

November 10, 2005

Daniel R. Ebert  
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Madison, WI 53707-7854

Dear Chairperson Ebert:

On behalf of the Wisconsin State Telecommunications Association (WSTA), I write to you today regarding the Commission's recent decision lifting price restrictions on SBC's residential basic local exchange service. As you know, the Commission, in Docket No. 6720-TI-196 recently lifted price restrictions on SBC's basic services in 17 markets across the state.

The WSTA agrees that the Commission's action will strengthen the competitive marketplace for telecommunications services. Ultimately, this action will provide more choices to consumers and allow the marketplace to keep prices competitive. More importantly, we wholeheartedly support the notion that "...in today's telecommunications market we see competition from other telephone companies, from new technologies, from cellular service and from cable companies." Recent statistics provide further evidence of this conclusion:

- The FCC recently noted that U.S. mobile-telephone users surpassed the number of traditional land-based phone lines in the second half of 2004. The number of cell-phone subscribers rose 15% to 181.1 million in 2004, while land lines declined 2.8% to 177.9 million;
- It is estimated that there are now about 2 million Voice over Internet Protocol (VoIP) users nationwide; and
- As you know, Charter and Time Warner are now offering local phone service in many of Wisconsin's local exchange markets (urban and rural).

When the marketplace fails, it may be reasonable for the Public Service Commission (PSC) to continue regulating service quality. However, as the Commission recently recognized, government regulation of rates is not the most successful tool to determine the price for telecommunications services in competitive markets. We look forward to a continued relationship with the PSC, and other policy making bodies, as we make sure today's telecommunications regulatory and statutory schemes enhance consumer choice by creating level playing fields and fostering competition.

Please do not hesitate to contact me at (608) 256-8866 ext 20 with any questions.

Sincerely,

Christopher LaRowe  
Manager of External Affairs

CC: Mark Meyer, Commissioner  
Robert M. Garvin, Commissioner