

Thank you taking the opportunity to gather additional information regarding the current telecom regulatory environment.

The reasons for your recent rate adjustment are as follows:

- Early this year, the FCC issued an Order which eliminated the UNE-P platform. Single Source and all other CLECs (competitive carriers) have been forced to accept new "Commercial Agreement" terms with Verizon, resulting in rate increases. All CLECs providing UNE-P service must accept new agreement terms to continue providing services comparable to UNE-P.
- To date, more than 50 carriers have signed agreements with Verizon. Independent research shows that nationwide, the Bells (incl. Verizon) are now receiving more than \$6.00 per line from the CLECs for UNE-P service, in addition to fees previously established and enforced by the FCC.
- These regulations reflect a trend of anti-competitive measures, as underlined by the FCC's August 2005 decision that the Bell companies must no longer provide access to their lines for competitive high-speed Internet access.
- Single Source, as an advocate for a competitive marketplace and consumers' and business' rights to choose their providers, fought these decisions vehemently.
- As Single Source prepares to celebrate its 9th anniversary, we continue to place the needs of our customers first, and do everything possible to minimize the impact of regulatory issues on our valued relationships. This commitment includes investigation of alternative technologies that reduce exposure to the anti-competitive regulatory environment.
- We remain focused on providing value and quality-driven service in response to the evolving needs of small and mid-size businesses, as personified by our Single Source suite of dedicated and switched line of integrated voice and internet services.
- For details of the rate adjustment, please see our tariff at www.singlesource.net/tariffs/tariffs.htm.

Think about this...

- Small and midsize companies (less than 500 employees) account for roughly 5.9 million of all businesses in the United States, or 99 percent of the total business market.
- These businesses account for 52 percent of all U.S. workers.
- Small businesses create two-thirds of new private sector jobs in America, employ more than half of all workers, and account for more than half of the output of our economy.

"FCC Commissioner Jonathan Adelstein, who voted against the measure, warned that the rule change "is bound to be a drag on our overall economy," given the amount of U.S. growth fueled by small companies. "Small businesses, a lucrative market for phone companies, could be hardest hit since the order also phases out discounts for 47 phone-company switching centers in top metropolitan areas with many small companies. According to a March 2004 report for the Small Business Administration, small companies spend on average about \$543.17 a month for telecommunications services, and about 29% in urban areas have chosen to get those services from a Bell rival."

"FCC Votes to End Many Discounts Bells Give Rivals"

Wall Street Journal, 12/16/04

Single Source urges you to contact your Congressional representatives, the FCC, state regulators and the Small Business Administration to voice your concern at this anti-small business measure. Below you will find contact information for these agencies. Click here for the FCC's press release with the details of the Remand Order which enables Verizon and SBC to levy rate increases on all competitive carriers.

U.S. Senate & House of Representatives Contact Info

Contact your U.S. Senator

http://www.senate.gov/general/contact_information/senators_cfm.cfm

Contact your local House member

<http://www.house.gov/writerep/>

Contact the Small Business Administration

<http://www.sba.gov/>

E-mail: advocacy@sba.gov

Federal Communications Commission

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