



## **LETTER: STATE LEADERS VINDICATED ON PHONE COMPETITION**

**18 JULY 2003**

The July 14 story about telephone competition vindicates the judgments of Gov. Frank O'Bannon and legislative leaders who rejected SBC's attempt to steam-roll them into nearly doubling wholesale rates.

We at the Indiana Alliance for Telephone Choice, a coalition of consumers and businesses, have maintained that if Indiana created a competitive atmosphere for residential telephone service, alternative telephone companies would set up shop with attractive rates and good service. The Star story reported that nearly 200 companies have done just that, many since the Indiana Utility Regulatory Commission set reasonable wholesale rates.

In the past legislative session, SBC tried to convince the General Assembly to overrule the commission's painstaking rulemaking process so that other companies could not survive.

While it succeeded with that ploy in Illinois, Indiana lawmakers decided regulation should be left to the regulators.

SBC had warned that if it lost customers to competition, it could not make capital investments. Since then, a report by the Phoenix Center for Advanced Legal and Economic Policy Studies showed that competition is not just good for consumers' pocketbooks but spurs monopoly telephone companies to increase capital investment.

Instead of regulation by lobbyists, Indiana opted for allowing the utility commission to follow its proven rate-setting procedures. That policy is allowing companies who were attracted to Indiana by the opportunity to compete the ability to prove they can build and service a customer base.

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