



February 29, 2000

The Honorable Richard H. Finan
Statehouse
Room #201, Second Floor
Columbus, OH 43215

Dear Senator Finan:

On behalf of the members of the Competitive Telecommunications Association ("CompTel"), **I urge you to oppose to SB 235, the SBC/Ameritech deregulation bill.** Contrary to the SBC/Ameritech's claims, this legislation would hurt the citizens of Ohio by choking off the prospects for local competition and by keeping telephone and Internet access rates higher than they otherwise would be in a competitive marketplace.

CompTel is the leading national association of competitive telecommunications providers and suppliers. CompTel's 350 members include large nationwide companies as well as many smaller regional carriers providing competitive local, long distance and Internet services in Ohio.

SB 235 is neither pro-consumer nor pro-economic development. On the contrary, the legislation would do nothing more encourage SBC/Ameritech to further delay opening its local market to competition, while fattening its coffers at the expense of Ohio's captive ratepayers. This from a company -- already operating under alternative regulation -- that is responsible for more than 400,000 service violations from August 1998 to July 1999. Among the most troubling provisions of SB 235 are that it:

- Provides for a **5% annual increase in basic telephone rates beginning in 2002**, in areas where there is no facilities-based local competition;
- Gives SBC/Ameritech unlimited discretion to increase prices for all other services -- including high speed data services— *irrespective of whether there is actual competition available to consumers for those deregulated services*;
- Permits SBC/Ameritech to engage in predatory pricing by offering packages of services below cost;
- Allows SBC/Ameritech to withdraw services needed by competitors to offer their own services, thereby further diminishing the prospects for widespread and vigorous local competition in Ohio.

Deregulation before there is viable and sustainable competition is a lose-lose situation for Ohio, resulting in higher rates for residential and small-business customers, less infrastructure deployment and diminished economic development. Just ask the residents of Michigan, who thanks to 1995 deregulatory legislation advanced by Ameritech, currently pay higher rates for non-basic services than customers in Ohio. Don't let the same thing happen to Ohio ratepayers. **I urge you to reject SB 235.**

Sincerely,

A handwritten signature in black ink, appearing to read "H. Russell Frisby, Jr.", written in a cursive style.

H. Russell Frisby, Jr.
President