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HB 2455

Local Privilege fees are **controlled at the municipal level** and are connected to telecom facilities located in the city right-of-way. In 1989 (before telecom competition), legislation created a limitation on telecommunications privilege fees (up to 7% of **dial tone revenues only**) which only applied to the incumbent phone companies like CenturyLink, Frontier.

Now that there are **other telecom services** besides dial tone, and **other companies** that provide telecom services with facilities in a city's right-of-way, the 1989 limitation that applies only to the historic phone company is anti-competitive and unfair to customers who choose to get their telecom services from another company. It is also unfair to those other telecom companies and the cities they serve.

For example, CenturyLink offers dial tone, long distance, caller ID, Voicemail, cell tower backhaul, and metro Ethernet services but only pays a city's local privilege fee on dial tone revenues. Comcast provides the same services and pays the same city for revenues derived from all of these services - and there is no cap on the amount. Although the default is 5%, Comcast won the bid to provide fiber from a cell phone tower to a local telephone switch (referred to as cell backhaul service). Comcast then had to pay that city's local privilege fee on the revenues it gets from the cell phone company - when the previous provider (CenturyLink) of the exact same service did not. Government should support **fair competition** and not pick winners/losers in the marketplace by perpetuating this out-of-date statute.

HB 2455 does not apply to gas, electric or water utilities and does not include any impact to wireless companies or customers. Wireless companies do not own facilities in the right-of-way. (Further, cities already have the authority to implement wireless fees - Eugene has had one since 1997) HB 2455 deals only with the telecom companies using the right-of-way by repealing the limitation created in 1989.

Of course, the historic phone companies would like to preserve this advantage in the marketplace but HB 2455 simply removes it so that companies offering the **same services** in the **same right-of-way** can be **treated the same**.

This matter is urgent! As more customers decide to purchase telecom services from companies other than the historic phone company, this disparity only gets worse. The problem is clear....but so is the solution. Please do not delay and support HB 2455!