September 28, 2007

Chairman Kevin Martin  
Commissioner Michael Copps  
Commissioner Deborah Taylor Tate  
Commissioner Jonathan Adelstein  
Commissioner Robert McDowell  

Federal Communications Commission  
445 12th Street, SW  
Washington, DC 20554  

Re: Special Access Rates for Price Cap Local Exchange Carriers, WC Docket No. 05-25, RM-10593

Dear FCC Chairman and Commissioners:

I am writing to you today on behalf of Women Impacting Public Policy (WIPP), the nation's largest bi-partisan women's business group. Our organization advocates for and on behalf of women and minorities in business, strengthening their sphere of influence in the legislative process of our nation, creating economic opportunities and building bridges and alliances to other small business organizations.

The FCC’s recent decision to re-evaluate the special access marketplace is of particular interest to our organization. Recent evidence indicates that since the FCC’s 1999 decision to de-regulate the special access market in areas that proved competitive, prices in these areas have dropped. The competition present in today’s marketplace is beneficial to businesses and consumers. In light of these developments we urge the Commission to collect additional data and information on this issue before taking the drastic step of re-regulation.

The pricing flexibility plans that were implemented in 1999 have led to lower prices and improvements in technology and service. Areas with Phase II pricing flexibility saw prices decline by as much as 6%, according to a November 2006 GAO study. Furthermore, a recent Progress & Freedom Center study suggests that deregulation has led to increased investment. The paper states that the number of special access lines increase in areas with greater pricing flexibility.

In addition to lower prices and more investments, the special access market has seen continued success by existing competitors and the entry of new types of competitors for the ILECs. CLEC competitors have achieved enormous success over a relatively limited period of time. XO Communications has deployed 1.16 million fiber miles through 40 major U.S. cities while Level 3 Communications currently serves 125 metro fiber markets. Furthermore, other wireless and cable companies are challenging ILECs. Sprint has partnered with ClearWire to build a national WiMax network to limit the costs of routing calls to switching centers. Comcast has stated that offering services to small and midsize businesses will be its top priority over the next 2 years.

The entry of new competitors and their desire to win over business customers signals the pro-competitive nature of the special access market. This leads one to conclude that the deregulation of special access services has created the correct incentives for investment in current and new technologies, technologies that offer reliable service and competitive prices to business customers and a return on those investments for the companies that make them. We urge the FCC to consider these facts when examining the special access marketplace, as this decision will have far-reaching consequences on businesses of all sizes.

Sincerely,

Barbara Kasoff  
Cofounder, President  

Terry Neese  
Cofounder, President 2001-2005

Coalition Partners

American Small Business Coalition  
American Women in Radio and Television  
Association for Enterprise Opportunity  
Association for Women in Communications  
Association of Women’s Business Centers  
Black Women Enterprises  
Boardroom Bound  
Business Women’s Network  
CARE USA  
Catalina Magazine  
Center for Women’s Business Research  
Consumers for Cable Choice  
Count Me In  
Entreprising Women  
Euro-American Women’s Council  
Europe – Greece  
Executive Women In Government  
Filipina Women’s Network  
Financial Women International  
Hispanics Impacting Public Policy  
Kansas City Council of Women Business Owners  
LATINA Style  
Moms In Business Network  
National Associations for Female Executives  
National Association of Certified Government Business Enterprise  
National Association of Small Disadvantaged Businesses  
National Association of Women Business Owners  
National Business Association  
National Defense Industrial Association  
National Indian Business Association  
National Women Business Owners Corporation  
Native American Women’s Business Council  
New Jersey Association of Women Business Owners  
Oklahoma State Chamber  
San Francisco Small Business Network  
Small Business & Entrepreneurship Council  
Small Business Television Network  
U.S. Chamber of Commerce  
UNIFEM / USA  
Women Construction Owners & Executives  
Women Entrepreneurs, Inc.  
Women Impacting Public Policy – Florida  
Women Impacting Public Policy – Pennsylvania  
Women in Technology International  
Women Presidents’ Organization  
Women’s Business Enterprise National Council  
Women’s Leadership Exchange  

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