Unless Congress acts fast, your phone bill may go up as much as 60%.

A change in national regulatory policy by the Federal Communications Commission, if unchecked, is likely to cost all homes and small businesses a big and unnecessary increase in their telephone bills.

In the name of introducing what it calls "competition" to the telephone industry, the Federal Communications Commission has taken steps to permit firms other than publicly regulated telephone companies to provide point to point private line communications service between cities—an action that would make these non-telephone firms, known as "specialized common carriers," directly competitive with the nation's telephone companies.

Yet, unlike the telephone companies, these new firms would have no responsibility to provide local telephone service, or any other service which might prove unprofitable. In other words, they could "skim the cream" of the market, which regulated telephone companies are not permitted to do.

The result of this regulatory action will be to siphon off substantial telephone company revenues from long distance and other services—revenues that have long been a major factor in helping to keep the costs of local phone service at reasonably low levels.

To the extent the telephone company loses long distance and other revenues which support local service, it will be necessary to increase charges to local telephone users—which are mostly residential and small business customers.

The increased charges for local telephone service could be substantial. In fact, your telephone bill could go up as much as 60%, because of FCC action.* We want to avoid all unnecessary increases, and we know you do, too.

Today, people in the United States have telephone service that is acclaimed as the best anywhere in the world at the lowest prices.

This didn't just happen. It was brought about, in large measure, by the very policies the FCC is now abandoning.

In the early days of the telephone industry, there was wasteful duplication of telephone systems, both between cities and within cities. Telephone users often had to subscribe to several competing systems to talk to everyone who had a telephone.

To end this costly duplication, and make local telephone service available to everyone at the lowest possible cost, the states and the federal government enacted laws establishing telephone companies as public utilities. Each telephone company was given an exclusive authorization to serve a specified area.

As a substitute for competition, State regulatory commissions were given authority to regulate every aspect of telephone company operations, including the rates telephone companies may charge and the maximum amounts they can earn on their investments.

With the passage by Congress of the Communications Act of 1934, a national policy of non-duplication of telephone company facilities used for special and long distance service between cities and different states was centralized and established.

We believe that time has long since proved the value of this policy, and that the recent FCC policy on competition can only result in returning to a competitive structure of the industry that has already been proven to be contrary to the public interest.

We believe the FCC has ignored a Presidential directive of November, 1975, by not thoroughly examining the probable economic and social consequences of this action.

Further, we believe that in taking this action—which, in effect, establishes a different national policy in the communications field—the FCC regulators have assumed authority never specifically given to them by the Congress.

Fortunately, there is still an opportunity to redirect this ill-advised and costly new FCC policy.

Legislation in the form of Senate Bill S.3192 has been introduced in Congress to reaffirm the intent of the Communications Act of 1934.

Known as the Consumer Communications Reform Act of 1976, this new legislation, if passed, will:

- Reaffirm the national policy of a universally available telecommunications network structured to provide high quality, low cost services to *all* users.
- Declare that actions to encourage competition for long distance and interstate private line services are contrary to the public interest except when innovative services and markets are established.
- Reaffirm the authority of individual States to regulate the interconnection to the telephone network of customer provided equipment and facilities used for local exchange services.
- Require the FCC, prior to authorizing a non-telephone company to provide specialized services, to examine all evidence to assure that the authorization will not be a cause for increased charges for local telephone service.

In the interest of our customers United Telephone is supporting this legislation.

As our customer, we believe it is in your best interest to give it your support.

If you would like to do something *now* to help keep your total telephone costs as low as possible, we urge you to write, wire or phone your Senator at the address below, and ask him about Senate Bill S.3192.

But remember, time is of vital importance. Because unless Congress acts, and acts fast, to undo what the FCC has brought about through its policy of contrived competition, your phone bill is certain to go up.

United Telephone UTS

The full cost of this advertisement is being paid for by the stockholders of United Telecommunications, Inc., and not by our telephone customers.

*Based on studies by Systems Applications, Inc. for the United States Independent Telephone Association, October, 1975, and by the Bell System, as audited by Arthur Andersen & Co., submitted in testimony to the U.S. Senate, July 1974

Where to write, wire or call your senator:

Sen. Jesse A. Helms
5107 Dirksen Senate Office Bldg.
Washington, D.C. 20510

Telephone (202) 224-6342

Sen. Robert Morgan
1251 Dirksen Senate Office Bldg.
Washington, D.C. 20510

Telephone (202) 224-3154