

Mr. Chairman, Members of the Committee

I am Bob Wells, Executive director of the Alliance of N.C. Independent Telephone Companies.

The independent Telephone companies are the native born and bred telephone companies in North Carolina. Most are a hundred years old – also as old as the telephone itself. They are located in the smaller towns and rural areas in seventeen counties. Some of you on the committee represent them. There are Mebtel (used to be Mebane Telephone Co., North State Telephone co. in High Point, Thomasville and surrounding counties. Lexcon, (Lexington Telephone Co.) Concord Telephone Co., Randolph Telephone Co., Ellerbe Telephone Co., and citizens Telephone Co. in Brevard. They are mostly family owned. There used to be more of them. They are now down to seven. They are strong, reliable, state of the art providers of telecommunication services to their customers, and rarely are there ever complaints about their service.

I am here today to speak on their behalf.

I really have only two points to make today.

One is that we support the simplified and equally applied tax approach the state has adopted over the last several years as it applies to our business. We want you to continue to apply those principles as you move forward in adopting any new tax policies. Everyone in the business should pay the same tax. Do what you can to provide the proverbial level playing field.

Two. We support the concept of statewide franchising that the gentleman from Verizon spoke of earlier. It will simplify and speed up telephone companies getting into the business of providing video services. It will bring competition to the cable industry and lower prices for the consumer.

I want to give you a first hand example of what it can mean. In Lexington N.C., Lexcom Telephone (one of the members of my association) went into the cable business in competition with Time Warner. Today cable rates in Lexington are \$10.00 cheaper than in any other city in the Triad and maybe in North Carolina.

If phone companies can get into this business without having to plow their way through all the city and county bureaucracies in the state. It will greatly benefit your constituents, the citizens of this state.

Thank you for this opportunity to speak this afternoon.