



**Testimony by Charles Moses, President
Ohio Telecom Association
Substitute House Bill 402
November 29, 2018
Senate Public Utilities Committee**

Chairman Beagle, Vice Chairman McColley, Ranking Member Williams, and Members of the Senate Public Utilities Committee, thank you for the opportunity to testify in support of Substitute House Bill 402. My name is Charley Moses, and I am President of the Ohio Telecom Association.

The OTA represents all of the Incumbent Local Exchange Carriers (ILECs) in Ohio. Our companies range from serving a few hundred customers to millions of households across Ohio. The OTA also represents two wireless carriers and more than 100 associate members who provide goods and services to the telecommunications industry. Our member companies contribute more than \$4 billion annually to the state's economy and employ more than 16,000 Ohioans. For nearly a decade, OTA companies have invested more than \$1 billion in Ohio's telecom network infrastructure each year.

With me today are OTA counsel Scott Elisar, who will detail the contents of Substitute House Bill 402, Josh Motzer from CenturyLink and Kathy Hobbs representing Ohio's small telephone companies, who will discuss their companies' perspective on the legislation.

Let me begin today by telling you something you already know. Telecommunications is a dynamic industry that continues to change every day. There are more products and more services than ever before. Customers crave these new products and applications. They want more choices, and they want them faster. In this type of environment, it is hard for laws and regulations to keep up. Traditionally, Ohio has been a leader in progressive telecom policy. However, it has been eight years since the last major update to Ohio's telecommunications laws took place. A lot has happened since then.

- OTA companies continue to lose access lines. In fact, since 2000, we have lost 80 percent of our access lines.
- 70% of Ohio homes are wireless-only and no longer have a landline phone.
- Mobile wireless has grown far beyond landline losses. There are now more wireless accounts in use than people in Ohio.
- More than 96% of all local exchanges in Ohio have two or more providers of basic local phone service.
- Between the years 2007 and 2016, AT&T saw its Internet traffic increase 250,000%. By the end of 2020, traffic on the AT&T network will increase another seven times.
- There are countless new applications of Broadband technologies that are radically changing every sector of Ohio's economy, from telehealth to agriculture to smart homes.
- The very nature of communication in the world has changed with social media.

Substitute House Bill 402 will update state laws that have not kept pace with the rapidly changing telecommunications marketplace. In order for our member companies to continue to keep up with these customer demands, we must continue to invest and innovate. In addition, public policies must also keep up with new technologies and consumer trends. We appreciate the efforts of the legislature in recent years in recognizing the need for change, but change is happening too fast and this is too important for us to stop now.

Ohio is the only state in the Midwest that imposes regulations on price and service quality on Basic Local Exchange Service (BLES.) Not only will substitute House Bill 402 put ILECS on even footing with other providers of voice service, this bill will allow Ohio to catch up to our neighboring states while still maintaining appropriate government oversight. As the telecom business continues to change, we need to take this next important step to reflect the ever changing telecom marketplace.

Thank you Mr. Chairman. I would now like to turn it over to Scott to explain the contents of Substitute House Bill 402.