



**Presentation by Charley Moses, President
Ohio Telecom Association
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Telecom Competition in Ohio

The Marketplace

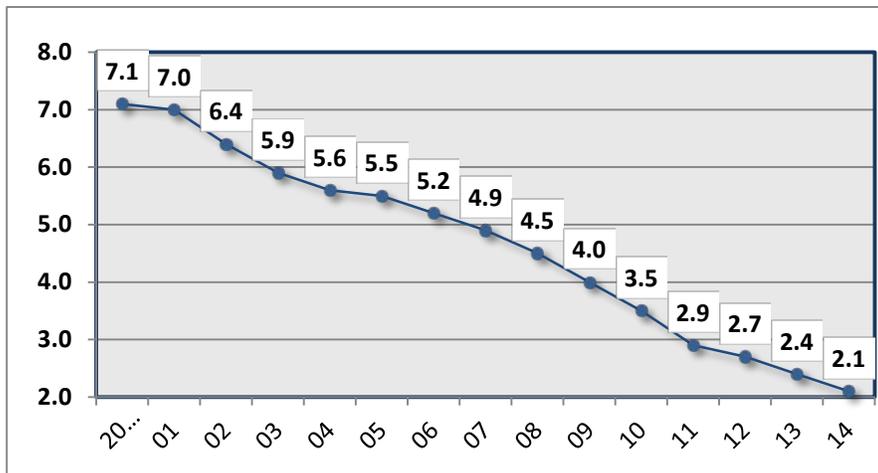
- Telecom in Ohio is now a \$20 billion annual industry, almost doubling in just the last 10 years.
- Over the past nine years, wireless revenue has doubled, broadband revenue has quadrupled, and local and long distance by ILEC providers has dropped nearly 50%.
- Increases in wireless, video and broadband have offset losses in local and long distance for overall industry growth.

Investment

- Ohio telecom companies contribute more than \$4 billion annually to the state's economy and employ more than 16,000 residents.
- Ohio telecom companies invest \$1 billion annually in the network – constantly making upgrades to expand broadband and wireless services.
- Through the Federal Communications Commission's Connect America Fund Phase II, Ohio telcos are investing an additional \$58.4 million per year over six years for a total of \$350 million to bring broadband to 98,000 homes and businesses in Ohio currently without access.

Local Phone Service

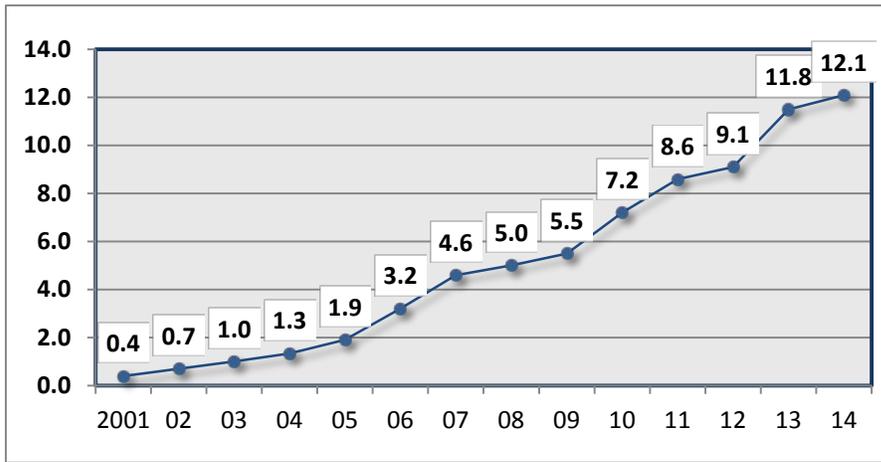
- Ohio's incumbent local telephone companies have lost more than 70% of their lines since the year 2000.
- 47% of homes have eliminated, or have never subscribed to, landline phone service.
- Incumbent local telephone companies continue to lose landlines at a rate of 6% - 10% annually. The losses are not leveling off.



Ohio Landlines (in millions)

Wireless Growth

- 92% of Ohioans have a wireless phone.
- 65% have a smartphone and can access the Internet from a cell site or Wi-Fi access point.
- 8% of smartphone users rely exclusively on the device for their residential Internet access. They do not have a wired broadband connection, such as fiber or DSL.
- Wireless 4G LTE (the latest standard) is available to 80% of users and offers speeds up to 12 Mbps.
- There are more wireless accounts in Ohio than there are people.



Wireless Phones in Ohio (in millions)

Broadband Growth

- Just 10 years ago, the FCC defined broadband as a 200 Kbps connection. In 2010, it increased the minimum to 5 Mbps. Last year, the FCC proposed raising it again to 25 Mbps, or 125-times faster than the original threshold.
- Telecom providers must continually invest in their networks to meet the FCC’s changing definition of broadband. Many have deployed fiber-the-home, capable of delivering 1 Gbps speeds and beyond.
- Wireless 4G LTE would not be considered broadband under the FCC’s new standard.
- 72% of Ohio homes subscribe to a wired broadband service, such as fiber or DSL.

Other Consumer Trends

- The average household consumes 60 GB of data per month. This is projected to double by the year 2020.
- 23% of homes stream video from the Internet an average of 7.59 hours per week.
- 8% of homes have cut the subscription video cord and rely exclusively on streaming over the Internet, also known as over-the-top video (OTT).
- 50% of homes have a Netflix account. Netflix is responsible for 33% of peak Internet traffic.
- The average home has 3.75 connected devices.
- 55% of homes have at least one tablet computer.