

Phoenix Center Panel

“Lessons Learned from the States”

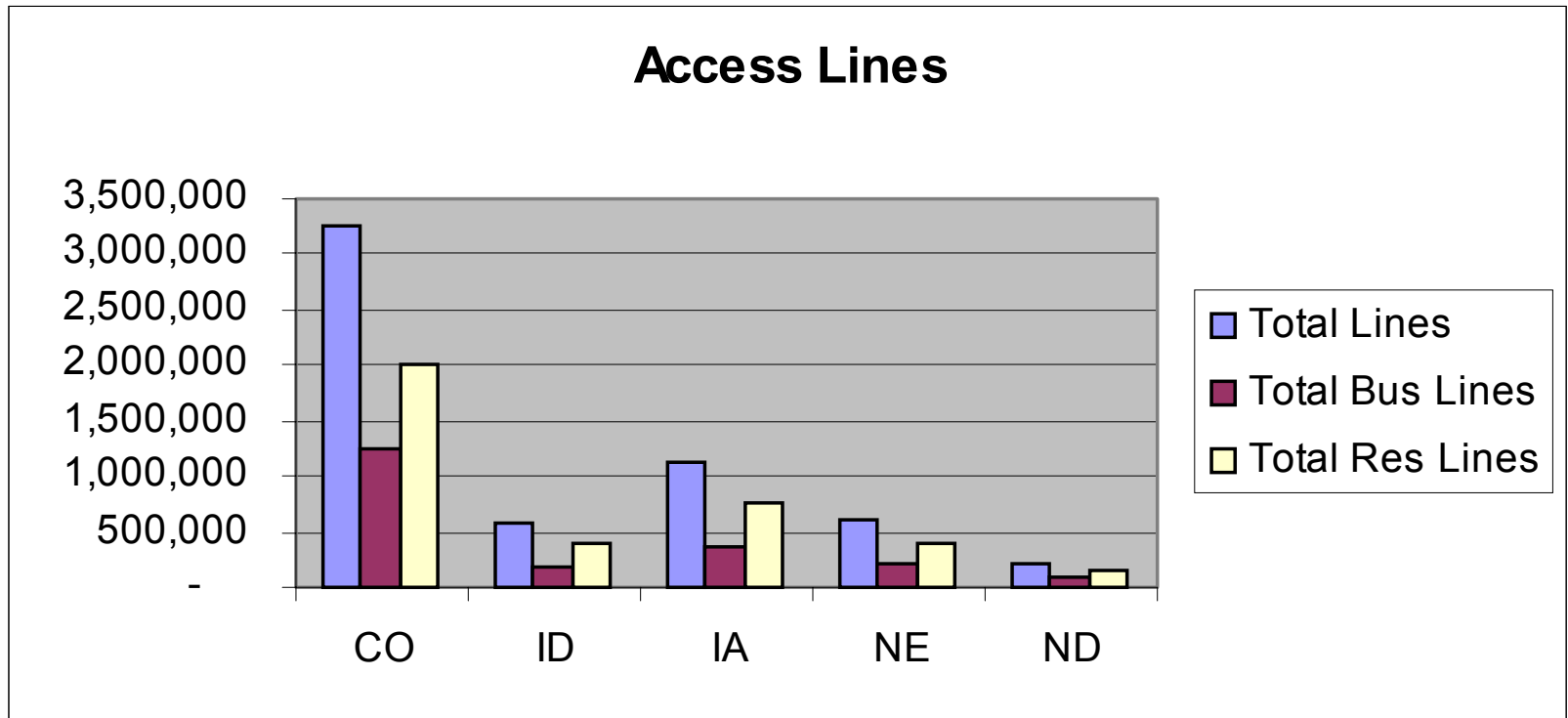
Iowa Utilities Board Commissioner Elliott Smith



Iowa is Not Like Other States

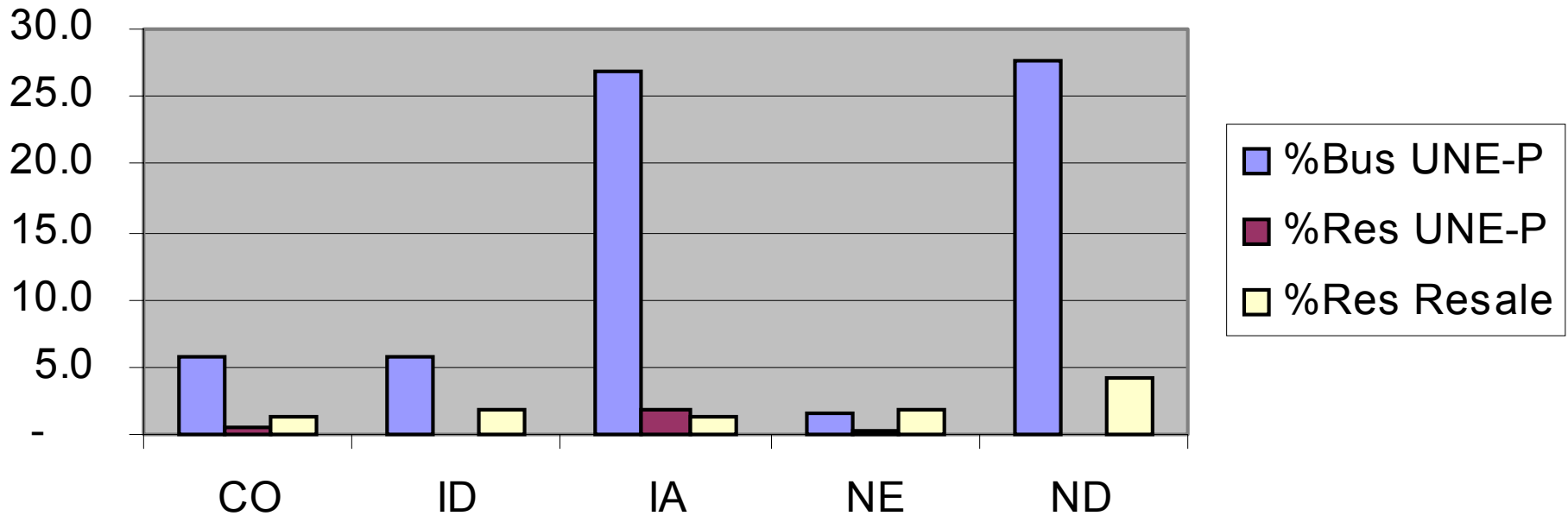
- We have 162 ILECs.
- Three ILECs are Rate Regulated.
- 159 Indpts (42 Coops/25 Mutuals)
- 77 CLECs of which 13 are
Municiples.

How Do The States Compare?



UNE-P Penetration Rates

UNE-P Penetration



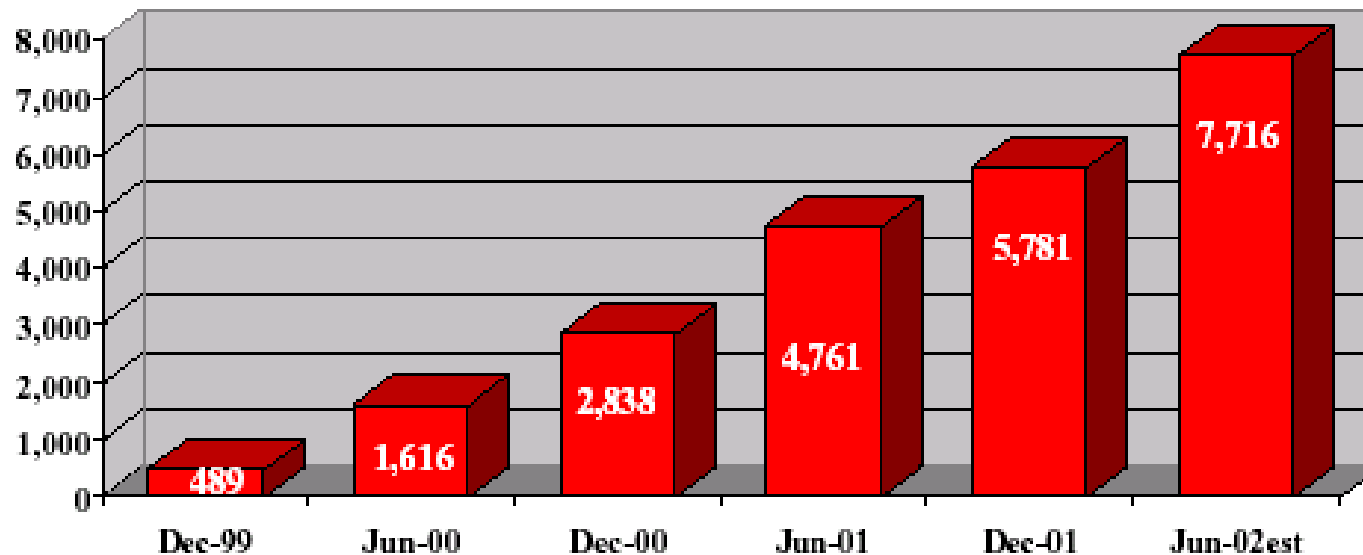


WHAT IS HAPPENING IN IA?

- UNE-P Penetration is 14% more than you would expect. [Multi-variant Regression]
- IA ranks 33rd in total number of access lines
- But, the latest FCC statistics show Iowa ranks 8th in the US with 116,404 UNE-P Lines covering 11% of the State market.
- That's more than CA [which has only 80,000 lines]

Iowa is not the only Market Where the Platform is a Significant Component.

**Growth of UNE-P
(Thousands of lines)³**





IS THE “PLATFORM” A GOOD IDEA?

Some have argued that UNE-P as an entry strategy is particularly critical to entry in the residents and small businesses, especially in the less densely populated areas of the country.

I’ve only recently joined the IUB and frankly, I’m not sure. But one thing I am sure of is any policy that impacts the local phone competition market in Iowa to this degree requires strong State input.



WHY?

- States have expended significant resources in a painstaking review of UNE rates and the need for various levels of unbundling. We base our decisions on rigorous evidentiary proceedings.
- As Congress (and the FCC) recognized, States are best positioned to create the record needed to reflect local market conditions.
- It is critical that the FCC provide the maximum flexibility for State action to add to (or subtract from) the UNE list.