



W E S T E R N
T E L E C O M M U N I C A T I O N S
A L L I A N C E



O P A S T C O

October 1, 2007

The Honorable Edward Markey
Chairman
Subcommittee on Telecommunications and the Internet
House Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Markey:

On behalf of the telecom providers represented by ITTA, USTelecom, NTCA, OPASTCO, and WTA, whose member companies deliver broadband service to all parts of our nation, including those who serve rural and insular areas, we commend you for your upcoming hearing that will include an examination of the deployment of municipal networks. As the subcommittee considers this important issue we would like to highlight our concerns with proposed federal legislation pre-empting state authority over municipal broadband.

Today, the broadband environment is extremely competitive. Customers are receiving broadband from wireline providers, cable TV companies, through satellite transmission, over power lines and from multiple wireless providers. Broadband deployment in the United States has accelerated from just over 4 million broadband lines in 2000 to just under 16 million broadband lines in 2002 to approximately 32 million lines in 2004 to almost 65 million lines in 2006. The market-based approach on wireless services also has permitted wireless broadband services to explode. In June of 2005, there were almost 380,000 wireless broadband subscribers; in June of 2006, there were more than 11 million. The Commission's recent video franchise order promises to further increase demand for broadband service.

But there are still some areas in which broadband is not available. Proper incentives along with targeted government support, such as the RUS broadband program, can spur needed investment in these areas. Innovative public-private partnerships such as Connect Kentucky can also play a key role in expanding broadband deployment as well as making investments in thin markets more feasible by stimulating demand for broadband services.

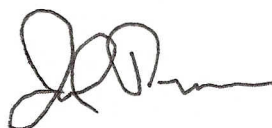
Federal municipal broadband legislation would chill private investment in existing and future broadband networks. This ultimately leads to less, not more, broadband deployment as the investment risk for private entities is unnecessarily ratcheted up and private capital is displaced with public funds, needlessly burdening taxpayers. Additionally, federal municipal broadband legislation encourages cherry picking the easier to serve areas within town limits, diminishing the feasibility of broadband service in the more costly to serve outlying areas. Fourteen states have already come to the conclusion that regulating municipal entry enhances broadband deployment.

We hope the subcommittee will carefully examine the unintended consequences of federal municipal broadband legislation. We appreciate your consideration of our request and look forward to working with you to improve broadband deployment to all Americans.

Sincerely,



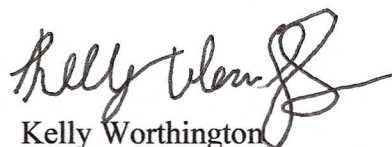
Walter B. McCormick, Jr.
President and CEO
USTelecom



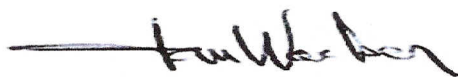
John Rose
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