

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
SBC Communications Inc. and)	WC Docket No. 05-65
AT&T Corp. Applications for)	
Approval of Transfer Of Control)	
)	
)	

COMMENTS OF WOMEN IMPACTING PUBLIC POLICY

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I. INTRODUCTION AND SUMMARY

Women Impacting Public Policy (WIPP) submits the following comments in support of the above-captioned merger of SBC and AT&T, and the applications for approval of transfer of control. WIPP is a national bi-partisan public policy organization representing more than 505,000 women in business and women business owners nationwide. WIPP represents the views of its members on important public policies issues, including telecommunications public policies. This merger of AT&T with SBC is an important issue to WIPP, since its members are major users of various telecommunications services, including wireline, wireless and broadband services.

In general, WIPP members support telecommunication policies that eliminate government impediments and lessen regulatory rules, so long as these policies lead to more market innovation and choice. Our recent survey of women business owners found that 56% of our members are comfortable with the elimination of price regulation for landline services, as long as basic consumer protections involving fraud, security and safety remain in place.¹ The survey also found that 63% of women business owners want less rules

¹ “What Women Want: 2005 National Survey of Women Business Owners on Top Issues,” WIPP, Washington, DC, March 10, 2005, p. 3 and p. 10. For more information, see www.wipp.org.

governing telecommunications, if eliminating rules would spur the availability of more technology and more service choices in the market.² We believe that the SBC/AT&T merger would strengthen the wireline services market and would increase competition, leading to lower service prices, as well as increases in innovation and service bundling. Therefore, we believe that the SBC/AT&T merger would be pro-competitive and good for small businesses. WIPP supports the SBC/AT&T merger.

II. DISCUSSION

A. GENERAL BENEFITS OF MERGER

Once distinct industries, wireline telecommunications, cable TV, wireless telecommunications, and Internet-based service providers are now competing for small business customers. The benefits of this competition, we believe means more choice and availability of more innovative services for small business. Small businesses are diverse users of telecommunications services. For example, according to a survey sponsored by the Small Business Administration's Office of Advocacy, 73% of small businesses use wireless services and a quarter of small businesses spend more on wireless telecommunications services than they do on wireline telecommunications services.³ The survey found that 3.3% of small businesses use voice-over-

² Ibid.

³ Stephen B. Pociask, "A Survey of Small Businesses' Telecommunications Use and Spending, TeleNomic Research, for the Small Business

Internet services, and 48% of small businesses used some form of high-speed services, mostly predominantly cable modem services. Undoubtedly, competition has continued to grow since the SBA survey was conducted. However, what these data show is that choice of service is important to the every day telecommunications needs of small businesses. Therefore, in order to foster competition, which in turn will help small businesses control their costs, public policy goals should seek to reduce, whenever feasible, government regulations.

The revolution of communications to wireless, broadband and IP services is forcing these traditional wireline services industries to reinvent themselves. If the merger leads to a stronger wireline market, then competition is enhanced and small businesses would be beneficiaries of this added competition.

B. BENEFITS TO SMALL BUSINESSES

We anticipate that the merger will produce lower prices for small businesses, and greater choice through technological and service innovations. First, competition is expected to keep the industry competitive and drive market prices lower. In addition, merger synergies should result in lower industry costs, and, given competition, that should translate into lower prices for small businesses. The merger appears to be complementary – what SBC

Administration Office of Advocacy under contract Number SBAHQ-02-M-0493, March 2004. The survey covers data for the Fall of 2003.

has (local and wireless presence) fits well with what AT&T has (a national and international backbone presence). Furthermore, while SBC is a major provider of telecommunications services in the residential market, AT&T is a major provider in the business market. The presence of AT&T outside of SBC's traditional operating area will encourage competition between large wireline companies, which would further bolster competition and benefit our members.

Because SBC has a focus on smaller customers and the inclusion of AT&T will give SBC greater market reach, WIPP expects the merger to bring about new IP-based services to the market, increase innovation and technology, which would help small businesses control their telecommunications costs. What the merger brings SBC is a full range of features and services. This would permit what small businesses currently demand – more service bundling.

Telecommunications Services Most Likely To be Included as Part of a Bundled Package	
<u>Service To Be Bundled</u>	<u>Percentage Included</u>
Local Service	75.6%
Long Distance	66.5%

Internet and Data	49.0%
Wireless Telephone	46.6%
Yellow Pages	29.0%
Cable TV	15.7%
Source: TeleNomic Research	

As the figure above shows, small businesses want local, long distance, Internet and data, and wireless telephone services to be included as part of a bundled service package.⁴ Service bundles provide an opportunity for small and mid-size businesses to save on their telecommunications spending. The merger would give SBC/AT&T the ability to provide a full range of services to small businesses, which would enhance competition and benefit small businesses. In fact, the combination of these four services is most often cited by small businesses.⁵ WIPP sincerely hopes that the product offerings produced by the merger would encourage other competitors to follow suit and develop more creative packaging of services and features – all to the benefit of small businesses.

⁴ Ibid, Table 46, p. 63.

⁵ Ibid, Table 45, p. 62.

III. CONCLUSION

WIPP and its members believe in that the reduction of regulations, while maintaining some consumer safeguards, is important in permitting markets to work. Our members believe that telecommunications regulations need to be reduced. We believe that the expeditious approval of the SBC/AT&T merger is necessary in order to increase consumer benefits from competition, innovation, service features and choice. These benefits are precisely what small business telecommunications users need. Therefore, WIPP believes that the proposed merger would be in the best interest of small businesses.