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(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

2009-10

(session year)

Assembly

(Assembly, Senate or Joint)

Committee on Energy and Utilities...

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
(**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
(**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

* Contents organized for archiving by: Stefanie Rose (LRB) (December 2012)

Communications

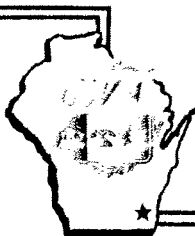
Local 4603

6511 W. BLUEMOUND RD.
MILWAUKEE, WI 53213-4090

(414) 258-4010

(414) 258-9440 — Recording

(414) 258-8542 — FAX



Workers of America

(AFFILIATED WITH AFL-CIO)

42

April 15, 2010

Dear Representative,

As President of Communications Workers of America Local 4603 in Milwaukee, I want to let you know we are in opposition to SB 469/AB-696 in its present format. CWA is the Union who represents the workers at AT&T.

We believe more time is needed to evaluate this piece of legislation to make sure that consumers and employees of AT&T are not harmed by this bill. This bill will pretty much deregulate local telephone service in Wisconsin.

CWA has not been given the opportunity to give any input on this bill along with many other groups.

We believe consumers will not be well served by SB 469/AB-696 and it will ultimately hasten the loss of good paying jobs in Wisconsin.

There is no rush to pass this piece of legislation. All parties should be given the opportunity to be heard.

We have concerns about removing PSC oversight which will result in less consumer protection. AT&T and other telecommunications utilities would no longer be obligated to provide service to all areas of the State, file financial reports or need approval for rate changes. They would decide if they are classified as a telecommunication utility or alternate telecommunications utility, not the State.

Service to rural areas could be at risk. Not all areas of the State have access to cell phone service.

If AT&T follows Verizon's lead it could result in AT&T getting out of the land line business all together which will result in significant job loss.

AT&T has steadily been moving jobs outside of Wisconsin. At the end of March approximately 35 workers were released from the Tier-2 Support Center in Milwaukee. The jobs created by the video legislation are now disappearing. The build for U-verse in Wisconsin has pretty much come to a halt.

Any legislation that is passed should be in the best interest of the Citizens of Wisconsin, other telecommunications providers and the Workers of AT&T.

I would ask you not support SB-469 and AB-696 at this time. Further evaluation is needed to determine the full impact of this legislation.

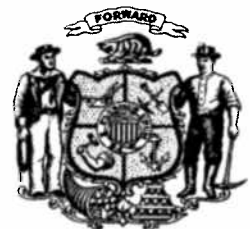
Thank you.

Sincerely,

George Walls, President
CWA Local 4603



WISCONSIN STATE LEGISLATURE



TO: Wisconsin State Legislators

FROM: Wisconsin State Telecommunications Association (WSTA)
Wisconsin Cable Communications Association (WCCA)
AT&T Wisconsin

RE: Assembly Bill 696 (as amended)

DATE: Tuesday, April 15, 2010

We respectfully request your support of Assembly Bill 696 as amended and adopted by the Assembly Committee on Energy and Utilities, 12-0, on March 30, 2010.

Collectively, we represent a diverse group of telecommunications providers providing service to the majority of landline customers in Wisconsin in rural, suburban and urban parts of the state. We have come together to jointly support legislation, for the first time ever, because we agree that this bill is needed now to improve Wisconsin's competitive telecom landscape.

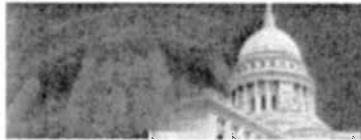
Wisconsin's last major telecom regulatory update occurred nearly 20 years ago, in 1994. At the time, competition was just beginning. Some of the technologies we use today for phone service didn't even exist. Wireless competition was virtually non-existent. Internet telephony had not been invented.

Because of the many changes in the competitive landscape, Wisconsin's telecom law now needs to be updated. Assembly Bill 696 (as amended) addresses a number of concerns. The bill:

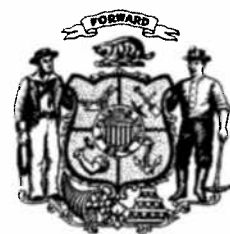
- Brings regulated landline rules into parity, so competition is on a level playing field. This will bolster the highly competitive marketplace benefiting consumers today;
- Keeps in place the Public Service Commission's (PSC's) powers over wholesale relationships between carriers. For competition to continue, the PSC's oversight over wholesale relationships must continue; and
- Retains strong consumer protections at the Department of Agriculture, Trade and Consumer Protection (DATCP). While competition is the greatest consumer protection, DATCP rules need to be retained to ensure that fraudulent practices are outlawed and that violations can be prosecuted.

Assembly Bill 696 was the subject of an extensive joint public hearing by both standing utility committees on February 9, 2010. Valuable input was received. Assembly Amendment 1 to Assembly Amendment 3 and Assembly Amendment 3 to Assembly Bill 696 reflect this valuable public input.

To ensure that Wisconsin consumers continue to receive the maximum benefits from telecom competition, we urge you to support Assembly Bill 696 as amended and adopted unanimously by the Assembly Committee on Energy and Utilities.



WISCONSIN STATE LEGISLATURE





**NORTHEAST
WISCONSIN
CHAMBERS
COALITION**

Fond du Lac Area
Association of Commerce
2207 N Main St
Fond du Lac, WI 54935-3460
(920)921.9500
www.fdlac.com

Fox Cities Chamber
of Commerce & Industry
PO Box 1855
Appleton, WI 54912-1855
(920)734.7101
www.foxcitieschamber.com

Green Bay Area
Chamber of Commerce
PO Box 1660
Green Bay, WI 54305-1660
(920)437.8704
www.tiletown.org

Oshkosh Chamber
of Commerce
120 Jackson St
Oshkosh, WI 54901
(920)303.2266
www.oshkoshchamber.com

April 16, 2010

Dear Legislator:

The Northeast Wisconsin Chambers Coalition (NEWCC) represents more than 6,500 member businesses employing more than 250,000 people in Northeast Wisconsin.

We are encouraged by the strong support for the telecom modernization bill (Senate Bill 469 / Assembly Bill 696) by organizations and residents in our region. Attached are several letters of support from area groups that have endorsed the bill.

This legislation benefits Northeast Wisconsin by encouraging technology investments that mean jobs and better telecommunications services for all residents and businesses. We urge you to join us and other constituents in Northeast Wisconsin in support of the bill by voting for SB469 / AB696.

Thank you for your support,

Northeast Wisconsin Chamber Coalition



OSHKOSH CHAMBER OF COMMERCE
ADVOCACY COMMUNITY DEVELOPMENT LEADERSHIP

April 16, 2010

On behalf of the Oshkosh Chamber of Commerce, I am asking for your support for Senate Bill 469 & Assembly Bill 696. These bills address outdated regulations in the telecommunications industry and will create a level playing field among all phone service providers. A fair, modern system will ensure that all phone service providers will compete under the same rules, ensuring that a competitive environment is created and encourages investment and innovation while preserving consumer protection.

Senate Bill 469 & Assembly Bill 696 will level the current playing field that encourages competition by:

- Establishing one set of rules for all phone service providers.
- Retaining Wisconsin's strong consumer protection laws.
- Ensuring all customers receive targeted rebates and promotions, while enabling more aggressive bundle pricing; and,
- Keeping in place key Public Service Commission requirements governing privacy, contributions to the universal service fund, caps on late-payments, along with jurisdiction over wholesale rates, interconnection requirements and transfer of customers.

Support for Senate Bill 469 & Assembly Bill 696 will boost consumer choice, while promoting job growth and economic investment.

I hope we can count on your support.

John Casper

Oshkosh Chamber of Commerce
920-303-2265 Extension 18
john@oshkoshchamber.com
www.oshkoshchamber.com

February 18, 2010

Senator Jeffrey Plale
Room 313 South
State Capitol
P.O. Box 7882
Madison WI 53707-7882

Dear Senator Plale:

I am writing this letter in support of the SB 469/AB 696 which would bring outdated laws current with today's consumer preferences and new technologies. This legislation provides a level playing field which encourages competition and allows traditional landline providers to be regulated the same way as newer phone companies.

Technology is a major component to all of the educational opportunities and innovative careers offered at Northeast Wisconsin Technical College. In order for Northeast Wisconsin and the State to rebound and compete in today's economy, this legislation is necessary and important for business and industry to stay competitive in a global marketplace.

We strongly encourage you to support this legislation which will boost consumer choice, create jobs, and encourage companies to invest in Wisconsin.

Thank you for your consideration in supporting SB 469/AB 696 legislation.

Sincerely,

Sandra M. Duckett
Vice President of College Advancement



Fox Cities

Chamber of Commerce & Industry

February 8, 2010

Senator Jeff Plale, Chair
Senator Bob Wirth
Senator Pat Kreitlow
Senator Sheila Harsdorf
Senator Jon Erpenbach
Senator Rob Cowles
Senator Neal Kedzie

Representative James Soletski (Chair)
Representative Josh Zepnick (Vice-Chair)
Representative Anthony Staskunas
Representative Jon Richards
Representative John Steinbrink
Representative Joe Parisi
Representative Ted Zigmunt
Representative Michael Huebsch
Representative Phil Montgomery
Representative Mark Honadel
Representative Kevin Petersen
Representative Rich Zipperer

Re: SB-469/AB-696

Dear Senate Utility Committee, and Assembly Committee on Energy and Utilities Members:

The Fox Cities Chamber of Commerce and Industry (The Chamber) is an organization representing the interests of over 1,500 businesses, both large and small, throughout the Fox Cities metropolitan area.

In December of 2002, the Chamber took a strong position in support of the rapid deployment of advanced telecommunications services via a free and open marketplace as vital to our state and national interests.

Here we are eight years later with yet another opportunity, via the Wisconsin Access Reform and Parity Legislation (SB-469), to promote investment and stimulate job creation in the telecommunications industry.

Consumers are clearly benefiting from the accelerating convergence of technologies that allows for vibrant, cross-platform competition in voice, video and broadband. This progress also creates the urgent need for regulatory parity to ensure that consumer choices, rather than uneven policies, shape the future of this vibrant and innovative marketplace.

The ability to achieve regulatory parity among competing providers has been extremely important to creating the climate that has supported today's levels of investment. The language in SB-469/AB-696 takes us one step closer toward ensuring all telecommunications providers are dealing from a position of strength, supported by regulations that ensure fairness and opportunity to all.

We ask that you support SB-469/AB-696.

Sincerely,

William J. Welch
President & CEO

WISCONSIN STATE GRANGE



March 3, 2010

Dear [LEGISLATOR NAME],

The Wisconsin State Grange, founded in 1872, is Wisconsin's oldest general farm and rural public interest organization. The Wisconsin State Grange represents farmers and rural residents across this state. Nationally, the Grange has been a non-partisan proponent of progressive legislation that will benefit U.S. agriculture and rural America for more than 140 years. One of the Wisconsin State Grange's top concerns is improving telecommunications services in rural Wisconsin. That is why the Wisconsin State Grange strongly urges you to support Senate Bill 469 and Assembly Bill 696.

The Wisconsin State Grange supports SB-469 / AB-696 because we believe this measure will encourage additional investment in broadband and other advanced telecommunications services in rural Wisconsin. Wisconsin Grange members are concerned that failure to modernize our laws will hinder additional, vital telecommunications investment in rural parts of our state. The bill would bring regulations governing many rural telecommunications providers into line with the levels of regulation their competitors face. At the same time, the bill retains the many important telecom consumer protections in place at the Wisconsin Department of Agriculture, Trade & Consumer Protection. The Grange would much rather see rural telecommunications providers in Wisconsin invest in additional infrastructure and equipment, rather than spend their resources on complying with outdated regulations.

Access to advanced telecommunications infrastructure and services will be critical if farming and rural towns across Wisconsin are to remain economically competitive with our urban and suburban communities. Again, please support Senate Bill 469 and Assembly Bill 696. Thank you for your time and for your consideration of the views of the Wisconsin State Grange.

Sincerely,

Richard L. Keller

Richard Keller, Legislative Director
Wisconsin State Grange
1454 Keller Road
Mount Horeb, WI 53065



Valley Home Builders Association

920 W. Association Drive • Appleton, WI 54914

(920) 731-7931 • Fax: 731-7968

www.vhba.com

2009-2010 VHBA Board of Directors

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O'Brien Builders

Tom Rooney,
Elements by Mark Winter Homes

Jenny Roth,
Coonen Development Corp.

Executive VP

Christine Shaefer, CAE
christine@vhba.com

January 27, 2010

Senator Robert Cowles
Room 319 South
State Capitol
P.O. Box 7882
Madison, WI 53707-7882

Dear Senator Cowles:

For more than 50 years, Valley Home Builders Association (VHBA) has been representing and serving the collective interests of residential builders and associated professionals in the Fox Valley. VHBA today represents more than 750 companies, and serves as the voice of the industry at the local, state and federal level. As a key component to building new homes in Wisconsin, home owners demand access to telecommunications providers and service options. Ensuring that service providers have a level playing field is important to us.

Senate Bill 469 is scheduled to be heard, and we would like your commitment to clean up an outdated system of varying intrastate access fees among landline phone providers. The FCC has already addressed this issue and imposed more sensible cost based interstate access rates. We would like to see these rates mirrored for long distance calls within Wisconsin.

This less complicated access rate system may be an incentive for phone providers to further invest in network development in the state. It also will create a level playing field for new and traditional landline providers, establishing a single set of regulations that encourage greater competition.

Valley Home Builders Association respectfully asks for your support of this bill and asks you to vote in favor of SB-469.

Sincerely,

Christine H. Shaefer, CAE
Executive Vice President

cc: Senator Jeff Plale, Senator Bob Wirth, Senator Pat Kreitlow, Senator Sheila Harsdorf, Senator Jon Erpenbach, Senator Neal Kedzie



New North, Inc.
1716 Lawrence Dr.
De Pere, WI 54115

February 9, 2010

Re: Matters related to SB 469

Dear Elected Official,

In today's global economy, technology, telecommunications services and high-speed internet access are essential elements for a thriving business environment. We support a regulatory climate in the state which allows the opportunity for greater infrastructure investments, job creation, and a more competitive marketplace for consumers.

Our orientation to a regional economic strategy includes efforts to develop industry clusters that are uniquely and favorably impacted by market competition for communications capacities/services. Current regulatory changes under review may well provide motivation for additional investment in technology and infrastructure in the region that will certainly help with the retention and creation of high-tech employment opportunities in Wisconsin.

New North encourages your review of infrastructure access and service matters that are important to supporting our strategic economic development efforts.

Sincerely,

A handwritten signature in dark ink, appearing to read "Jerry Murphy". The signature is fluid and cursive, written over a light-colored background.

Jerry Murphy
Executive Director, New North, Inc.

P.O. Box 1660
Green Bay, WI 54305-1660

www.hilltown.org

April 2, 2010

Senator Robert Cowles
Wisconsin State Senate

RE: AB-696 / SB-469 Telecommunications Regulatory Parity

Dear Rob:

Like other states, Wisconsin needs to update and standardize its telecommunications regulation by passing the telecom regulatory parity bill.

This legislation will provide a uniform standard for all cable, landline and wireless telecommunications companies. In the current system, legacy or incumbent landline telecom companies are under state regulatory control whereas their competitors are regulated primarily by the federal government. This hampers competition in the wireless and cable markets—for example, restricting Wisconsin customers from receiving targeted rebates and promotions and more aggressive bundle pricing.

This legislation will also retain Wisconsin's strong consumer protection laws involving sales and billing practices, customer disclosures (including those related to price increases), prohibitions on negative option billing, state no-call lists, automatic contract renewal, use of robocalls, switching carriers, contract renewals, collections and fraud. It will also keep in place Public Service Commission requirements concerning privacy, contributions to the universal service fund, caps on late-payment charges, and jurisdiction over wholesale rates, interconnection requirements and transfer of customers.

We support this legislation because it will ensure that all service providers will compete under the same rules. This will encourage innovation and investment in Wisconsin by the legacy phone companies, and their competitors, thus improving job growth.

We respectfully urge you to move this bill through the legislature by the end of the current session so that Wisconsin residents can begin to benefit as soon as possible.

Sincerely,



Paul F. Jadin
President



GREEN BAY AREA
CHAMBER
OF COMMERCE



Tuesday, April 13, 2010

Dear Legislator:

This letter is in support of pending legislation to modernize Wisconsin's outdated telecom laws that we hope will be approved in Madison this month. Senate Bill 469/Assembly Bill 696 would help Wisconsin encourage investment, attract businesses and create jobs by simplifying the patchwork of laws affecting telecommunications.

The Northeast Wisconsin Regional Economic Partnership (NEWREP) is comprised of economic development professionals from sixteen northeast Wisconsin counties plus the Menominee Tribe. NEWREP provides hands-on support and programming for existing and prospective businesses. NEWREP members serve as the proverbial feet on the ground for economic development, providing local, personal services to area business communities. NEWREP's members have also elected to pursue in a collaborative manner initiatives dedicated to seeking solutions that will have a regional impact.

As a group representing sixteen counties, we recognize that the state needs to do everything it can to make Wisconsin competitive. That includes making it easy for our region to encourage the high-tech telecommunications infrastructure that today's existing and future businesses rely on.

Today, the state governs different types of providers in different ways – even though they all provide the same service. This makes real competition impossible and erects roadblocks to investment and competition.

The pending legislation, which has support from nearly 40 chambers and other organizations, realigns Wisconsin's laws with today's competitive world of broadband, wireless, cable and other technologies. It creates a level playing field based on current laws in place today. And it keeps in place consumer protections that have worked well, without any cost to taxpayers.

Passing SB-469/AB-696 will enhance our region's economic and business development environment and the quality of life for people living and working throughout the NEWREP territory.

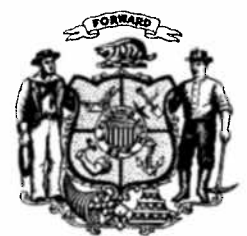
We urge our area legislators to help win approval of this bill and help Northeast Wisconsin and the entire state become a magnet for the growing technology businesses and employers of the 21st Century.

Sincerely,

Sam Perlman
NEWREP President



WISCONSIN STATE LEGISLATURE





CenturyLink™
Stronger Connected™

CenturyLink Opposes SB-469/AB-696 As Amended

CenturyLink, formerly CenturyTel, supports comprehensive access and regulatory parity reform that ensures a robust network, fair competition, and will allow for the expansion of broadband to all. There is a clear need for comprehensive reform – but it must be balanced, provide a “level playing field”, and take a long term view of potential outcomes to avoid jeopardizing universal network access and the expansion of broadband services in rural areas.

Access to broadband services is critical to economic development, education, government, and health care and its benefits continue to grow as more bandwidth becomes available.

Any amendment that would remove the funding mechanism in the access reform portion of SB-469/AB-696 would lead to unfair competition, inhibit the expansion of broadband, and provide for an un-level playing field. A reduction in access charges must be accompanied by a funding mechanism to make up for lost revenues.

Access Charges Support Telephone, Broadband, Wireless, And IP Services

Long distance and wireless telephone providers pay local phone companies access charges for the cost of completing calls. This is a benefit that local phone companies provide to them at a reasonable cost. This revenue source helps maintain the local networks, allows investments in advanced services, and keeps rates affordable for both urban and rural customers – regardless of what technology they use to make calls.

Although telecommunications providers would prefer to avoid paying other carriers for network access (known as inter-carrier compensation) such payments are vital for maintaining the underlying network. Otherwise, the cost of bringing broadband services to many rural areas would be prohibitive. This economic support is required to maintain the network and to provide broadband services in high cost, sparsely populated rural areas, where availability continues to lag behind urban and suburban areas.

Reduction In Access Charges Must Be Accompanied By A Permanent Funding Mechanism To Ensure All Have Access To Affordable Broadband

Comprehensive access reform must be balanced, including a funding mechanism that supports rural investments. If access rates are to be reduced and a commensurate increase to rates to customers to be avoided – a funding mechanism must be created that will make up for a loss in access fee revenue. This will benefit customers, promote investment, and keep local rates at an affordable level.

Any abrupt reduction of intrastate access rates – without the presence of a funding mechanism to make up for the lost revenues – would force local carriers to sharply increase their rates, negatively impacting homes and businesses.

Rate increases for customers living in rural areas of Wisconsin could force them to choose between network access and other basic services. Ultimately, this could slow much needed economic development, put additional network investment for maintenance and expansion at risk, and derail the rollout of broadband services across Wisconsin.

In order to ensure that retail rates remain affordable in rural areas and do not exceed competitive levels, a funding mechanism that supports high-cost areas must be created. The fund must be permanent.

All Providers Must Participate And Contribute To Funding Mechanism

All providers use and benefit from the current network which is sustained by access charges. So the obligation to make certain that retail rates remain affordable in rural areas should be shared by all providers.

All providers must contribute to a funding mechanism. That will ensure compensation for loss of access fee revenue and ensure the expansion and affordable access of broadband to all, including to those located in rural areas in Wisconsin.

The Amendment To Remove Access Reform From SB-469/AB-696 Removes A Fair And Balanced Approach To Regulatory Reform

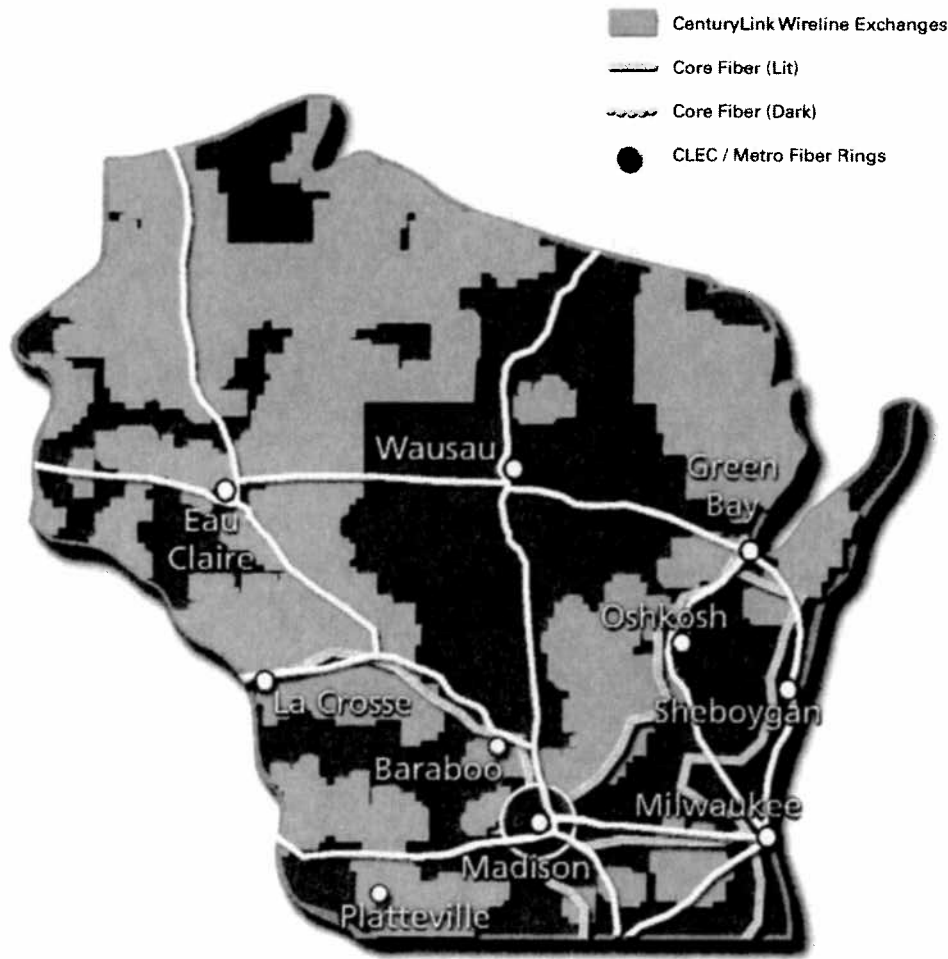
The removal of access reform from SB-469/AB-696 removes the permanent funding mechanism that was put in place in exchange for a reduction of access fees. This eliminates the requirement that all providers contribute to the fund and places CenturyLink at a competitive disadvantage while jeopardizing needed investment in providing broadband access to all.

SB-469/AB-696 Removes Cross-Subsidization Protections While Not Providing Needed Access Reform

The removal of cross-subsidization protections in SB-469/AB-696 will promote unfair competition and strand investment. The intent of cross-subsidization protections are to ensure that revenues are not used to subsidize unregulated ventures.

Not-for-profit cooperatives will seek to use tax-free revenue (i.e. patronage capital) as an unlimited source of cash to subsidize for-profit competitive ventures. These cooperatives are "not for profit" entities and are provided with corresponding tax advantages. They are expected to provide service to members at cost. Instead of lowering their prices or issue a dividend to members when rates exceed costs, cooperatives would be allowed to use these excess rate payer dollars to subsidize providing service outside of its territory. Tax-free patronage capital should not be used to subsidize service to non-members. This practice will lead to cooperatives "cherry-picking" other for-profit entities who do not enjoy a similar tax status. It will create unfair competition, strand investment, and potentially create a death spiral for for-profit entities.

CenturyLink in Wisconsin



General Manager Bob Brown
 Wisconsin, Iowa, Michigan (Upper Peninsula) and Minnesota Market
 333 North Front Street
 La Crosse, Wisconsin 54602

Corporate Headquarters
 CenturyLink, Inc.
 100 CenturyLink Drive
 Monroe, Louisiana 71203

www.centurylink.com
 318.388.9000

WISCONSIN STATISTICAL PROFILE

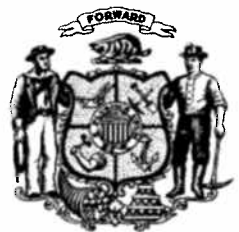
Employees	1,270
2008 Annual Payroll*	\$62,865,000
Total Investment	\$1,633,230,000
Access Lines	349,500
Access Lines, DSL-Enabled	91%

* As of 12/31/08
 All other statistics as of 06/30/09





WISCONSIN STATE LEGISLATURE





AB696

CenturyLink Supports Balanced Approach To Access Reform In SB-469

CenturyLink supports comprehensive access and regulatory parity reform that ensures a robust network, fair competition, and will allow for the expansion of broadband to all. There is a clear need for comprehensive reform – but it must be balanced, provide a “level playing field”, and take a long term view of potential outcomes to avoid jeopardizing universal network access and the expansion of broadband services in rural areas.

Access to broadband services is critical to economic development, education, government, and health care and its benefits continue to grow as more bandwidth becomes available.

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Although telecommunications providers would prefer to avoid paying other carriers for network access (known as inter-carrier compensation) such payments are vital for maintaining the underlying network. Otherwise, the cost of bringing broadband services to many rural areas would be prohibitive. This economic support is required to maintain the network and to provide broadband services in high cost, sparsely populated rural areas, where availability continues to lag behind urban and suburban areas.

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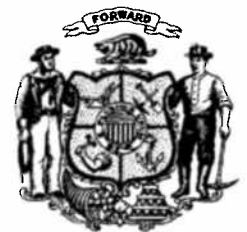
CenturyLink Analysis Of SB-469

SB-469 appears to provide regulatory parity and a permanent funding mechanism in exchange for a reduction of access fees. The bill also appears to require all providers to contribute to the fund. CenturyLink supports these critically important provisions contained in SB-469.

CenturyLink, however, remains concerned with the impact of SB-469 on cross subsidization.



WISCONSIN STATE LEGISLATURE



Nsight's Comments on SB 469 and Senate Amendment 1

Ray R. Rordam 608-279-5411

- VoIP creates a greater disparity in regulation than exist now
 - AT&T & Time Warner most significant competitors – They are mammoth.
 - 2 small traditional local telcos North & West of Green Bay with 10,000 customers
 - Also a competitive telco in Green Bay & Appleton
 - SB 469 - Completely Deregulates VoIP which AT&T & Time Warner use
 - VoIP is simply a different technology that provides telco service
 - VoIP looks like, acts like, replaces, is promoted as, FCC imposes telco regulations on it, it interconnects with telcos' systems, and the public thinks of it as a telco. So in my opinion it is a telco.
 - Problem with this discriminatory deregulation
 - Obvious Competitive advantage
 - Small telcos and the public cannot seek redress from PSC for interconnect problems; network disputes; billing disputes; transfer of customers, etc.
 - Save expense & resources with no regulatory burdens, costs or restraints; or ch. 196 customer rights & protections.
 - They have no Wisconsin quality of service standards
 - No state authority over any VoIP
 - Deregulation of VoIP is a complex problem
 - FCC has addressed the issue of regulation of fixed VoIP, which AT&T and Time Warner provide, and has issued several orders requiring both nomadic and fixed VoIP to comply with many of the same federal regulations as traditional telcos.
 - There are concerns about maintaining an effective and efficient telecommunications network among all carriers in Wisconsin.
 - It might be said that small telco use VoIP service, but that has major problems
 - Our local telcos are small and a significant investment is required, which is unnecessary to continue our high standard of telephone and broadband service.
 - There are concerns that VoIP and total deregulation may cause small telcos to lose their Federal USF funding. USF enables rural

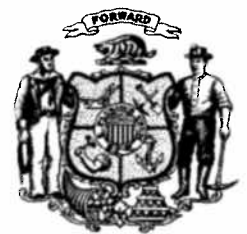
companies to invest in infrastructure in rural areas where costs are much higher than the urban areas.

- VoIP should abide by the same regulation as other telecommunications providers – Nothing more nothing less.
- SB 469 requires that VoIP providers contribute to Wisconsin's USF fund. However, the PSC has no authority to assure they are contributing appropriately.
- Electronic Call Detail Records – Our small telcos receive the information need to bill access from the AT&T Green Bay tandem, but often we don't receive it.
 - SB 469 recognizes part of the problem, but provides no solution
 - Unable to enforce – The bill give no means of enforcing its requirements.
 - It only requires Tandem to deliver the information it receives;
 - Often our small telcos don't know what carrier sent the call to the tandem, so they can't bill the originating source;
 - Often the information was sent, but the tandem didn't forward it; again there is no information on whom to bill.
 - There are no penalties for tandem providers or originating carriers for failure to provide the information.
 - It does not appear the PSC will have the authority and, more important, the staff to investigate.
 - SB 469 only requires the tandem provider to forward the call detail records that originate from mobile wireless carriers and competitive local carriers. It does not require the forwarding of call detail records from traditional carriers, like AT&T; VoIP providers, like AT&T; Internet providers; and long distance carriers, like AT&T.
 - In PSC docket 5911-NC-101 one of our small telcos did a limited study and found about 30% of the traffic over the AT&T common trunks either provided no information or too little to enable us to bill the call. Almost all of the messages had sent the information over the signaling system, but it was not on the message system. That indicates it was lost at the Tandem.
 - Nsight suggests the small telco terminating the call be allowed to bill the Tandem. The Tandem can then bill the originating carrier. It knows the originating carrier in most cases because it will have direct, not common, trunks to an AT&T tandem switch.

- This is an easy solution.
 - It is quick and reasonable.
- Almost 6 years ago AT&T assured the PSC and the small telcos it would provide this information. A couple of years later it said it was too difficult and would not do it.
This solution solves the problem
- Access Rates – I was advised that intrastate access reform components would be removed and it would proceed with legislation the focuses exclusively on the regulatory reforms contained in the bill.
 - Access rates include wholesale Access Rates
 - We do not know the meaning of this term. It is not commonly used in the industry.
 - The language in SB 469 indicates it may be a method of avoiding our small telco access rates. The language used in §196.19 implies it provides a means of accessing our local network for originating and terminating telco service within the exchange without using our local telco's switch.
 - Switched Access Rates
 - Senate Amendment 1 requires telcos with more than 150,000 access lines to set their rates for intrastate at or below their interstate rates.
 - While this does not directly impact our two landline telcos, it does endorse a policy with which we strongly disagree.
 - It should not be in this bill. It should be addressed next session, if access reform is going to be addressed.
 - This only effects AT&T and Verizon which mirror their interstate access rates for reasons that are not applicable to small telcos



WISCONSIN STATE LEGISLATURE



Comments on Amended SB 469

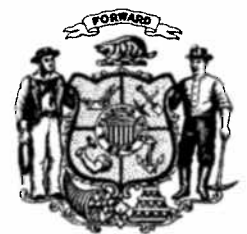
- Introduction of Verizon and who I am
- While Verizon supports the bill's two main goals – deregulation of retail services offered by traditional phone companies and regulatory parity among the various types of competitors in today's highly-competitive telecommunications marketplace – Verizon cannot support the bill because it would impose onerous new wholesale regulation in the complex realm of carrier-to-carrier relationships.
- Instead of easing regulation, the new draft would impose new layers of wholesale regulation strategically designed to favor one subset of carriers over another.
- By way of example, the bill would impose new requirements on tandem switching providers that the Public Service Commission of Wisconsin declined to impose only a few years ago after extensive study and a docketed proceeding. The provisions are designed to benefit the state's rural telephone companies (new Ch. 196.211(2))
- The bill would also impose new requirements on how wireless carriers and competitive local exchange carriers transmit call detail records to other carriers, without regard to the fact that there are many complexities to the call detail transmission process and that in many instances, the new requirements would be technologically infeasible. Like the tandem switching requirement, this proposed new obligation is also designed to benefit the state's rural telephone companies over other types of carriers (new Ch. 196.211(3))
- In addition, the FCC is examining these issues at the national level, which is appropriate, because most carriers are multi-state companies that cannot tailor their networks to state-specific

requirements. Indeed, to my knowledge, no state has proposed the kinds of requirements this draft includes.

- Wholesale regulation designed to favor a specific set of providers has no place in a bill focused on retail services and regulatory parity among providers. These carrier-to-carrier issues are extremely complex, not only legally, but technologically, and the bill language is inconsistent with the goals of deregulation and regulatory parity.
- The legislature should proceed cautiously, rather than rush to judgment by adopting unsound and technologically infeasible wholesale obligations inserted at the last minute, without explanation, into a bill focused on other issues
- Verizon urges the legislature allow the industry to pursue negotiated resolutions of any ostensible wholesale concerns, rather than legislate solutions to perceived problems without a full understanding of enormous complexity of the factors at play
- For these reasons, Verizon cannot support SB 469 in its present form. Verizon looks forward to working with the industry to find a way to resolve its concerns



WISCONSIN STATE LEGISLATURE



Opposition to SB-469/AB-696 Telecommunications Deregulation Legislation

To: Wisconsin State Legislature

From: CenturyLink,
Communication Workers of America Union Local 4603,
Communication Workers of America Union Local 4640,
Communication Workers of America Union Local 4622,
Communication Workers of America Union Local 4630,
Citizens Utility Board,
Coalition of Wisconsin Aging Groups,
Lakefield Communications,
Lakefield Telephone,
Municipal Electric Utilities Association of WI,
National Federation of Independent Businesses,
Nsight Telservices f/k/a Northeast Telephone Co. and Bayland
Telephone Co.,
Sprint,
Wisconsin Grocers Association

We strongly oppose the very broad and far reaching deregulation legislation proposed in SB-469/AB-696. The legislation is deficient in providing consumer protections and a level competitive playing field that would be beneficial to all--including both consumers and businesses--in both urban and rural areas.

Such far reaching deregulation must:

- Serve both business and residential customer interests.
- Maximize access to broadband, including in rural areas.
- Encourage economic development and the creation of jobs and investment.
- Benefit everyone and not just a select few major telecommunication providers.
- Ensure consumer protection and competition that benefits the end-user customer.
- Provide that rates will remain reasonable and affordable.
- Achieve balanced and comprehensive access reform with deregulation that protects consumers, promotes broadband investment and a robust telecom network.

- Ensure continued landline infrastructure build and Maintenance in both urban and rural areas.
- Ensure protection of current service levels, particularly in rural areas.

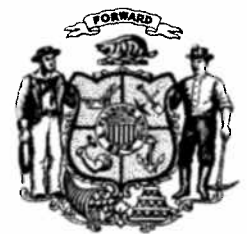
In addition to these substantive policy concerns, many groups did not have the opportunity to provide input on the legislation, which was introduced late in the process. As a result, amendments are still being offered that will affect many issues, will be difficult to review, and will impact thousands of consumers. This legislation and its amendments have not received the endorsement or support of the Public Service Commission.

The Legislature and the telecommunications industry must provide comprehensive reform that will benefit all of the citizens of Wisconsin, maintain reasonable rates, provide residential and business access to broadband, and include all interested parties in a collaborative effort to maximize the adoption of technology that benefits economic development, healthcare, and education.

PLEASE OPPOSE SB-469/AB-696



WISCONSIN STATE LEGISLATURE



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Bill would reduce regulation on landline phone providers

By [Jason Stein](#) and [Larry Sandler](#) of the Journal Sentinel

Posted: April 10, 2010 (18) Comments

Madison — An unlikely coalition of small businesses, unions, consumer groups and mobile telephone companies is trying to put the brakes on a sweeping bill to drop many regulations on Wisconsin's traditional phone companies.

Under the bill that AT&T helped write and is now pushing, state regulators could no longer ensure that landline companies serve all families and businesses in their area and charge them reasonable rates.

"We want to make sure that when we start deregulating industries as critical as telecommunications, the impact of that has been fully examined," said Bill Smith, state director for the National Federation of Independent Business. "Typically, we support less regulation in the marketplace, but we also support fair competition."

Bill supporters such as the Milwaukee Metropolitan Association of Commerce and AT&T, which has 11 lobbyists working the issue during the Legislature's final two weeks, say telephone regulations were last rewritten in 1994 and haven't kept up with changing technology and consumer habits. They say the bill would ensure that shrinking landline businesses no longer face more regulation than upstart competitors such as cell phones.

"The customers are voting with their pocketbooks," said Scott VanderSanden, president of AT&T Wisconsin, which has lost more than half of its landlines over the past decade. "They could easily switch back if they want more regulation. They don't."

Landline phones using traditional copper wires are subject to an added layer of state regulation that doesn't apply to phones using cable television lines, Internet connections or cell phone towers. The state Public Service Commission has the authority to ensure that all landline customers receive adequate service and fair rates.

Under the bill, landline carriers could drop service to any area of the state and retail customers could no longer complain to the commission about service quality. PSC spokeswoman Teresa Weidemann-Smith said. The state Department of Agriculture, Trade and Consumer Protection would still have some consumer protection powers, including the authority to oversee how companies advertise and contract with customers for services.

Since the bill was introduced in the Legislature on Jan. 22, it has moved through two committees with only one opposing vote.

Concerns raised

Barry Orton, a University of Wisconsin-Madison telecommunications professor, said he was troubled by the heavy involvement of telephone industry lobbyists in drafting the bill.

The Legislative Reference Bureau's drafting file shows the Wisconsin State Telecommunications Association drew up a list of existing laws that the association wanted landline companies such as AT&T exempted from. The chief of staff for the bill's lead sponsor, Sen. Jeff Plale (D-South Milwaukee), gave that list to the legislative attorney drafting the bill.

Lobbyists and lawyers from the association, AT&T and TDS Telecommunications Corp. were involved throughout the drafting process, starting with a Nov. 11 meeting in Plale's office, the file shows.

Industry representatives said their input wasn't improper. Bill Esbeck, executive director of the telecommunications association, said his group was invited to the meeting and had already prepared the list of laws needing an overhaul in 2008, as part of a PSC review of updating the state's telecommunications laws.

"AT&T doesn't write legislation," VanderSanden said. "We answered questions we got from the authors."

But the reference bureau's notes from the Nov. 11 meeting say: "Note that (AT&T attorney David) Chorzempa drafted analysis document and proposed bill language."

Orton, who opposes the bill and reviewed the drafting file, said, "The folks who really should care aren't represented very much, which are the consumers."

Plale called his legislation "the ultimate pro-consumer bill" and said he worked with industry representatives because "telecommunications issues are extremely, extremely complex, and I am not an expert on the technicalities of the law. I turn to people who have that kind of technical knowledge."

But the state's telecommunications experts at the PSC weren't involved in drafting the bill, Weidemann-Smith said. PSC chairman Eric Callisto did send Plale a March 30 memo laying out his concerns about the reduced consumer protections in the bill.

As of mid-2008, the Federal Communications Commission found Wisconsin had 2.3 million landline phones, 744,000 cable- or Internet-based phones, and nearly 4 million cell phones.

That shows that consumers across the state have choices and no longer need heavy-handed regulation to protect their interests, Esbeck said.

But the same FCC report also found that 32% of ZIP codes in Wisconsin have no Internet- or cable-based alternative to traditional landlines. The report didn't address how much of the state is covered by cell phone service.

Orton said he was concerned that some customers in rural areas could lose access to a traditional landline and not have another option. Esbeck said that wouldn't happen and the bill might be amended to ensure that.

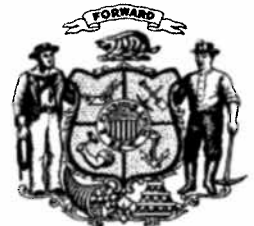
"Our member companies are not in any way, shape or form interested in pulling service from any customer," he said.

Jason Stein reported for this story from Madison and Larry Sandler reported from Milwaukee.

18 Comments



WISCONSIN STATE LEGISLATURE



Stimulus funds for high-speed Internet access tangled up

By David Lieberman, USA TODAY

The Obama administration knew that there'd be a lot of interest in the \$7.2 billion for high-speed Internet projects it included in last year's huge economic stimulus package.

The goal was to quickly create tens of thousands of jobs and connect millions of poor and rural communities to broadband, a technology that's essential for economic development, modern medicine and education.

But officials had no idea that the demand for the cash would be so overwhelming. They also were bombarded with questions and challenges from large cable and phone companies including Comcast, Time Warner Cable and AT&T.

The combination has swamped the agencies in charge and created a bottleneck that might threaten disbursement. After nearly a year, about 7% of the funds has been assigned to specific projects.

As a result, "There's significant doubt as to whether the monies can be awarded before the end of September," when the funding authorization expires, says Dan Hays, who directs the communications practice at consulting firm PRTM.

Officials scrapped their original plan to assign \$4 billion by the end of 2009, followed by two more funding rounds. Instead they're poised to hit as much as \$2 billion when the first round ends this month, as they begin to consider applications to the second — and last — round up to March 15.

The effort to spend that money quickly but responsibly is like "trying to use a fire hose with a garden hose nozzle," says Craig Settles, an independent consultant who helps companies develop broadband strategies. "Getting broadband to the American public is not going to be easy."

Such concerns have trained a spotlight on two agencies grappling with the biggest telecommunications program either has ever handled. Congress gave the Commerce Department's National Telecommunications and Information Administration (NTIA) responsibility to allocate \$4.7 billion. The remaining \$2.5 billion is being handled by the Agriculture Department's Rural Utilities Service (RUS).

The agencies say that they'll meet the Sept. 30 deadline for allocating the funds.

"We're expecting quite a few announcements in the next month and a half," says NTIA Administrator Lawrence Strickling.

Affordable broadband

The grants are designed to address a real need: As many as 10 million households, representing about 9% of the country, "will have significantly inferior choices in broadband" in 2013, Columbia University's Columbia Institute for Tele-Information said in a November report.

And people who live in rural communities are 29% less likely than the rest of the country to have a broadband connection, research firm Parks Associates found in two surveys.

In many cases people simply can't get broadband at an affordable price.

"Without government loans or grants, it's often too expensive to (lay broadband lines or build transmission towers to) reach such areas and still generate an adequate return," says William Wallace, founder of rural wireless broadband firm DigitalBridge, a leading applicant. "They're low-density areas."

The broadband stimulus awards target areas that need the most help. For example, last month NTIA gave \$33.3 million to a firm that will build a 955-mile fiber-optic network through an area in Michigan's Lower Peninsula that includes 886,000 households and 45,800 businesses.

In December RUS awarded a \$985,000 grant to a Bretton Woods, N.H., phone company that hopes to promote tourism by building out broadband services. The connections will enable people to stay in touch with their businesses while they're visiting the area.

Officials discovered the magnitude of the problem they're trying to address when invitations went out in July for applications for the first round of allocations. They received more than 2,200 requests, asking for a total of \$28 billion, four times the amount up for grabs. Most included hundreds of pages of technical details about proposed projects that included build-outs of fiber-optic lines, wireless services, computer labs and municipal networks.

"We were surprised at the number of applications that we got," says Strickling. "We had to have three reviewers review every application. That clearly became a challenge in terms of getting that process done as quickly as we could."

On top of that, cable and phone companies flooded the agencies with objections to the proposed projects. "There are 11,000 public comments (about the funding applications), and I'm willing to bet that 9,000, at least, were a challenge or protest of one sort or another," says Settles. "We're at a point where it's the general public's interest vs. the entrenched incumbents."

In many cases, challengers said that they already provide broadband in areas targeted by applicants for federal assistance. "You don't want to fund projects that will be replacing private investment with government investment," says James Assey, executive vice president of the National Cable & Telecommunications Association, an industry trade group. "That's going to set broadband policy back and not necessarily scratch the itch you're trying to scratch on the (economic) stimulus side."

For example, Comcast, Charter Communications and AT&T questioned an application for \$13.5 million to provide broadband services in Columbia County, Ga. And Time Warner Cable said it offers broadband to more than half of the homes in an area of southwestern Ohio and northern West Virginia to be covered by a \$12.6 million application to build a 710-mile fiber-optic ring.

AT&T says that its filings were "not objections," but "provided information about areas where we currently offer broadband service."

Most of the big broadband companies did not apply for stimulus funds. The rules require recipients to open their networks to everyone and agree to network neutrality requirements, meaning that they can't favor some Web services over others.

"It wasn't worth the uncertainty," Assey says.

Still, the protests against those who did apply for help added to the bureaucratic burdens.

"We take very seriously any claims that there is service in an area that we're planning to fund, and we get to the bottom of that before we make any final decision," RUS Administrator Jonathan Adelstein says.

Mapping out the need

Determining service gaps is more complicated than you might imagine.

"Because the United States has not taken (broadband needs) seriously until the Obama administration arrived, we don't know exactly how many people are unserved" by broadband, or precisely where they are, Adelstein says.

NTIA has begun to fund projects that will draw maps showing which neighborhoods either can't get broadband, or have access only to services that are relatively slow or expensive.

Assey says that it's "a little backward" to move forward without better information. "It's far more important that we do it right, than that we do it right now," he adds.

It also will be hard to judge the effectiveness of the broadband stimulus effort, because it does not have clear benchmarks for success.

"We're just not sure what money will come forth and how or if it stimulates jobs," says Parks Associates CEO Tricia Parks. "We're not even sure of the goal."

Strickling says, "We're learning as we go."

While that's taking place, the agencies tend to give applicants the benefit of the doubt when there's a dispute over whether an area is covered. In addition to looking at whether a company serves an area, they consider the speed of the broadband and how many people subscribe.

That pretty much rules out satellite broadband services, which blanket the country but tend to be slow and expensive.

If the government considered only whether there's a broadband service that could connect people in a community, then "many of our areas would not have qualified," Wallace says. In some cases, as many as 80% of homes could get broadband. "But it's adoption that becomes problematic," he says, often because the existing broadband provider charges too much.

The NTIA made things easier for applicants last month. For the second round of allocations, it got rid of the requirement for funds to go to unserved or underserved areas, although Strickling says that projects that fill that need "will receive additional consideration."

Some analysts say that while the funding approval process may speed up now, another change in the NTIA requirements may slow the process of connecting homes and businesses.

The agency says that it will focus on projects to build what's known in the industry as the "middle mile" — taking the Internet from national trunk lines into the community — instead of the "last mile," which connects people to the Web.

"It's going to significantly delay the realization of benefits to the end user," Hays says. "The applications and interest that's been shown in last-mile solutions demonstrates a level of demand that the program isn't meeting."

Although Hays says he doesn't know what accounted for the shift, the early protests from cable and phone companies "probably gave pause to NTIA and RUS about just how many last-mile applications they should fund. Middle-mile applications are less controversial."

Regardless of how or why the change was made, the middle-mile projects make sense, Strickling says, because the infrastructure's available to everybody and will "increase the chance that a last-mile project will be successful."