besides operating one of the nation's largest cellular phone networks, the company already has begun offering highly profitable long-distance services in its territories. AirTouch is also building systems in international markets that will be tied through a sophisticated satellite network.

The company has proposed merging with the cellular unit of former sibling US West Inc. Together, AirTouch and US West are bidding with two other Baby Bells—Bell Atlantic Corp. and Nynex Corp.—for new wireless "personal communications services" licenses, with plans to build a nationwide PCS network offering anywhere-anytime wireless calling.

Efforts by AirTouch to boost growth and profits by also providing the long-distance links to its subscribers could be cut off if the company doesn't win a favorable ruling from the courts. A \$7.5 million investment by the company in a satellite venture also seems in jeopardy.

AirTouch didn't reveal the department's concerns until last week, when it asked federal Judge Harold Greene for an immediate ruling saying AirTouch isn't subject to the decree. In the meantime, AirTouch has agreed to stop further expansion into prohibited businesses and the department has agreed not to take action against the company until a decision is rendered.

AirTouch's predicament underscores the gravity with which the U.S. government still views the restrictions on the regional Bell monopolies. The crackdown on the fledgling Bell spinoff could presage similar moves against the other Bell affiliates that were

cut loose but are still considered local service bottlenecks.

Many telecommunications attorneys believe AirTouch won't get a favorable ruling from Judge Greene, who has historically taken a hard line in interpreting the decree. But they think it will prevail in the courts.

But that could take years, according to some attorneys. However, AirTouch could ask for a waiver from the courts that would allow it to continue its operations unchanged.

Even with its current predicament, AirTouch still has a healthy core business providing cellular services in its territory. The company's fledgling long-distance business is a minuscule part of total operations, and it has a stock market value of about \$14 billion. The company, which has had growth rates of greater than 30%, is expected to release fourth-quarter earnings on Wednesday.

THE PUBLIC UTILITIES
COMMISSION OF OHIO,
April 25, 1995.

Ms. ANNE BINGAMAN,
Assistant Attorney General, U.S. Department of
Justice, Antitrust Division, Washington,
DC.

DEAR MS. BINGAMAN: I am writing to you in my capacity as Chairman of the Ameritech Regional Regulatory Committee (ARRC). ARRC is an ad hoc group of the five state regulatory commissions in the Ameritech region: Illinois, Indiana, Michigan, Ohio, and Wisconsin. The ARRC mission is to facilitate the exchange of information among the public utility commissions of the five states regarding telecommunications issues in general and telephone companies operating within the five respective jurisdictions in particular. The ARRC is made up of representatives of the commissions and/or staffs of the Illinois Commerce Commission, Indiana Utility Regulatory Commission, the Michigan Public Service Commission, the Ohio Public Utilities Commission and the Public Service Commission of Wisconsin.

On behalf of the ARRC, I want to thank you and members of the Department Staff for devoting many hours to meeting with the ARRC to seek input from and accommodate concerns raised by the respective state regulatory commissions and/or their staffs concerning the proposed request to Judge Greene to authorize an interLATA experiment in parts of Michigan and Illinois. Specifically, Mr. Willard Tom and Robert Litan of your Staff traveled to the region and met with the ARRC staff on a number of occasions concerning the proposed experiment. Moreover, the ARRC staff representatives received and were allowed to have input on the various drafts leading up to the proposed modification of the Decree filed with the Court on April 3, 1995. Although there may still be issues which individual state commissions and the ARRC may be raising in comments before Judge Greene, I can say on behalf of all of the ARRC states that the willingness of the Department of Justice to work with and specifically accommodate a number of state concerns represented an exemplary level of cooperation and team work between the Department and the state commissions.

Should the modification to the Decree be adopted by Judge Greene, by its own terms it calls for various regulatory and enforcement activities to be undertaken both by the States and the Department of Justice. I am heartened by the cooperative process that has occurred to date and feel that it bodes well for implementing the proposed trial in a manner which is in the public interest.

Again, on behalf of the ARRC, I express my sincere thanks for the Department's extra ef-

forts to hear and attempt to accommodate state regulatory issues and concerns.

Sincerely,

CRAIG A. GLAZER,
ARRC Chairman.

Mr. KERREY. I yield the floor.

Mr. DOMENICI. Mr. President, I understand I have 3 minutes. I yield myself such time as I may need. I ask for 1 minute as in morning business out of my time.

The PRESIDING OFFICER. Without objection, it is so ordered.

A CELEBRATION OF DAD'S DAY

Mr. DOMENICI. Mr. President, as we approach Father's Day 1995, I want to share with the Senate and the American people a letter I have received from a fellow New Mexican, Chuck Everett. Mr. Everett originally wrote this letter while he was serving in Korea to his father who was back home in the United States.

Mr. Everett's father described the letter as "a masterpiece of simple truths." I could not agree more. In Mr. Everett's cover letter to me, he says to "delete the word 'Communism' and insert the word 'terrorism' and we have a thought that is as true today as in 1952." His prophetic and patriotic words are as valid now as they were when he first wrote them. I trust you will find the text of Mr. Everett's 1952 letter a hopeful and encouraging sample of a young man's commitment to America and its values. These are indeed "simple truths." Times have changed the face of totalitarian and Communist regimes, but new dangers are substituted for the old. As Mr. Everett says, we "are on a mission, so that next year and the years that follow, free people all over the world can celebrate Dad's Day." I respectfully ask unanimous consent that the text of Mr. Everett's letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OCTOBER 1952

It's a beautiful morning, the kind of a day when a fellow likes to get up early in the morning, gather up his golf clubs and head for an early morning bout with fairways, roughs, greens and caddies.

I'd like to sit down to a nice roast beef dinner, with diced carrots, peas, Brussels sprouts, chopped salad, blue-berry pie and a big glass of milk. In the afternoon I'd like to siesta, then pack a picnic lunch of cold cuts, cheese and lemonade, and head for Stone Park. I left out something. Oh, yes, of course, church. I'd like to go to church after golf, where the services would be devoted to Father's Day.

That's how I'd like to spend the day. But some of us are on a mission, so that next year and the years that follow, free people all over the world can celebrate Dad's Day. We know we will succeed in our mission here, but will those at home remember our efforts and strive to realize our purpose? The battles we fight here cannot, in themselves, assure us that we will have a free world. It takes the combined efforts of educators, industrialists, politicians and religious leaders to assure a free world. The shackles of communism are not bound about the legs of only

those behind the iron curtain. It has shackled the minds of free men everywhere into believing that it is better than free enterprise and democracy.

That is where you people must carry the fight to the enemy. Bullets alone will not stop communism. Let us, on this day dedicated to fathers, dedicate our lives to the support of free will, free speech, freedom from fear, freedom of religion, and freedom of thought.

We cannot fear communism, but we must make communism fear us. And, believe me, the Reds do. At every move of our enemy, we stop them, we repulse them and we humiliate them. It is but a matter of time before they will quit. They can only suffer defeat. Be it not the will of free men to be dictated to, and thus communism cannot succeed.

TELECOMMUNICATIONS COMPETITION AND DEREGULATION ACT

The Senate continued with the consideration of the bill.

Mr. DOMENICI. Mr. President, in 1934, when the last major piece of communication regulation was passed, we had radios and telephones, and often telephones had many parties on the same line.

Now we have telephones, radios, computers, modems, fax machines, cable television, direct broadcasting satellite, cellular phones, and an array of budding new technological improvements to communication.

As a matter of fact, I believe this period in modern history will be marked singly by the advances that humankind is going to make with reference to communications. I think it will add appreciably to the wealth of nations. It will add significantly to the time people have to do other things because it will dramatically produce efficiencies in communication that were unheard of. It will bring people together who are miles apart.

We can dream and envision the kind of things that will happen by just looking at what has happened to cellular phones, to portable phones, and think of how communications is going to advance.

Mr. President, fellow Senators, it is obvious that we have a law on the books and court decisions governing this industry that shackle it and deny the American people, and, yes, the people of the world, the real advantages that will come from telecommunications advances that are part of a marketplace that is competitive, where the great ideas of people can quickly find themselves converted from ideas to research, from research to technologies, and then rapidly into the marketplace to serve various needs of business, of individuals, of schools and on and on.

Some New Mexicans have told me, "We are happy with the phone service we have now. What are we changing in this legislation, and why must we change it?" Obviously, we are not going to be changing the phone service other than making the options that our people have, giving them more options, making the communication, be it a

telephone, a more modern thing, and people will be able to do much more by way of communicating than before.

People should not fear, but rather look at this as a new dawn of opportunity and a way to communicate and enhance freedom beyond anything we could have comprehended 20 or 30 years ago.

It stands to reason that with all of that happening—and part of it has grown up under regulation and part of it not—it is time to change that old law and do something better, take some chances, if you will, with the marketplace. It will not come out perfect.

I just heard my good friend from Nebraska, Senator KERREY, indicate he was concerned. Obviously, I am less concerned than he. I believe this bill will cause much, much more good than the possibility for harm that might come because we may not totally understand the end product.

It may be difficult to totally understand the end product of this deregulation. Anybody that is that intelligent, knows that much about it, it seems to me, is well beyond what we have around here. Maybe there is not anybody in the country that could figure out where all of this will lead.

It is obvious to this Senator that if we are looking for productivity, if we are looking to enhancing communication, new technology, investment, new jobs, new gross domestic product growth, we must deregulate this industry.

There is great capacity—both human and natural—and there are large amounts of assets tied up in this industry. We have to let them loose to grow, compete and prosper.

I hope on the many issues that we voted on, that we came down on the right side. I do not think one should vote against this bill because one or two of their amendments did not pass.

Fundamentally, this is a giant step in the right direction.

We have outgrown the Communications Act of 1934. It is time to pass the Telecommunications Competition and Deregulation Act of 1995. This legislation will foster the explosion of technology, bring more choices and lower prices to consumers, promote international competitiveness, productivity, and job growth.

This legislation will open up local phone service to competition and when this market is open, allow local phone companies to enter the long distance markets. This will create more competition resulting in lower prices and better services for the consumer.

Some New Mexicans have told me "we are happy with the phone service we have now. Why do we need legislation to change it?" What I want to tell my fellow New Mexicans is that this legislation will not disrupt the phone service that they depend upon now.

What the Telecommunications Competition and Deregulation Act of 1995 will do is provide consumers with more

choices and lower prices in long distance phone service and television programming. The legislation also preserves the universal service fund which subsidizes telephone service to rural areas.

Right now, consumers have a choice of what company they want to provide long distance phone service. After this legislation takes affect, consumers will be able to choose among companies that will provide them with local and long distance service.

This legislation will also give consumers more choices in how to receive television programming. Currently, if a consumer's area is served by cable, a consumer may choose between the cable company and somewhat expensive satellite or DBS service. This legislation will allow the phone company to offer television over phone lines, so there is a choice between the cable company, the phone company, and DBS.

The Telecommunications Competition and Deregulation Act of 1995 will remove the regulations that have hindered the development and expansion of technology. Regulations, such as the regulated monopolies in local telephone service, required by the Communications Act of 1934, have forced U.S. companies wanting to invest in local phone markets to invest overseas.

In 1934, it made sense to only have one company laying phone lines and providing phone service. But now that many homes have both cable and phone lines, and may have a cellular phone, it makes sense to open up phone service to competition. When this legislation opens local markets to competition, companies like MCI, which have plans to invest in the United States, but have been forced to make investments overseas, will be able to invest, create jobs, and provide better phone service to U.S. consumers.

The President's Council of Economic Advisors estimates that as a result of deregulation, by 2003, 1.4 million service sector jobs will be created.

Over the next 10 years, a total of 3.4 million jobs will be created, economic growth will increase by approximately .5 percent, and, according to George Gilder, the gross domestic product will increase by as much as \$2 trillion.

This legislation will increase exports of U.S. designed and manufactured telecommunications products.

Increased investment in telecommunications products and services will bring a better quality of life to rural New Mexico. With fiber optic cable connections, doctors in Shiprock, NM, can consult with specialists at the University of New Mexico Medical Center or any medical center across the country.

The technology to let students in Hidalgo County, NM, in towns like Lordsburg and Animas, share a teacher through a video and fiber optic link. What this legislation would do is remove the regulations that currently prevent investment to get technologies to the local phone market.