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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)



SENATOR JEFF PLALE  
SEVENTH SENATE DISTRICT

CHAIR  
COMMITTEE ON COMMERCE, UTILITIES, ENERGY, AND RAIL

STATE CAPITOL  
P.O. BOX 7882  
MADISON, WI 53707-7882

800-361-5487 - MADISON  
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SEN.PLALE@LEGIS.WISCONSIN.GOV

**Testimony of Senator Jeff Plale  
Senate Committee on Commerce, Utilities, Energy, and Rail  
And  
Assembly Committee on Energy and Utilities  
Senate Bill 469 and Assembly Bill 696  
February 9, 2010**

Thank you to the members of the committees for your consideration of these proposals. Senate Bill 469 and Assembly Bill 696, as amended by Senate Amendment 1 and Assembly Amendment 1 respectively, represent the product of significant collaboration and negotiation between various sectors of the telecommunications industry and other stakeholders. This legislation will modernize the outdated regulations that currently govern this rapidly changing industry. Once passed, SB 469/AB 696 will allow Wisconsin's statutes to catch up with the technologies and service options available to Wisconsin consumers.

It is worth noting that originally, these bills were significantly more expansive. Initially, they contained two distinct components. One of these components dealt solely with the regulatory framework that governs telecommunications providers. The other component dealt with intrastate access charge reform. SA 1/AA 1 removes the access charge language from this bill in its entirety. While access charge reform remains an issue that needs to be resolved in the near future, it presents distinct challenges for each provider and their customers. It was simply too costly and complicated to deal with both issues in one piece of legislation.

The primary objective of this legislation is to recognize the true nature of the telecommunications marketplace in Wisconsin. There has not been an update to our telecommunications statutes since 1994. Given the speed at which telecommunications services and options develop and evolve, revisions to the laws are long overdue. The objective is reached by creating one statewide standard for regulation that treats all providers and customers equally.

This is accomplished by creating a statewide certification process that would allow every provider to be governed under the same Alternative Telecommunications Utility (ATU) framework. The ATU framework currently governs competitive providers such as cable phone providers and competitive local exchange carriers (CLECs). By making statewide



ATU status available to every provider in the state by election, we ensure that all companies are allowed to compete for customers under the same set of rules.

We have also included provisions to promote the expansion of voice over internet protocol (VOIP) services. This technology is increasing in popularity and has become a very affordable option for many Wisconsin consumers. This bill creates a regulatory framework for VOIP that will encourage its continued deployment around the state while ensuring that these providers meet the same responsibilities to the Universal Service Fund and emergency services as other providers.

Finally, we have included language to reflect the necessary interplay of providers with one another. This language requires the provision of detailed records to local providers so that they can appropriately bill other carriers for traffic as it crosses from one company's network to another.

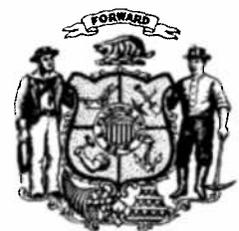
In making all of these changes, we have left one critical component untouched. All of the consumer protections that govern ATU's in Wisconsin in section 100.207 of the statutes and DATCP rule 123 of the Department of Agriculture Trade and Consumer Protection rules remain in place. **No changes are made to any of these provisions.** These statutes have protected customers of competitive providers and large ILECs for many years with great success. This bill will reinforce DATCP's ability to apply these standards to all providers statewide.

As I stated earlier, this legislation is a product of many discussions with many stakeholders. I look forward to moving this bill through the rest of the legislative process. Representative Zepnick and I will continue to meet with other stakeholders after this hearing to address outstanding issues that may arise, but I am confident that we have crafted a comprehensive bill that will work well for Wisconsin consumers, workers, and providers.

Thanks you for your time and attention to this proposal.



# WISCONSIN STATE LEGISLATURE





Feb. 9, 2010

State Rep. James Soletski, Chairman  
Room 307 West  
PO Box 8953  
Madison, WI 53708

Re: SB-469 / AB-696

Dear State Rep. Soletski:

On behalf of the Wisconsin Technology Council, I write in support of SB-469 and AB-696. This bill would improve Wisconsin's telecommunications climate by requiring that all regulated landline providers are held to the same rules – all the while keeping appropriate consumer protections in place. From our board's perspective, a level playing field means more competition and more innovation, which is good for Wisconsin's tech-based economy.

Regulated landline telecom providers today operate under different regulatory structures. Traditional phone companies are regulated under rules that stem from an era when telecommunications was defined as two-way, voice-grade, analog wire-line service. In short, telecom was a plain black telephone on the wall. Newer providers have been regulated successfully under a more market-oriented structure that emphasizes competition. This newer structure has been successful and should be applied to all carriers.

Today, telecommunications is defined broadly to reflect a tidal wave of change in the age of digital computing and the Internet. The early 21<sup>st</sup> century meaning of telecommunications is the transmission and distribution of multiple forms of data – voice, text, video, music and more – through a variety of means. Seemingly overnight, the revolution in telecommunications has shattered rules that generations believed to be unwavering.

Rethinking regulatory barriers tied to the landline era are part of Wisconsin's overall effort to ensure that its telecom systems are world-class and that all regions of Wisconsin, from its major cities to its rural areas, have a chance to compete in the 21<sup>st</sup> century marketplace.

As you know, The Tech Council is the independent, non-profit and non-partisan science and technology advisers to the Governor and the Legislature. Its board of directors provides periodic "white papers" to policymakers on issues it believes are important to the development of Wisconsin's tech-based economy, as well as its research and development communities.

Since 2003, the Tech Council's white papers have consistently supported less regulation as a means for speeding technologies to market, providing more consumer choice, facilitating service

in rural and other under-served areas, and instilling more competition. While the markets are by no means perfect, they are far preferable to pre-emptive regulation that is often out of date from its effective date.

Here is what the Tech Council suggested to state policymakers in late 2006, when its white papers were published in advance of the 2007-2009 state budget debate.

“Wisconsin is still a state of small towns and rural communities. Some of these areas lack the critical mass of people, institutions and capital to easily attract high-tech businesses. But that does not mean they are bereft of assets. Rural communities and small cities can offer a quality of life that is attractive to many workers. They can supply highly motivated workers with a commitment to quality. They can offer lower business costs for land and construction. For rural Wisconsin to prosper in the Real-Time Economy, however, it must fully participate in the global communications revolution.

“To provide more certainty in regulatory issues affecting telecommunications companies doing business in Wisconsin, the state should seek tighter timelines on review periods by the state Public Service Commission. This could speed the introduction of new technologies and reduce the costs of providing such technologies. Such a change would be consistent with recent regulatory changes in the natural resources area. In addition, state laws governing broadband investment and the ‘unbundling’ of services should more closely mirror those in surrounding states as well as federal requirements. Significant departures from laws in other jurisdictions could slow the deployment of broadband, especially in rural areas. To expedite improved cell phone coverage in rural Wisconsin, the state should encourage local governments to streamline the approval process for installation of towers. The state should also enhance competition by striving for a more level playing field for different providers, such as cable companies and phone companies.”

In hindsight, the Tech Council’s own recommendations were not ambitious enough. Wisconsin’s ability to fully compete in the global economy increasingly rests on the ability of the state – from its major cities to its small communities – to have access to the latest telecom tools.

Unfortunately, that is unlikely to happen in a regulated environment that ignores consumer adoption of new technologies that defy regulation in the traditional sense.

Wider broadband deployment, especially in Wisconsin’s rural areas, will be an important driver of economic growth and expanded consumer benefits. Local governments can best encourage broadband deployment by making rights of way available and keeping taxes, fees and regulation low. All levels of governments can best encourage broadband deployment by not trying to force it through regulation.

In its December 2007 white papers, the Tech Council said greater broadband access is important to rural Wisconsin for these reasons:

- It allows small businesses, which account for 60 percent of new jobs in Wisconsin, to expand their market and customer bases to the national and even international levels. Bear in mind that Wisconsin's export economy is growing faster than the U.S. average, and that a significant portion of that growth involves the export of high-tech goods and services. However, most of those goods and services originate in metro areas versus smaller communities.
- It creates more opportunities for creation of businesses related to information technology, one of the fastest-growing sectors in the U.S. economy. Wisconsin is 21<sup>st</sup> among the states in IT employment, but poised for growth if the right "highways" are opened to all parts of the state.
- It enables hospitals and clinics, such as the Marshfield Clinic, to better utilize telemedicine applications. An example might be rapidly locating digital medical records and medical images that can be easily transmitted to doctors or clinics in remote locations. Wisconsin is a hotbed of electronic medical record innovation, and we should capitalize on that.
- It provides rural Wisconsin residents with greater access to higher education through distance learning systems. Those systems themselves could become an export industry for Wisconsin, which could better leverage its K-12 educational system.
- It makes rural Wisconsin more likely to attract large data centers, which are part of many of today's virtually integrated businesses and corporations.

The United States ranked only 16<sup>th</sup> in the world in broadband penetration and Wisconsin is 25<sup>th</sup> among the states. That's not good enough. In fact, it is far short of the mark. Targeted modernization such as SB-469 / AB-696 will help ensure that Wisconsin's "digital divide" closes and that more opportunities become available to our citizens.

Thank you for considering our thoughts on this topic, and for your continuing bipartisan work on behalf of Wisconsin.

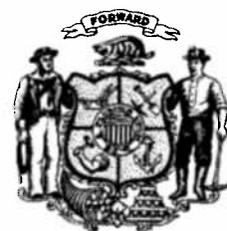
Sincerely,



Tom Still, president



# WISCONSIN STATE LEGISLATURE





Metro Innovation Center  
1245 E. Washington Ave.  
Madison, WI 53703

Phone: 608-441-8060  
Fax: 608-441-8064  
www.northstareconomics.com

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Feb. 9, 2010

Senator Jeff Plale, Chairman  
Senator Bob Wirch  
Senator Pat Kreitlow  
Senator Sheila Harsdorf  
Senator Jon Erpenbach  
Senator Robert Cowles  
Senator Neal Kedzie  
Representative James Soletski, Chairman  
Representative Josh Zepnick  
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 and Assembly Utility Committees' Members:

As the consulting economist to the Wisconsin Technology Council, I am writing to you about SB-469 and AB-696. With the dramatic changes in the telecommunications industry that have taken place in the last twenty years, there is a need to modernize Wisconsin's telecommunication's regulatory policy to keep the state and its telecommunication providers competitive with neighboring states and the global markets.

The economics of the telecommunications industry have changed dramatically in the last two decades. New technologies including wireless cell phones and Voice over Internet Protocol (VoIP) have challenged the old wire line service that once was a virtual monopoly in the telecommunications industry. Along with new technologies, there have been a huge increase in the number of telecommunication providers as cable companies, new wireless providers, and others have provide new business models that challenge the plain old telephone service (POTS).

In most cases, the new technologies and providers are regulated in a different and lighter fashion than the POTS providers. There are fewer regulations and

regulatory costs to the newcomers and as a result there is an uneven economic playing field. As the number of wire line customer's declines, the difference in costs and regulations will work to the disadvantage of the POTS providers. In addition to eroding market share, this condition will also affect the capacity of Wireline providers to invest in a new generation of technologies needed to replace the aging current telecommunications infrastructure and needed to keep wire based service economic efficient and competitive. Because Wireline providers are still critical to a nearly all areas of the state, but are particularly important to rural areas, the uneven economic playing field has the potential to harm key parts of the state.

The modernization of telecommunications infrastructure is particularly critical in rural areas and counties with low population density. NorthStar has completed a number of studies in northern Wisconsin counties and regions such as the Grow North Region and Florence and Marinette counties. We are currently engaged in a study in Pulaski, Wisconsin, a small village about 15 miles from Green Bay. In all of these studies we find significant challenges to job creation and the need for robust telecommunications infrastructure as a means to attract and grow jobs and businesses. In that respect, Wisconsin regulatory policy must be focused on the impact of regulation on job growth and the creation of regulatory policy that enables private sector job creation.

SB 469 and AB 696 are an important beginning to telecommunications regulatory modernization. It is essential that the State of Wisconsin stay near the cutting edge of telecommunications as the developing knowledge economy will put a premium on the efficient delivery of voice, video, and data. Future jobs in this state will depend on a good telecommunications infrastructure. By correcting some of the current imbalances in regulation, the legislature will help to encourage job growth, investment in new telecommunications technologies and a competitive business climate in the state.

Thank you for listening to my thoughts on this matter and I wish you and your colleagues well as you deliberate on this important issue.

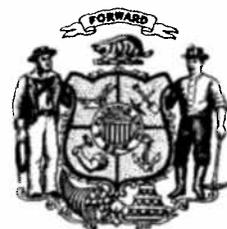
Sincerely,



David J Ward, Ph.D.  
CEO NorthStar Economics, Inc.  
Madison and Sturgeon Bay, Wisconsin



# WISCONSIN STATE LEGISLATURE



Testimony of State Representative Josh Zepnick  
Assembly Committee on Energy and Utilities  
Senate Committee on Commerce Utilities and Rail  
AB 696/ SB469  
9 February 2010

Thanks to Chairman Soletski and other members of these committees for hearing these proposals today. I am pleased to author legislation that presents so many opportunities for Wisconsin. AB 696 and SB 469 as amended takes a critical next step in modernizing Wisconsin's statutes to reflect the true dynamics of the telecommunications industry in this state.

If Wisconsin truly hopes to maintain and grow its technology workforce and provide families with affordable options for the advanced services we have all come to rely on, we must make our statutes come to terms with reality.

In my south side Milwaukee district, consumers have many options. A family on my block can choose from several wire-line carriers, VOIP providers or they can bypass a home phone altogether and choose from one of many wireless carriers available to them. In fact, the traditional incumbent provider in my area now serves significantly less than half of my constituents and neighbors. This kind of development is a very positive thing for consumers. It forces providers to compete for the customer dollar. That

competition results in more choices and better values for many of the folks I represent.

That competition though has changed the state of the industry. It has forced traditional providers to adapt if they hope to survive and grow. Given the decrease in the number of households opting for a traditional land line service, traditional providers have had to make changes and offer new and better services to keep their employees working and protect their investments in the state. It is our responsibility to make sure that outdated state statutes don't get in the way of that adaptation.

We must create a regulatory framework that treats all providers fairly. Everybody must play by the same set of rules or we run the very real risk of advancing one subset of employees and consumers at the expense of another. A level playing field will allow these traditional Wisconsin employers to evolve along with the rest of their industry and bring their employees, investment and consumers along with them.

It is one of my top priorities that as we move through this process to modernize and update our statutes that we preserve the interests of all Wisconsin consumers. It is critically important that Wisconsin consumers be protected the same way they are now. We have gone to great lengths to preserve all protections under 100.207 of the Statutes and ATCP 123 of the Wisconsin Administrative Code. The provisions protect consumers from unfair billing practices, rate increases without notification and ensure that all

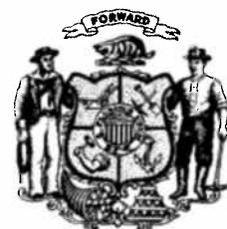
consumers will have recourse if they have an issue with the telecommunications provider of choice. These statutes also give DATCP and DOJ clear enforcement authority over these provisions. By consolidating all consumer protection responsibilities under the DATCP in this way we make it clear that providers must be accountable to the needs of their customers. If that does not happen, DATCP will make sure they are accountable to the state.

AB 696 and SB 469 must move forward if Wisconsin hopes to keep pace with the technology world around us. Who would have imagined just 15 years ago we'd have all the options and services available to us that we have today. If we want to see that same growth in the next 15 years, we need to make changes that foster continued investment in our technology infrastructure. That investment will also create jobs and greater benefits for Wisconsin families.

Thank you again for your consideration of this proposal. I look forward to working with members of both committees and other stakeholders and we move this legislation forward.



# WISCONSIN STATE LEGISLATURE



# Wisconsin Supplier Development Council

12 February 2010

Representative Jim Soletski  
88<sup>th</sup> Assembly District  
Room 307 West  
State Capitol  
P.O. Box 8953  
Madison, WI 53708

Dear Chairman Soletski:

I am writing to encourage your support for SB 469/AB 696, Wisconsin Regulatory Parity Legislation. Passage of this bill will provide fairness and balance to existing telecommunications laws and encourage investment, jobs and competition.

As the President of the Wisconsin Supplier Development Council, I have the responsibility of partnering with Wisconsin-based corporations and Midwest businesses to encourage participation of minority, women-owned, veteran, and disadvantaged businesses as diverse suppliers in corporate procurement opportunities. The marketplace for supplier diversity procurement opportunities began in 1968, and my work for more than 40 years as a minority business advocate has centered on investment and job creation by private companies. This aspect of minority business development depends on the willingness of companies to invite minority entrepreneurs to the table to place bids on procurement opportunities.

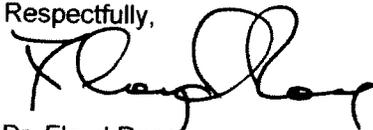
Failure on the part of the Assembly Utilities Committee and the State Legislature to enact SB 469/AB 696 will undo 40 years of getting minority businesses to the table to negotiate with telecommunications companies who invest in this state. Failure to act in support of this bill will have a chilling effect and likely eliminate minority business development opportunities in the state. Your committee has the power to make change by voting in favor of this legislation. Removing outdated regulatory rules that no longer apply is a good first step toward improving the economy.

Sustaining existing employment while creating new businesses and putting people back to work should be a priority for this Legislature. To that end, the Legislature should establish an environment that is fair and free of unnecessary regulatory barriers for all telecommunication service providers. Going forward, the Legislature must adopt the attitude of removing the handcuffs from companies that make investments, create jobs and business development opportunities.

I strongly encourage you and members of the Assembly Utility Committee to vote in support of SB 469/AB 696. When Wisconsin regulators and lawmakers create an environment that encourages businesses to stay and invest in Wisconsin, we all reap the benefits.

Thank you for your time and consideration.

Respectfully,

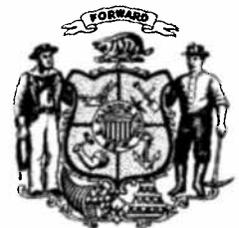


Dr. Floyd Rose  
Wisconsin Supplier Development Council

CC: State Representatives Josh Zepnick, Jon Richards, Anthony Staskunas, Ted Zigmunt, Joseph Parisi, John Steinbrink, Phil Montgomery, Mark Honadel, Kevin Petersen, and Michael Huebsch



# WISCONSIN STATE LEGISLATURE





Wisconsin Chapter 4

Karen Schilling  
AT&T Pioneers  
WI Chapter 4 President  
4311 Esch Lane  
Madison, WI 53704  
Karens51@ameritech.net  
[www.attpioneervolunteer.org](http://www.attpioneervolunteer.org)

February 15, 2010

Senator Jeff Plale, Chairman  
Senator Bob Wirsch  
Senator Pat Kreitlow  
Senator Sheila Harsdorf  
Senator Jon Erpenbach  
Senator Robert Cowles  
Senator Neal Kedzie  
Representative Jim Soletski, Chairman  
Representative Josh Zepnick  
Representative Anthony Staskunas  
Representative John Steinbrink  
Representative Ted Zigmunt  
Representative Phil Montgomery  
Representative Kevin Petersen  
Representative Jon Richards  
Representative Joe Parisi  
Representative Mike Huebsch  
Representative Mark Honadel  
Representative Rich Zipperer

Re: SB-469 & AB-696

Dear Senate & Assembly Utility Committee Members,

I am writing to you today as President of the Wisconsin Pioneers to express my support of SB469 and AB696. The Pioneers is a volunteer organization made up of almost 7,000 AT&T employees and retirees who volunteer time to enhance the communities where they work and live. We participate in a variety of projects that benefit the communities and residents across the state of Wisconsin including feeding the homeless, sending daily care packages to deployed troops in Iraq and Afghanistan, donating approximately 6,000 dictionaries to third graders, and donating school supplies to various schools to name a few. As a concerned Wisconsin resident, I want to ensure that the laws which govern our state encourage equal treatment of providers and competitive positioning of Wisconsin companies. The implementation of smart regulatory reforms will continue to encourage technological innovation and investment in Wisconsin, which in today's economy is not only smart, but essential. SB469/AB696 does exactly that for landline phone providers in Wisconsin.

This bill will help update and modernize an outdated system of telecom regulation that has been in place since 1994. By leveling the playing field for all communication providers, you create a single set of regulations that encourage competition and promote investment in Wisconsin's network infrastructure. It is important to make sure that Wisconsin remains competitive so that consumers and businesses have a wide array of service options at competitive prices.



Wisconsin Chapter 4

It is time to change these outdated and unfair regulations and with your support of SB-469/AB696, Wisconsin can improve its ability to attract new business which is good for the state, good for consumers and good for the Pioneers.

Sincerely,

A handwritten signature in cursive script that reads "Karen Schilling".

Karen Schilling  
WI Chapter 4 President - AT&T Pioneers  
4311 Esch Lane  
Madison, WI 53704  
karens51@ameritech.net

## WANT TO HELP OUT? —IT'S A CALL AWAY—

2010

### WISCONSIN CHAPTER #4 BOARD OF DIRECTORS

President	Karen Schilling	608-249-1891
Vice President	Pam Clapper	608-437-9220
Vice President	Vicki Scott	608-252-2308
Treasurer	Barb Keehn	262-785-0703
Secretary	Caryn Hoepner	715-835-7457
Member at Large	Jeannette St Onge	414-227-6745
Newsletter	Janelle Frisby	262-523-7125
Member at Large	Shawn Flynn	715-839-5540
Member-at-Large	Trish Mazza	608-252-4629
Past-President	Gloria Grabowski	715-456-6452

**National Website:**  
[www.pioneersvolunteer.org](http://www.pioneersvolunteer.org)

**Wisconsin Website:**  
[www.atpioneervolunteers.org/Wisconsin4/indexWI4@14.html](http://www.atpioneervolunteers.org/Wisconsin4/indexWI4@14.html)

**"Cash Donations"**—These can be specific or general and are used to help with our projects.

**Send your check made out to:**

**"TelecomPioneers"**

c/o Karen Schilling  
4311 Esch Ln  
Madison, WI 53704

**—TO ENROLL TODAY—**

Contact  
Vickie Scott 608-252-2308  
vs2591@att.com

Or  
Pam Clapper 608-437-8220  
pjc105@mhtc.net

## Who are the Pioneers?

The Pioneers are comprised of more than 325,000 current and retired telecommunications employees who have joined together to make their communities better place in which to live and work. We are committed to the diversity and personal growth of our members, the success of AT&T and to improving the quality of life in our communities.

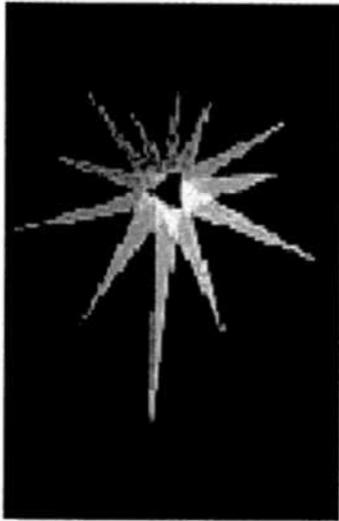
## Pioneer Mission

We are a network of volunteers who effect immediate, tangible change in local communities, in partnership with AT&T.

## Our History

It all began in 1911 with just 734 members (including Alexander Graham Bell). Friendship and fellowship were what it was all about. Industry people recalling the facts, traditions, and memories of the early history of the telephone. But those who wrote the original Pioneers purpose were forward thinking in adding that it would also encourage "such other meritorious objects consistent with the foregoing as may be desirable." That became what would make the Pioneers different from other industry groups..

By 1958, community service was established as the Pioneers' "New Tradition". Today, the organization is the world's largest group of industry specific employees and retirees dedicated to community service.



# JOIN US

Become the SPARK of Change



at&t

pioneers  
a volunteer network



## WHY SHOULD I JOIN THE PIONEERS

1. Pioneers make your hometown a better place to live and work.
2. Your entire family can volunteer with you —making a difference together is a great way to show your children the value of helping others.
3. You can choose from a variety of projects that match your personal interest, from literacy to protecting the environment to helping people with disabilities.
4. To show your support of your company's commitment to volunteerism and making a difference in your hometown.
5. Pioneers get benefits, like discounts on entertainment, insurance and travel.
6. Volunteering improves your skills like organization, planning and leadership.
7. You'll be a part of a caring community that makes a difference in the lives of those in need!

## WHAT CAN YOU DO TO GET INVOLVED WITH THE WISCONSIN CHAPTER #4 PIONEERS?

**Segway Project:** Fundraising to buy a "Segway" for one of our disabled veterans.



**Baby Hats:** Volunteers knit, crochet & loom baby hats every year for newborns at various hospitals in Wisconsin

**HOME Project: (Helping Our Military Every Day)** Funds are raised to send packages each day to over 100 military personnel serving overseas. Items are donated by Pioneers, Pioneer Partners, Family, and Friends. An especially fun time is the gathering to wrap and package over 100 boxes for the December Holidays. You can also volunteer to help out at the Badger Football games.



**Veterans Hospitals:** Volunteers from the Pioneer Organization help out every week or when-ever they can to provide services at the local V.A. Hospitals.

**Exchange Center For the Prevention of Child Abuse:** Pioneers continue to establish a library at this center. We provide books for children to use and books they can keep.

**Dictionary Project:** The goal of this project is to put a dictionary in the hands of every third grade student in the Nation. The Pioneers donate 6000 dictionaries each year to schools across Wisconsin

**Job Shadow:** High School students are matched with employees and "shadow" on the job for a day.

**Cell Phones for Soldiers:** Pioneers collect cell phones to raise funds to help our US troops around the world.

**Playground Map:** Pioneers gather to paint a map of the United States on school playgrounds. It is used as a teaching tool.



**Talking Book Repair:** Pioneer members help to fix hundreds of Talking Book Machines that are used by the sight-impaired.

**Flu Shot Clinics:** Each year volunteers help with paper work at the local "flu shot" clinics throughout the community.

**March of Dimes:** Pioneers help out with record-keeping of donations at many annual "Jail & Bail" fundraisers.

**Ronald McDonald House:** Aluminum can "pop" tabs are collected each year and the proceeds are used to supply the Ronald McDonald House with food items for their kitchen.

**Gilbert Brown Football Camp:** Pioneers help to run the annual "football camp" for disadvantaged children.

**Tools For Learning:** Each year Backpacks are assembled with school supplies that are distributed to various Elementary schools.

**Channel 10/36 Auction:** Every year Pioneers volunteer to answer phones at the Channel 10/36 public television fundraiser.

**Santa's Special Children:** Children are treated to an airplane ride to the "North Pole" during the holiday season.

**License Plates for Walkers:** Personal license

**Teachers Treasure Chest:** Volunteers donate school supplies that are maintained in schools across Wisconsin. The supplies are given to students who are in need throughout the school year.

**American Cancer Society:** Volunteers help out each year with the American Cancer Run. They fill tote bags with t-shirts and race material which are given to the athletes who are raising money to defeat cancer.

**Heart Pillows:** Pioneers cut, sew, and stuff over 200 heart pillows each year. They are donated to hospitals for use by patients that are recuperating from open heart surgery.

**Three Gaits:** Pioneers volunteer their time by helping to provide an effective therapeutic riding program for children, youth, and adults with disabilities and special needs.

**EAA:** Pioneers volunteer at the annual "EAA Fly-in" in Oshkosh. Proceeds are used for various projects in the area.

**Cabin In The Woods:** Pioneers help to build cabins in Wisconsin parks to be used by families with disabilities.

**Lap Robes:** Lap robes are knit or crocheted by Pioneers for various nursing homes throughout Wisconsin.

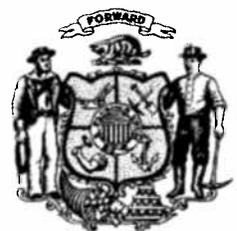
**UNCF Run/Walk:** Each year Pioneers gather at the Milwaukee Lakewood to support this fundraiser.

**Holiday Dinners:** Annual turkey dinners are served in various locations to less fortunate families.

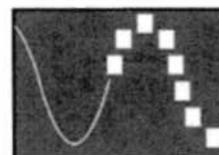
**Open Door Cafe:** Pioneers volunteer every month



# WISCONSIN STATE LEGISLATURE



February 17, 2010



The VON Coalition

Dear Representative:

The Voice on the Net (VON) Coalition, which represents the nation's leading companies developing and delivering voice innovations over the Internet, respectfully submits these comments concerning Section 58 of S.B. 469/A.B. 696, which would create new Ch. 196.206 of the Wisconsin statutes. Specifically, in order to ensure that consumers can take full advantage of the power and potential that Internet communication can deliver, VON supports the prohibition on the regulation of Voice over Internet Protocol ("VoIP"). However, by requiring VoIP providers to contribute to the state universal service fund or pay intrastate access charges (as we understand may be proposed) the legislation eliminates the benefits to consumers and the economy of not regulating VoIP providers. The VON Coalition therefore urges deletion of proposed Ch. 196.206(2). With these changes, Wisconsin consumers will benefit from the lower prices and robust services promised by Internet Protocol communications technologies, and the state of Wisconsin will benefit from additional investment in the broadband infrastructure that is necessary to deliver these innovative products and services.

VoIP can be a force for increased competition, a platform for innovation, a driver for broadband deployment and a vehicle for continued economic growth. In fact, with the right policies, VoIP competition can save Wisconsin consumers millions of dollars annually – putting real money back into consumers' pockets when they really need it. Further, by harnessing VoIP as a broadband driver (since VoIP calls are carried over broadband connections), increased broadband adoption in Wisconsin will create jobs as the country works its way out of these difficult economic times.

To help ensure that Wisconsin consumers can benefit from these transformative Internet services, Section 196.206(1) would prohibit regulation of interconnected VoIP. By adopting this provision, Wisconsin would join policymakers at both the federal and state level that have recognized that to unleash the vast benefits that VoIP can deliver, the service should not be subject to a potential patchwork of conflicting state regulatory models. The provision is particularly important for consumers living in rural Wisconsin who have yet to enjoy the benefits of broadband and voice competition.

However, proposed Ch. 196.206(2) would require VoIP providers to make contributions to the state universal service fund, could stall and stifle these vast consumer benefits, and is prohibited under federal law. In March 2007, the 8<sup>th</sup> Circuit Court of Appeals affirmed the FCC's *Vonage Preemption Order*, which preempted state regulation of VoIP services. The *Vonage Preemption Order* recognized that innovative and evolving services such as VoIP cannot be subject to a patchwork of regulations that would directly conflict with the goals of the Federal Communications Act and the FCC's pro-competitive deregulatory rules. Further when presented with the specific issue of whether the *Vonage Preemption Order* preempts a state requirement that VoIP providers contribute to the state universal service fund, both the U.S. District Courts for Nebraska (affirmed by the 8<sup>th</sup> Circuit) and New Mexico held that it does. Moreover, the issue of whether states have authority to impose state universal service charges is squarely before the FCC. The FCC is considering a petition for Declaratory Ruling filed by the Nebraska and Kansas state utility commissions, asking that the FCC find that the states can impose universal service

February 17, 2010

fund requirements on VoIP providers. Unless the FCC reverses course and grants the Nebraska/Kansas petition, state legislation applying intrastate universal service fund requirements or regulation to VoIP is contrary to federal law.

Second, we understand that incumbent local phone companies are seeking to apply legacy, telephony intrastate access charges to interstate Internet communications, in violation of FCC rules. The application of intrastate access charges to VoIP would stifle consumer benefits and slow broadband adoption in Wisconsin. Applying the intrastate access charge regime to innovative VoIP services is unnecessary and counterproductive; it would, in particular, undermine the objective of bringing advanced technologies to rural areas, where local telephone companies charge intrastate access rates as high as six cents a minute or more.

The legislature should not fundamentally alter the economic relationship between information and telecommunications service providers by imposing intrastate access charges on VoIP providers. Such a drastic change would result in artificially higher prices being imposed on broadband-originated traffic and broadband consumers which would negatively impact broadband deployment overall. Applying this universally recognized broken system to new innovations would likely mean that consumers and business users could miss out on the new services, increased choices and lower prices that VoIP can deliver. Moreover, the FCC is poised in 2010 to consider reform of the entire intercarrier compensation regime and it would be premature for Wisconsin to legislate rules that might be changes in the near future. No state has taken this radical step.

As a result, rather than adopting state-specific rules for VoIP, government leaders in states like California, Florida, Georgia, Maryland, New Jersey and Virginia have all taken steps to prevent state regulation of VoIP in order to boost broadband deployment, make phone service more affordable, and harness VoIP's vast potential for important public policy goals. We encourage you to follow suit and adopt our recommendations herein for S.B. 469/A.B. 696.

Sincerely,

**The VON Coalition**

/s/

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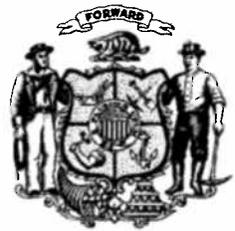
Glenn S. Richards  
Executive Director  
202-663-8215 (phone)  
[glenn.richards@pillsburylaw.com](mailto:glenn.richards@pillsburylaw.com) (email)

**About the VON Coalition:**

The Voice on the Net or VON Coalition consists of leading VoIP companies, on the cutting edge of developing and delivering voice innovations over the Internet. The coalition, which includes Cisco, Google, iBasis, Microsoft, New Global Telecom, Skype, T-Mobile USA, Vonage and Yahoo!, works to advance regulatory policies that enable Americans to take advantage of the full promise and potential of VoIP. The Coalition believes that with the right public policies, Internet based voice advances can make talking more affordable, businesses more productive, jobs more plentiful, the Internet more valuable, and Americans more safe and secure. Since its inception, the VON Coalition has promoted pragmatic policy choices for unleashing VoIP's potential. <http://www.von.org>



WISCONSIN STATE LEGISLATURE





**Waukesha County Chamber of Commerce**

**DRAFT**

February 19, 2010

Senator Jeff Plale, Chairman  
Senator Bob Wirch  
Senator Pat Kreitlow  
Senator Sheila Harsdorf  
Senator Jon Erpenbach  
Senator Robert Cowles  
Senator Neil Kedzie

Rep. James Soletski, Chairman  
Rep. Josh Zepnick  
Rep. Mark Honadel  
Rep. Michael Huebsch  
Rep. Phil Montgomery  
Rep. Joe Parisi  
Rep. Kevin Petersen  
Rep. Jon Richards  
Rep. Anthony Staskunas  
Rep. John Steinbrink  
Rep. Ted Zigmunt  
Rep. Rich Zipperer

RE: SB-469/AB-696

Dear Senate and Assembly Utility Committee Members,

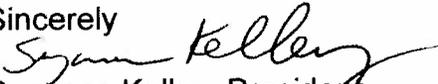
The Waukesha County Chamber of Commerce is a leading resource and advocate for businesses in Southeastern Wisconsin. Founded in 1918, the Waukesha County Chamber represents almost 900 member organizations and is devoted to improving and protecting the business climate in Waukesha County and the State of Wisconsin.

Now, more than ever, Wisconsin businesses need to be able to compete effectively across the globe. Telecommunications technologies are a key to making that happen.

Outdated rules that apply to some Wisconsin telecom companies stifle investment and innovation in our state's vital communications infrastructure. Senate Bill 469 and its companion, Assembly Bill 696, address this disparity and create a level playing field for all landline telecom service providers in Wisconsin. We encourage your support of these bills.

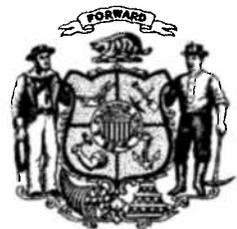
Telecom providers create local jobs and offer competitive services to many members of this Chamber and our community. Please support Wisconsin business owners, their employees, and the families that depend on them by voting in favor of this legislation.

Sincerely

  
Suzanne Kelley, President



WISCONSIN STATE LEGISLATURE



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# WISCONSIN STATE GRANGE

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March 11, 2010

Dear Representative,

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.

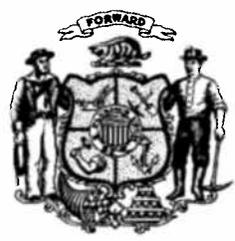
The Wisconsin State Grange supports SB-469 / AB-696 because we believe this measure will encourage additional investment in broadband and other advanced telecommunications services in rural Wisconsin. Wisconsin Grange members are concerned that failure to modernize our laws will hinder additional, vital 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



March 12, 2010

Representative James Soletski  
Committee on Energy and Utilities Chair  
Room 307 West  
State Capitol  
P.O. Box 8953  
Madison, WI 53708

Re: *Section 58 of S.B. 469/A.B. 696*

Dear Representative James Soletski:

Vonage Holdings Corp. (“Vonage”), a leading provider of Voice over Internet Protocol (“VoIP”) services, writes to express its support for S.B. 469/A.B. 696’s (the “Bill”) exemption of interconnected VoIP providers from regulation by the Wisconsin Public Service Commission. Vonage respectfully urges you to build on this forward-looking policy by deleting the provisions of the Bill that would attempt to impose state universal service obligations and intrastate access charges on interconnected VoIP providers. These provisions are inconsistent with federal law and run counter to the pro-innovation, pro-competition policy embodied in the remainder of proposed Section 196.206.

Wisconsin consumers, like consumers throughout our nation, have benefitted tremendously from the innovation and competition fostered by Vonage and other VoIP providers. Most recently, Vonage expanded calling under its most popular plan to include calls to more than 60 countries around the world without raising its low, \$24.99 per month price. Economists estimate developments like these will enable VoIP services to generate approximately \$24 billion in direct consumer savings for the five year period of 2008 through 2012.<sup>1</sup> These direct consumer benefits from VoIP services are dwarfed by the indirect consumer benefits generated by the competitive response of other service providers, which is estimated at approximately \$87 billion over the same five-year period.<sup>2</sup> Further, the VoIP industry continues to be a bright spot in a weak economy. The VoIP industry was the fastest growing industry from 2000 to 2009 and is expected to be the fastest growing industry from 2010 to 2019.<sup>3</sup> The VoIP

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<sup>1</sup> See Michael D. Pelcovits & Daniel E. Haar, Microeconomic Consulting & Research Associates, Inc., *Consumer Benefits from Cable-Telco Competition*, at 27 (updated Nov. 2007), available at [http://www.micradc.com/news/publications/pdfs/Updated\\_MiCRA\\_Report\\_FINAL.pdf](http://www.micradc.com/news/publications/pdfs/Updated_MiCRA_Report_FINAL.pdf).

<sup>2</sup> *Id.*

<sup>3</sup> See, e.g. IBISWorld Press Release, IBISWorld Identifies Best and Worst Performing Sectors by Revenue Growth, Dec. 22, 2009, <http://www.ibisworld.com/pressrelease/pressrelease.aspx?prid=210>. For 2000-2009, VoIP ranked first in revenue growth for all industries at “an astronomical 179035.8%.” IBISWorld

industry is also one of the top industries for job and income growth.<sup>4</sup> By ensuring that interconnected VoIP is not subject to unnecessary regulation, the Bill will enable interconnected VoIP providers to continue to deliver competition and innovation to consumers in Wisconsin and throughout the nation.

Vonage is concerned, however, that proposed Section 196.206(2) would attempt to impose state USF charges on providers like Vonage. Wisconsin should not take this step unless and until the Federal Communications Commission ("FCC") changes existing law to permit states to impose such assessments.

In 2004, the FCC preempted "traditional [state] 'telephone company' regulations" of Vonage's service.<sup>5</sup> Among the traditional "telephone company" regulations preempted by the FCC was Minnesota Statute § 237.16 subd. 9, which requires Minnesota to establish and require contributions to the state universal service fund.<sup>6</sup> Every federal court to consider the scope of the *Vonage Preemption Order* has confirmed that the *Order* preempts traditional state telephone company regulation of Vonage's service, including states' ability to impose and collect universal service fees on that service.<sup>7</sup>

The FCC is now considering a request by two states for authority to impose state universal service assessments on providers like Vonage.<sup>8</sup> In that proceeding, Vonage has

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estimates that VoIP will also be the top revenue growth industry for 2010-2019 at 149.6%, surpassing Retirement & Pension Plans, Biotechnology, and eCommerce & Online Auctions, among others.

<sup>4</sup> See Triangle Business Journal, Report: VoIP the Place to be for Jobs, Money (Apr. 2, 2008), available at <http://www.bizjournals.com/triangle/stories/2008/03/31/daily21.html>. A leading business research firm lists VoIP services at the top of the industries it designates as "hot jobs," estimating that VoIP services will see average annualized job growth of over 19% and average annualized wage growth of over 21% through 2012.

<sup>5</sup> *Vonage Holdings Corporation Petition for Declaratory Ruling Concerning an Order of the Minnesota Public Utilities Commission*, 19 FCC Rcd. 22404 (2004) ("*Vonage Preemption Order*"), *aff'd sub nom. Minnesota Pub. Utils. Comm'n v. FCC*, 483 F.3d 570 (8th Cir. 2007).

<sup>6</sup> *Id.* at 22408-22409 ¶ 10 & n. 28.

<sup>7</sup> See *Vonage Holdings Corp. v. Neb. Pub. Serv. Comm'n*, 564 F.3d 900 (8th Cir. 2009), *aff'g* 543 F. Supp. 2d 1062 (D. Neb. 2008); *N.M. Pub. Regulation Comm'n v. Vonage Holdings Corp.*, Memorandum Opinion and Order, 640 F. Supp. 2d 1359 (D.N.M. July 28, 2009); *Vonage Holdings Corp. v. N.Y. State Pub. Serv. Comm'n*, No. 04 Civ. 4306 (DFE), 2005 U.S. Dist. LEXIS 33121 (S.D.N.Y. Dec. 14, 2005); *Vonage Holdings Corp. v. Minn. Pub. Utils. Comm'n*, 394 F.3d 568 (8th Cir. 2004), *aff'g* 290 F. Supp. 2d 993 (D. Minn. 2003).

<sup>8</sup> *Nebraska Public Service Commission and Kansas Corporation Commission Petition for Declaratory Ruling or, in the Alternative, Adoption of Rule Declaring that State Universal Service Funds May Assess Nomadic VoIP Intrastate Revenues*, WC Docket 06-122 (filed July 16, 2009).

Representative James Soletski

March 12, 2010

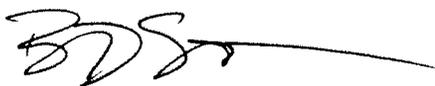
Page 3

explained that it supports the goals of state universal service programs and will contribute to those programs if and when the FCC establishes rules that would permit states to impose such charges in a manner consistent with federal policy.<sup>9</sup> Vonage has also asked the FCC to address existing and potential conflicts among state USF assessment methods by setting forth the conditions under which state universal service programs will not conflict with federal policy and will not be preempted.<sup>10</sup> Because current law does not permit state universal service assessments on providers like Vonage, and because the Commission is likely to provide states with critical guidance with respect to their authority when it resolves the Petition, it would be premature for Wisconsin to adopt Section 196.206(2) now.

Finally, Vonage notes that Section 196.206(3) is unnecessary and should also be removed from S.B. 469/A.B. 696. Section 196.206(3) permits the imposition of intrastate access charges on interconnected VoIP service “[u]nless otherwise provided under federal law.” Under federal law, however, interconnected VoIP calls are not subject to the access charge regime.<sup>11</sup>

If you have any questions please do not hesitate to contact me at (202) 730-1346.

Sincerely yours,



Brita D. Strandberg

*Counsel to Vonage Holdings Corporation*

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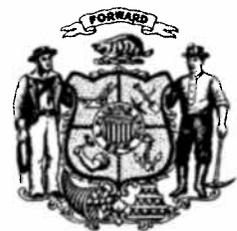
<sup>9</sup> Comments of Vonage Holdings Corp. at 1, WC Docket 06-122 (filed Sept. 9, 2009).

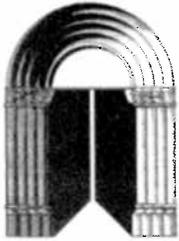
<sup>10</sup> *Id.* at 3-6.

<sup>11</sup> *See Paetec v. CommPartners*, CA No. 08-0397 (JR), Memorandum Order at 11 (D.D.C. filed Feb. 18, 2010).



WISCONSIN STATE LEGISLATURE





WISCONSIN  
WOMEN'S  
BUSINESS  
INITIATIVE  
CORPORATION

**MILWAUKEE  
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Email: [info@wwbic.com](mailto:info@wwbic.com)  
[www.wwbic.com](http://www.wwbic.com)  
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Providing more than  
20 years of Opportunity,  
Entrepreneurship and Success.

March 15, 2010

Rep. Jim Soletski  
P.O. Box 8953  
Madison, Wisconsin 53708

Dear Rep. Soletski;

Women business owners in Wisconsin benefit from more choices in telecommunication services and access to the latest, state-of-the-art technologies. That is why members of the Women Impacting Public Policy's Wisconsin Chapter support modernization of telecom laws in the state through SB-469 / AB-696.

This legislation helps open the door to more technology investment by removing impediments put in place by outdated laws designed for an era when there was no competition. By treating all providers with the same, lighter touch of regulation, SB-469 / AB-696 will clear the way for more investments in broadband, more price competition and other new services as they become available.

The Wisconsin Women's Business Initiative Corporation (WWBIC) is a statewide economic development corporation providing quality business education, financial awareness programs, technical assistance and access to capital to Wisconsin entrepreneurs and businesses.

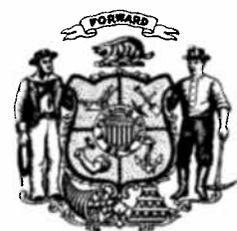
As Wisconsin business owners and employers, we need our state to be a leader in attracting technology investments. Up-to-date infrastructure is a key to our success, whether we're working with clients and customers in rural Wisconsin or around the world. On behalf of Wisconsin women business owners, please support SB-469 / AB-696.

Sincerely yours,

Wendy K. Baumann  
President/CVO



# WISCONSIN STATE LEGISLATURE





## wiredwisconsin

5027 W North Ave Milwaukee, WI 53208 phone 414.432.7814 fax 414.344.1645

[www.wiredwisconsin.org](http://www.wiredwisconsin.org) [info@wiredwisconsin.org](mailto:info@wiredwisconsin.org)

April 13, 2010

Representative James Soletski  
State Capitol  
PO Box 8952  
Madison, WI 53708

Dear Representative Soletski,

As the Wisconsin State Legislature continues the debate over SB-469/AB-696, we thought you would be interested in the enclosed editorial regarding a similar bill in Illinois. With positive editorials like this one, it's possible we'll soon see our neighbors to the south take steps to improve their business climate and encourage more tech growth and jobs.

Let's not let Wisconsin fall behind other states such as Illinois. With your help, Wisconsin can pass SB-469/AB-696, and enable us to compete effectively with other states for infrastructure investments and jobs. This important telecom modernization bill is backed by more than 30 state non-profits and business groups, and it was recently supported by our Assembly Utilities Committee, 12-0, and Senate Utilities Committee, 6-1.

These types of measures are taking hold in other states as well. In addition to the bill being now considered in Illinois, both houses of Ohio's Legislature recently passed similar measures, and Indiana passed a law like this a few years ago. Now is the time for Wisconsin to act, too.

On behalf of Wisconsin's economy and job growth, we urge you to help pass SB-469/AB-696 during the current legislative session.

Sincerely,

Thad Nation, Executive Director  
Wired Wisconsin

Wired Wisconsin is a 501(c)(3) non-profit organization. All contributions are tax-deductible.

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**SJ-R.COM**

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## **Our Opinion: State telecommunications laws due for update**

THE STATE JOURNAL-REGISTER [Springfield, Illinois]

Posted Apr 05, 2010

In 2001, your primary telephone most likely was a landline, which also served as your Internet connection. If you had a cell phone, it was a phone — with a numeric keypad and a screen sufficient to show the numbers as you dialed. You very likely never had sent a text message, if you even had heard of text messaging.

Your phone service came from the phone company, your cable TV from the cable company.

Such was the telecommunications world the last time Illinois updated its laws governing telecommunications.

We hardly need to explain that it's a vastly different telecommunications world today. If you still have a landline phone — nearly a quarter of Illinois households don't — it's as likely to come from your cable company as the phone company. Your cell phone is a portable voice and data device.

Texting is so pervasive that Illinois passed a law against doing it while driving.

You may get your cable TV from the phone company, bundled with high-speed Internet access, unless of course your cable company offers you a better deal on those services.

Given the dizzying technological changes that have become part of our daily lives in recent years, we believe it's critical that Illinois update the laws pertaining to telecommunications.

With the current law set to sunset on July 1, the time for that change is now. While we urge lawmakers to take on this issue this session, we also note the need for caution so that existing consumer protections aren't sacrificed to the interests of the telecommunications companies.

The Telecommunications Act now in place is structured largely on the original act that became law in 1985. It was rewritten in 2001 to reflect concerns of technology at that time and has been unchanged since then. In 2007 and 2009, lawmakers simply pushed back the sunset date.

The result is that Illinois still regulates telecommunications as if landline telephones are at the top of the communication hierarchy. A bill introduced in the Illinois House two weeks ago seeks to modernize the law to reflect the new, digital era.

Proponents believe doing so will boost the state's economy and create jobs by encouraging development of new telecommunications infrastructure. A better telecommunications framework, in turn, will make Illinois more efficient for existing businesses and more attractive for new ones, they believe.

First, though, a bit of background is in order.

## **Landline decline**

The main force behind rewriting the Telecommunications Act is AT&T Illinois. AT&T until a few years ago was known as SBC, which had become the state's biggest phone company when it bought Ameritech in 1999. Ameritech had a poor customer service record at that time, so the state imposed service quality standards on the merged company as a condition of approving the merger. The result is that AT&T today can be fined \$30 million per year if it fails to complete repairs of interrupted phone service for 95 percent of its customers within a 24-hour period.

It never has had to pay that fine, which is good for its phone customers.

But AT&T says the threat of the fine forces it to put disproportionate resources toward a rapidly shrinking part of its customer base. Where AT&T in 2000 provided 91 percent of the state's landline phone service, it now provides 48 percent. In that same period, it has lost more than 52 percent of its landline business. In many cases, cell phones have replaced household lines. The entry of cable TV companies — which are not subject to Illinois telecommunication regulations — into the phone market also has had an effect.

“There's no segment of the marketplace, in terms of what customers use to communicate, that AT&T has even 50 percent of the market,” says Paul La Schiazza, president of AT&T Illinois. “But we're treated as if we're the only game in town. The people that have the majority of the share of the market have no regulation whatsoever.”

AT&T says releasing it from the decade-old service quality standards would allow it to more fully embrace new technology — such as expanding the reach of its U-Verse TV, phone and Internet service — and create hundreds of jobs in Illinois. La Schiazza points to Indiana and Michigan, where AT&T opened call centers after those states updated their laws.

Business groups have begun lining up behind the rewrite effort. They say that treating all telecommunications companies equally will create a more hospitable business climate in Illinois.

“If we don't adapt, if we don't encourage more investment that way with a regulatory structure that is level as well as certain I think we're going to be lagging in both investments and jobs not just in telecom but across the whole economy,” says Jeff Mays, a former state representative and president of the Illinois Business RoundTable, a Chicago-based business advocacy group.

## **Consumer concerns**

That might be true, but the state must ensure that creating a level playing field for telecommunications companies doesn't leave consumers with less protection than they now have.

While there is ample competition now for high-end telecom customers — those who pay more than \$100 per month for Internet, cable TV, phone and other technology services — the existing service quality standards protect customers on the other end. These tend to be low-income and senior citizen customers who prefer basic landline phones without frills, says David Kolata, executive director of the Citizens Utility Board, the consumer watchdog group that monitors utilities in Illinois.

Rather than allowing AT&T out of its service quality standards, Kolata would like to see cable companies now in the telecom business brought under regulation.

The biggest concern for lawmakers and Illinois consumers as they consider this bill, Kolata says, is ensuring that AT&T makes good on its promises to expand service throughout the state.

This means bringing broadband service to rural areas and small towns in downstate Illinois, where it is desperately needed, not just in the lucrative Chicago metropolitan area.

And if AT&T is talking about creating hundreds of jobs in Illinois in exchange for release from the service quality standards, Kolata says it would be a good idea to have the company put it in writing.

"We're certainly willing to sit down and talk to them and work out reasonable compromises," says Kolata. "But what they seem to want to achieve is, if not complete deregulation, then certainly a big step in that direction."

### **AT&T and the future**

The bill now in the House (House Bill 6425) contains numerous consumer protection provisions, but does not spell out where AT&T should focus its development.

Co-sponsor Kevin McCarthy, D-Orland Park, says he expects many such details to be worked out as debate begins on the bill. (A hearing is scheduled for April 13 before the House Telecommunications Committee, of which McCarthy is chairman.)

He believes that the \$30 million penalty that AT&T still must guard against is an anachronism that is no longer fair or necessary.

"When we put this penalty on them they had had some really severe service problems. So I think it was deserved at that time," McCarthy says. "I don't think you need to have these onerous burdens in there that at one time were deserved but I don't feel they're deserved any longer."

McCarthy is optimistic that the legislature will take on the Telecommunications Act rewrite this year. The prospect of job creation — both in the short term among telecom companies including AT&T and in the long run by improving Illinois' telecomm infrastructure — is too great an enticement to pass up in this of all years.

We hope that's true. There's a fundamental unfairness to imposing regulations on a company because it's labeled a "phone company" but not applying them to a company that provides wired phone service but is labeled a "cable company." And if Illinois is to be competitive in business and industry, it must have a modern system to govern what will be arguably its biggest economic force going forward.

We urge the General Assembly to take on this important issue now.



# wiredwisconsin

Our Future. Today.

## OUR MISSION

Wired Wisconsin is a nonprofit coalition of concerned individuals, businesses and organizations working to put our state on the cutting edge of technology.

## COALITION TECHNOLOGY ISSUE GOALS

Education

Collaboration

Activation

## TOP ISSUES

Wired Wisconsin will work on many important issues, including but not limited to:

21st Century E-learning

Access to Wireless Technologies

Broadband Deployment

Consumer Privacy

Future Thinking Technology Policies

Green Technology

High-tech Job Creation and Industry Development

Tele-Medicine and E-Records Advancement

[www.wiredwisconsin.org](http://www.wiredwisconsin.org)

▶ Wired Wisconsin believes that technological innovation and expansion depends on drawing ideas and knowledge from many sources—our coalition will serve as the connection to link them together by working with our coalition members and partners, industry leaders, and policy makers throughout Wisconsin to create a unified path forward for our state.

## Connecting Wisconsin to the Future.

### WIRED WISCONSIN COALITION CONNECTION BENEFITS:

Access to Wired in Wisconsin Member Events

Updates on Technology-related Legislation

Coalition Progress Updates

Networking Opportunities

Supporting Innovation and Technological

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[www.wiredwisconsin.org](http://www.wiredwisconsin.org)