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DIRECT CONNECT, INC.

An employee owned company.

P. O. Box 42458

INDIANAPOLIS, IN 46242-2458

--(317)-390-6800--



Disconnected the week of April 6, 1998.

CC DOCKET NO. 98-141

May 15, 1998

ORIGINAL LETTER MAY 15

Dear Sir:

The purpose of this letter is to go on record as OPPOSING the merger of Ameritech Telephone Company and SBC Communications, INC. It is our experience as a very small member of the telephone industry that Ameritech is, and has been, very monopolistic and very powerful in eliminating competition, regardless of how small, within its service area. Small competitors stand no chance of survival whatsoever when targeted by Ameritech.

To support our position, we would like to state our company was organized in Indiana on July 26, 1996 to provide answering services and call forwarding services to a relatively isolated and rural area south of Greater Indianapolis. Residents in this area are served by Ameritech and Sprint owned small companies. Their ability to telephone to their neighboring communities or to Indianapolis is restricted by the different companies, unless they place an expensive long-distance call. We felt our services were a big consumer advantage because by using our service they would only be using a local call. They could call on a local basis into neighboring communities or to Indianapolis and use the message service or forward their call, all on a local rate. We have been told by Ameritech that we were only one of several such services operating within the State of Indiana.

We entered into advertised retail, full rate service with both Ameritech and Sprint and operated from the first part of 1997 for approximately one year to April, 1998. In the fall of 1997, we were informed that an unrelated and up to that point unknown telephone company offering different services than Direct

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Connect had run afoul of the power of Ameritech and was arbitrarily cut off from continued service. This other company allegedly did not meet all of the tariffs Indiana Bell, A. T. & T. and more recently Ameritech had filed with the Indiana Utility Regulatory Commission. There are very few business opportunities that offer the overseen the right to set the industry rules as in the case of Ameritech and the I. U. R. C. tariff filing system.

Not wishing to incur the wrath of the telephone company monopoly and suffer a like fate, we inquired and were told we could apply for a CTA permit that would make us an authorized telephone intrastate reseller under IURC rules. We applied for the permit on October 23, 1997. (See Exhibit A).

We also had a personal conference with two Ameritech executives at our attorney's office on December 18, 1997 in an attempt to make clear we were offering nothing different than Ameritech was advertising publicly and offering to the public, and continues to offer at this writing (Exhibit C).

After our October 23rd petition filing, Ameritech filed a petition to intervene and oppose our petition on November 12, 1997 (Exhibit B).

As a direct result of our application for telephone reseller authority and the personal conference with Ameritech executives, our telephone service was arbitrarily disconnected the week of April 6, 1998. Our customers were cut off from our service and could not even telephone our office. (Exhibit D). Service remains terminated at this writing (Exhibit E).

We were told that Ameritech "had made more money than in any previous year in its history so they must be doing something right". Evidently this overbearing goliath believes it is exempt from the provisions and rulings of the Telecommunications Act of 1996, which prohibits Ameritech from establishing barriers to new entrants in this area.



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We are pursuing the supposedly needed certificate thru very expensive hearings and legal maneuvers, but even if the IURC grants our petition over the opposition of Ameritech, Ameritech informed us in writing on April 7, 1998 (Exhibit D) that they would still not respect our entry into the telephone industry by reconnecting our telephone service. It seems rather futile to work toward the certificate with such a threat hanging over our head.

We had approximately 100 customers who were paying a base rate of \$10 to \$15 monthly, with high numbers of excess calls extra. We have estimated the cost of the two Ameritech executives, plus the staff member at the hearing, plus the staff preparation for the recent hearing at the IURC where Ameritech voiced their opposition, at a cost to Ameritech for the one day hearing at several times our total annual receipts! Ours is a very small business and it is impossible for us to understand why Ameritech, while involved in a \$62 BILLION dollar merger, felt it necessary to squash such insignificant competition. We really were a good customer, paying all our retail telephone bills on a timely basis.

To add insult to injury, when they disconnected our service, they inadvertently messed up the telephone of a office co-tenant company and absolutely refused to correct the error. Further insult came in the mail with a bill for a terminated contract for \$871.99. We did not terminate the service. (Exhibit E). Then they added white page listing charge for \$433.50 to cover the period to September 30, 1998, even though the lines had been cut! (Exhibit F).

In summary, we fail to see why we need the blessing of Ameritech to operate our small consumer-oriented business. We also feel strongly that Ameritech will drag out the hearings until we cannot afford any more legal fees and costs. We feel they are being totally untruthful in its position that we are in violation of the tariffs they have filed in years past, as they are offering the same service now.



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More astonishingly is the report we have received on a contract that Ameritech has negotiated with a small company similar to Direct Connect. If Ameritech contracts with one provider such as ours, why not contract with all?

We would be pleased to furnish any additional information regarding this very discouraging matter and we earnestly request you do your utmost to prohibit the merger of Ameritech and SBC Communications, INC.

Sincerely yours,

L. J. Richardson, Pres.

Residential telephone (317)887-0706

CC: Mr. Richard C. Notebaert
Chr. - Ameritech Telephone Co.

Mr. Edward E. Whitacre, Jr.
SBC Communications, INC

Mr. Kent Lebherz
Pres.-Ameritech

P. S. As further evidence of the unreasonable and oppressive actions of Ameritech, I have just been informed by our attorney that Ameritech wants to hold a special hearing just to personally interrogate me next week in reference to our October 23, 1997 petition! Talk about overkill by a monopoly "with the greatest profits in its history". These actions would make a person wonder what these two executives and their staff did all day before they heard of Direct Connect and its 100 customers.