



News Release

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SBC STATEMENT ON PSC PRICING DECISION

Today's decision recognizes that vibrant competition is benefiting consumers and makes the remaining pricing rules for SBC unnecessary in its urban and suburban Wisconsin exchanges.

Many telephone consumers are choosing from among dozens of companies and new technologies such as cable and wireless. Consumers today have the freedom to easily change providers for any reason. With today's ruling, vibrant competition will dictate pricing to the benefit of even more consumers in Wisconsin.

The commission, Legislature and governor have long championed competition. Today's decision reaffirmed that they have achieved their goal. SBC Wisconsin has experienced vigorous competition, losing 30% of its lines to competitors in the last five years. Because of strong competition, SBC and all providers must offer the best products and prices possible to win and keep customers.

The PSC, under the leadership of Chairperson Dan Ebert, deserves credit for carefully reviewing the facts and the law and considering all viewpoints of a very complex case.

Background

The Public Service Commission of Wisconsin (PSC) today granted a request by SBC Wisconsin to suspend pricing rules in the company's urban and suburban service areas for stand-alone residential lines and usage ordered outside of packages. The request was made under a 1994 state law that calls for the rules to be suspended when effective competition exists..

In the PSC case, SBC demonstrated that vibrant competition exists and makes pricing rules unnecessary. SBC Wisconsin disclosed that it has lost about one-third of its residential lines in urban and suburban areas to landline, cable, wireless and Internet competitors over the last five years. The PSC website lists 23 competing landline phone providers in these areas, not including cable, wireless and Internet telephone competitors.

Telephone services provided by cable, wireless, Internet and other landline companies in SBC Wisconsin's areas already were not covered by pricing rules. The rules also did not cover SBC business lines, residential packages and optional features. Today's decision only affects pricing rules and does not affect any other existing telecom rules or laws. Pricing rules will remain in effect in SBC Wisconsin's rural areas. The ruling does not grant a price increase to SBC Wisconsin, which has not determined if or when any price changes will be made.

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SBC Communications Inc. is a Fortune 50 company whose subsidiaries, operating under the SBC brand, provide a full range of voice, data, networking, e-business, directory publishing and advertising, and related services to businesses, consumers and other telecommunications providers. SBC holds a 60 percent ownership interest in Cingular Wireless, which serves more than 52 million wireless customers. SBC companies provide high-speed DSL Internet access lines to more American consumers than any other provider and are among the nation's leading providers of Internet services. SBC companies also offer satellite TV service. Additional information about SBC and SBC products and services is available at www.sbc.com.