

**House Bill 402 – Proponent Testimony**  
**Brian Harman, Windstream, Ohio**  
**February 20, 2018**

Chairman Cupp, Vice Chairman Carfagna, Ranking Member Ashford, my name is Brian Harman, and I serve as the President of Operations in Ohio for Windstream. I am here today to offer proponent testimony for House Bill 402. HB 402 is an important effort to modernize state policy and level the playing field for all providers in response to explosive competition we've seen in the past decade or the past 20 years.

A little bit about my company. Windstream is a fortune 500 company and a leading provider of advanced network communications and technology solutions for consumers, small businesses, enterprise organizations and carrier partners across the U.S. Windstream offers bundled services, including broadband, security solutions, voice and digital TV to consumers. The company also provides data, cloud solutions, unified communications and managed services to business and enterprise clients. The company supplies core transport solutions on a local and long-haul fiber-optic network spanning approximately 150,000 miles. Windstream serves as an incumbent local exchange carrier ("ILEC"), primarily in rural areas in 18 States – all the way from Florida to New York back to Minnesota and down to New Mexico and Texas. In Ohio, Windstream serves approximately 131,000 customers across nearly 2,800 square miles, and employs more than 770 telecommunications professionals dedicated to serving rural customers.

Mr. Chairman, I am here to encourage the State of Ohio to reduce the unnecessary legacy regulatory hurdles that were created for monopoly landline telecom services. All you need to do is turn to page three of Ohio Telecom Association's

“Telecom in Ohio – A report on the state of the industry” (released October 2017), and you will see that landline providers like Windstream are losing customers every year. That loss of customers is clear evidence the telecom market in Ohio is competitive.

It’s also indicative of the revenue pressure Windstream faces in Ohio. Nonetheless, to remain relevant in this competitive environment, Windstream must offer its products and services at prevailing market rates while at the same time investing millions of dollars each year in our network so that we can meet the increasing demands of our customers. Further complicating matters for legacy telecom providers like Windstream – as well as for their customers – is the fact that our competitors are not hamstrung by the same outdated regulations that encumber us.

In any market, consumers benefit when competition among **all** the participants is free and fair. When the government gives an edge to some participants, it tilts the playing field against the rest, and consumers ultimately suffer. I am asking you to support HB 402 because it takes steps to level the playing field between the ILECs and their wireless and cable competitors.

In specific exchanges which have been deemed to be competitive, it is only fair that the state permit additional pricing flexibility and treat Windstream like our competitors. Any concerns about extreme rate increases are unfounded. Windstream currently operates in states like Kentucky where there is no limitation for the pricing of retail telecommunications services and where rates are set only after a careful review of market conditions. It would be disastrous for us to set rates any other way.

It’s important to note that Ohio’s existing regulatory barriers also inhibit capital investment in the state. While it’s true that Windstream continues to invest in its network

here, in the future our company will increasingly look to those states where we have the regulatory flexibility to earn a competitive return on our capital. Monopoly regulatory structures no longer make sense and only serve to argue against additional investment.

Finally, on behalf of the Industry I would like to thank the Chairman and the Committee for their work on HB 402. The legislation represents a common-sense approach to bring Ohio into alignment with its surrounding states and is the next logical step to accelerate telecommunications investment in Ohio. The bill's modest pricing and regulatory reforms will go a long way toward encouraging investment in Ohio, and consumers will benefit in an environment in which all competitors play by the same rules.

Thank you and I would be pleased to answer any questions.