

Today

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SMALL COMPANY FACTS

NATIONWIDE

More than 550 Small Local Exchange Companies (SLECs)

NATIONWIDE

More than 3 Million Access Lines

OHIO

35 Small Local Exchange Companies

OHIO

116,647 Access Lines
 (2.1% of all access lines in Ohio)

COMPETITION

Today there are several different ways for consumers to make a simple telephone call.

Consumers can choose from many different service providers and technologies. Ohio's SLECs compete with cable, VoIP and Wireless providers. Alternatives are just as prevalent in rural areas as in urban environments. Competition in Ohio is thriving with more than 400 providers vying for voice, video and data customers. (The number of VoIP subscribers/providers is an unknown.)

Rather than waiting for competition to overtake their business, SLECs have diversified.

OHIO'S SMALL COMPANIES PROVIDE:

- Long Distance
- Broadband

- Conference Bridging
- IPTV
- Wireless
- Ethernet Transport
- Wireless Broadband
- Internet - dial-up and high speed
- Fiber to the Home
- Cable TV
- DSL
- Voice Mail

OF OHIO'S SLECS:

- 97% provide Broadband
- 68% provide Video (either as direct provider or in partnerships)
- 97% provide Internet

TELECOM

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WHAT IS A SMALL TELEPHONE COMPANY?

*Phil Maag
 General Manger
 Ayersville Telephone Company*

A Small Company is defined as any Local Exchange Carrier serving 50,000 or fewer lines. Today there are 35 small local exchange carriers (SLECs) in Ohio. These companies have 62 exchanges, mostly in rural areas, and serve a total of 116,647 access lines and also provide employment for more than 500 Ohioans.

The largest small company in Ohio serves about 36,000 access lines. The smallest serves about 400 access lines. If one were to add all the SLEC companies' access lines together, it would represent 2.1 percent of the access lines in the state. Some SLECs are investor owned, some are mutuals (customer owned and not for profit).

Although small, these businesses are a significant part of the state's economy with gross operating revenues in excess of \$50 million annually. Almost all of the companies offer digital technology and their networks contain more than 3,000 route miles of fiber optic cable, most of it underground.

In addition to providing telecommunications services, the small local exchange carriers are generous corporate citizens. In recent years, they have donated telephones, engineering expertise and wiring design to prepare for SchoolNet; offered voice mail systems for homework hotlines; provided coaxial cable to wire classrooms; wired school computers; provided two-way interactive educational TV on fiber optic cable; and served on school district planning committees.

Ayersville Telephone Company began serving customers near the turn of the 20th century just outside of Defiance, Ohio; with the company incorporating in 1916. From 20 customers with just plain old telephone service (POTS), the company has grown and evolved and today provides a full suite of services for approximately 1,000 customers within a 32-square-mile area. That is a large customer density of 11 customers per route mile or 31 customers per square mile.

Our customers are our Board of Directors, our neighbors, our friends, our family. The Ayersville business district consists of two churches, a pizza shop, an ice cream shop, a gas station, a plumbing shop, a water and sewer department, and a school, comprising 8 percent of our access lines, with the remaining 92 percent being residential access lines.

Many small companies operate in a very similar manner, but let's explore what a representative day might be like at Ayersville. With a dedicated, flexible staff, our goal is to resolve all service problems the same day as reported. Each employee has a specific area of responsibility, but that person is also cross-trained with knowledge or skills in several other areas. As with all telephone companies small and large, we originate and terminate calls, process and send bills, comply with regulations, build new plant, install

A Day In the Life of a Small Telephone Company:

STORIES FROM THE AYERSVILLE TELEPHONE COMPANY STAFF



To continue the view of our typical day at Ayersville Telephone Company, let's meet the employees themselves.

In their own words...

MEET DAVE, Combination Technician, 29 years of service with the company.

"My day usually starts off checking for cable locates. On average, we usually get one or two per night. After taking care of cable locates, I work on service orders and trouble tickets. If the rare occasion occurs when there are no service orders or trouble tickets, I have time to work on the CAD system to make updates and/or engineer new jobs. Some days result in lawn and building maintenance here at the main office or at one of our four remotes, snow removal included. I am proud of the fact that I have been able to work here while serving as a fireman. There are many days that I am able to make a fire or ambulance run in order to help a customer, friend, or family member. Whatever needs to be done gets done, from construction to maintenance to repairs."

MEET TOM, Central Office Installer/Repairer, 27 years of service with the company.

"Working at a small phone company I get to work in many different areas of telephony. I started out as a telephone installer/repairman and later moved onto working on the cables.

No matter the problem at a small company, your area of responsibility is the entire system from the Network Interface Device (NID) to the switch. After working a number of years with the phone company, I became involved with Fire and Rescue. I responded to many fires and rescues over the years, mostly all of whom were phone customers. Being able to do this on company time has brought us closer to the Ayersville community.

Over the years many unusual things have taken place. One that comes to mind is that I was on my way out to a customer's house for a trouble call for no dial tone – sounds pretty easy. Upon my arrival, the customer's lane was blocked by his truck. Not being able to enter the farm yard, I thought I would locate the home owner about moving the vehicle. To my surprise, when I walked into the barn the owner was trying to load hogs onto a trailer. The picture was clear – truck was not going to be moved until the hogs were on the trailer. So, in order to speed up the loading that would get me up to the house quicker, I became a part of the loading process."

MEET TAMI, Accountant with 14 years experience on staff.

"Each day presents many tasks to

tackle, some of which are as expected for an accountant. I enter invoices into the accounts payable system, write checks, and calculate payroll along with the associated taxes. I also prepare financials reports for management and am responsible for maintaining the company's accounting records and systems. These accounting functions are performed for both the company as well as one of our affiliates. In addition, I also calculate our monthly reporting to NECA and review the monthly settlements. But I also have daily interaction with our billing system by reviewing service orders and making any system changes as necessary and even provide customer service support as needed, filling in as vacation or illness requires."

MEET NANCY, Customer Account Representative, and our "front line" of the company for 11 years.

"I usually start my day by opening the office, balancing the cash drawer, and checking voice mail. That is about as typical as the day gets. With responsibility for all customers' billing, my day may be consumed with answering billing questions, processing payments, service orders, and new install applications. Other responsibilities include Carrier Access Billing, sales, tracking of marketing campaigns, CARE reporting, LIDB and 911 processing, answering

phones, and secretarial work. One day I was privileged to be a Toledo Edison guide; three people in a row came to pay their electric bill. I had to re-direct them into town."

MEET DION, IT/Data Technician, 3 weeks and learning.

"Day 21 - I have learned that Ayersville Telephone Company has personnel with talents widespread, as they know and do many things. I have been working very hard to get caught up with all the acronyms that have developed in telephony, such as POTS, LNP, USF, IPTV, DSL, and VoIP, not to mention words like Access, Lifeline, Equal Access, Class 5 Switching, Carrier, etc. I have worked in other fields such as a tool maker, an electrician, and a computer consultant, all of which have helped me to become well-rounded. I plan to look at all aspects of technology to help deploy the most current and advanced services to our customers. During the first few weeks, I have observed how the service technicians keep things running smoothly, maintaining the outside plant, keeping records up-to-date and accurate, locating buried cable, maintaining switches, generators

and the building, even landscaping. I enjoy going out on service calls to learn the process and procedures of how to fix customers' trouble. There are many ways to repair things, but doing it the right way allows you to take pride in your work. I am very glad to have found my new position and look forward to offering my support for many years."

MEET PHIL, General Manager for two years.

My day-to-day activities vary. If I am not in a meeting or on a conference call, my time is spent tending the phones and staying attuned to industry relations. I cover the front office during Nancy's lunch and her vacations if Tami is not available. I serve on the Board/Management Committee for eight industry organizations, which takes up many hours but helps me learn from others. I am always

analyzing the company operations, from looking for revenue generating ideas, spending time with marketing products and services, to answering DSL trouble reports.

It's important to understand that in today's telephony world it takes a team to get the job done right, and we have that team. Our staff is small, yet dedicated to enabling Ayersville Telephone Company to offer our rural customers the most advanced services. Even though we are a SLEC, we live life as all telephone companies, large or small: many tasks, one mission – good service. Most importantly we are good ambassadors and the face of the company. Ayersville Telephone Company is a part of the community and our employees are on a first name basis with many of our customers. We are proud of our company, and the excellent service provided.



"What is a Small Company?" continued

services, repair, etc. But we complete all these tasks with a staff of six people: a Customer Account Representative, a Central Office Installer/Repairer, a Combination Technician, an IT/Data Technician, an Accountant (we are very fortunate and somewhat atypical to have this expertise in-house), and a General Manager.

We offer a full suite of services that include POTS, Custom and CLASS features, Voice Mail, DSL, LD (through partnerships), CLASS 4 and 5 Switching, IPTV, and soon Voice over Internet Protocol (VoIP) and Fiber to the Home (FTTH). With such an array of services and only six employees at Ayersville Telephone Company, one can only imagine there is never a dull moment.