

Testimony of
Mr. Walter McCormick, Jr.

President and CEO
United States Telecom Association
October 19, 2005

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President and CEO of the United States Telecom Association
Hearing Before the Senate Judiciary Subcommittee on Antitrust, Competition Policy and
Consumer Rights
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Mr. Chairman, my name is Walter McCormick and I serve as President and CEO of the United States Telecom Association (USTelecom). On behalf of our more than 1,200 companies, I'd like to thank you for this opportunity to appear before the Subcommittee to discuss the state of video competition. This hearing comes at a critical juncture as we are entering an exciting new era in video competition. With the assistance of Congress, my members will be able to rapidly deliver more video choices to your constituents.

Before we begin, let me take a moment to introduce USTelecom's members to this Subcommittee. Our member companies offer a wide range of services across the communications landscape, including voice, video and data over local exchange, long distance, wireless, Internet and cable networks. USTelcom's membership ranges from the smallest rural telecom companies to some of the largest corporations in America. We are united in our belief that it is time to update the nation's communications laws to reflect the dramatic technological and marketplace changes all consumers have witnessed in recent years.

In November of 2004, USTelecom's diverse membership completed a process of review and debate that resulted in our Board of Directors unanimously adopting twin principles that we believe should serve as the foundation of reform. These principles are:

1. The establishment of consumer-controlled, market-based competition through the elimination of government-managed competition.
2. The reform of Universal Service to ensure affordable, reliable telecommunications for all Americans in the 21st century.

Over the course of the last year, we have seen wide recognition that the world of communications has changed fundamentally, that competition is intensifying across the platforms and that significant investment is needed to advance our economy and America's global competitiveness and to speed innovative choices and services to consumers.

USTelecom is particularly excited by the introduction of S.1504, the Broadband Choice Act by Senator John Ensign. Senator Ensign's bill will establish a consumer controlled marketplace in telecom that will result in a dramatic explosion in video competition through the establishment of national policies freeing our member companies, and other new entrants, from out-dated regulations. I deeply appreciate the support for this measure from Subcommittee members, Senators Graham and Brownback, who are already cosponsors of this important legislation.

As the Subcommittee examines the state of video competition, we believe there are six aspects worthy of examination: