



February 26, 2008

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

Dear Chairman Markey:

On behalf of the telecom providers represented by ITTA, NTCA, OPASTCO, USTelecom, and WTA, whose member companies deliver broadband service to all parts of our nation, including rural and insular areas, we appreciate the opportunity to comment on the “Wireless Consumer Protection and Community Broadband Empowerment Act of 2008.” We write to express our specific concerns with the inclusion of Title II – Community Broadband Empowerment.

The climate for government-owned networks has changed markedly since the committee first began examining the issue. From San Francisco to Houston to Chicago, ambitious municipal broadband plans are being scaled back drastically or abandoned outright, due to the rising costs, complex technological hurdles, and underwhelming consumer demand. Just last week, one industry analyst warned in Philadelphia, “While deployments with lofty goals have made great political announcements, they have been poorly planned....there has also been some talk of the city taking ownership of the network and hiring a firm to operate it, **but it seems like a dangerous business plan to spend millions of tax dollars on such a risky venture.**” With far less fanfare, our member companies continue to make rural broadband investments that frequently would be impossible without a solid core of customers in communities with some measure of population density.

Since we last communicated with the committee in October, broadband deployment in the United States has continued to accelerate from just over 4 million broadband lines in 2000 to just under 16 million broadband lines in 2002 to approximately 32 million lines in 2004 to 82.5 million lines in 2006. The market-based approach on wireless services also has permitted wireless broadband services to explode. In June of 2005, there were almost 380,000 wireless broadband subscribers; in December of 2006, there were more than 21.9 million.

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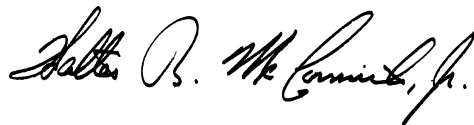
While there are still some areas in which broadband is not available, we have worked closely with House and Senate Agriculture Committees through the Farm bill process to improve the RUS broadband program, target it to unserved areas, as well as to develop public-private partnerships along the lines of ConnectKentucky to map broadband deployment and address important factors affecting broadband demand.

We still believe federal municipal broadband legislation would chill private investment in existing and future broadband networks. This ultimately leads to less, not more, broadband deployment as the investment risk for private entities is unnecessarily increased and private capital is displaced with public funds, needlessly burdening taxpayers. Additionally, federal municipal broadband legislation encourages cherry picking the easier to serve areas within town limits, diminishing the feasibility of broadband service in the more costly to serve outlying areas.

We would respectfully remind the committee that fourteen states have already come to the conclusion that regulating municipal entry enhances broadband deployment. At a minimum, we believe the draft legislation should be modified to limit its effect to areas without existing broadband service and further legislative language to prevent municipal broadband networks from being cross subsidized and thus able to offer cut-rate prices that cannot be matched by private firms.

We hope the committee will carefully examine the unintended consequences of federal municipal broadband legislation and look forward to working with you to improve broadband deployment to all Americans.

Sincerely,



Walter B. McCormick, Jr.
President and CEO
USTelecom



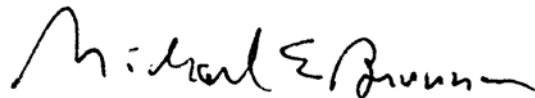
John Rose
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Michael E. Brunner
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cc: Members of the Subcommittee on Telecommunications and the Internet
House Committee on Energy and Commerce