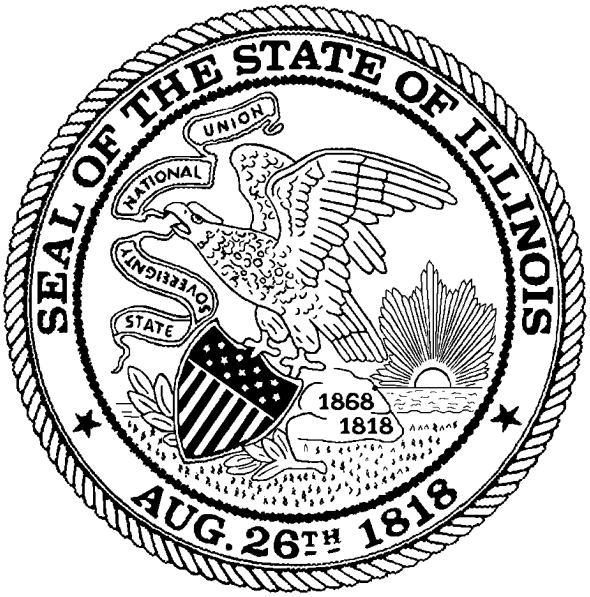
Annual Report on Telecommunications Markets in Illinois

Submitted to the Illinois General Assembly
Pursuant to Section 13-407 of the
Illinois Public Utilities Act



Illinois Commerce Commission

527 East Capitol Avenue
Springfield, Illinois 62701

September 2006

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STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

September 26, 2006

The Honorable Illinois General Assembly
State Capitol
Springfield, Illinois

Dear Members of the Illinois General Assembly:

Enclosed is the Illinois Commerce Commission's Report to the General Assembly entitled "Annual Report on Telecommunications Markets in Illinois."

This report is submitted to the Illinois General Assembly in compliance with Section 13-407 of the Illinois Public Utilities Act.

Sincerely,

Charles E. Box
Chairman

cc: Illinois State Library

EXECUTIVE SUMMARY

This report presents summary statistics on competition in basic local telephone services and the deployment of broadband and mobile wireless services in Illinois. It is the fifth such Report submitted to the Illinois General Assembly by the Illinois Commerce Commission pursuant to Section 13-407 of the Illinois PUA. The first such report was submitted to the General Assembly on October 23, 2002.

The statistics presented in this report are compiled from data recently reported to the Illinois Commerce Commission and the Federal Communications Commission. The report provides a snapshot of local telephone service competition in the following three areas:

- plain-old-telephone-service (POTS) lines in service
- broadband lines in service
- mobile-wireless-telephone subscribership.

The following are selected highlights from the facts and findings in this Report:

- 45 incumbent local exchange carriers (ILECs) and 69 competitive local exchange carriers (CLECs) reported providing POTS to Illinois customers as of December 31, 2005. These figures compare to 49 ILECs and 65 CLECs reporting as of December 31, 2004.

- The number of reported POTS lines in Illinois decreased between year-end 2004 and year-end 2005 by nearly 300,000 lines (from 8.1 million to 7.8 million).

- CLECs provided approximately 1.3 million (or 17%) of the roughly 7.8 million Illinois POTS lines in service at year-end 2005. The number of CLEC provided POTS lines reported decreased in Illinois (from approximately

1,840,000 at year-end 2004 to approximately 1,340,000 at year-end 2005) as did CLEC market shares (from 23% to 17%).

- 2005 saw an increase in the number of CLEC lines provided entirely over their own facilities, with decreases in the number of CLEC lines provided using UNE loops without UNE switching and CLEC lines provided completely over ILEC facilities. At year-end 2005, approximately 47% of the 1.3 million CLEC POTS lines in Illinois were provided entirely over CLEC facilities. Another 18% were provided using local loops leased from ILECs (in conjunction with CLEC owned facilities). The remaining 35% were provided completely over ILEC network facilities.

- The overall CLEC POTS market share was higher in the Chicago area than in other regions of the state. At year-end 2005 CLECs served approximately 21% of POTS customers in the Chicago area and 7% in other regions.

- Illinois providers served nearly 1,700,000 Illinois broadband customers via asymmetrical-digital-subscriber-line (ADSL) and cable-modem technologies in Illinois as of June 30, 2005. This was approximately 42% more subscribers than were served via these technologies on June 30, 2004.

- The overall market share of both cable-modem providers and ADSL providers in the broadband market were each nearly 45% at mid-year 2005. Thus, in contrast to the national average the number of broadband lines provisioned by cable-modem and ADSL providers was nearly equal in Illinois.

- Mobile-wireless providers served over 8.5 million Illinois subscribers at mid-year 2005 compared to 7.5 million subscribers at mid-year 2004.

TABLE OF CONTENTS

I. INTRODUCTION

Section 13-407 of the Illinois Public Utilities Act (PUA) requires that the Illinois Commerce Commission (Commission) monitor and analyze the status of competition in Illinois telecommunications markets:

> The Commission shall monitor and analyze patterns of entry and exit and changes in patterns of entry and exit for each relevant market for telecommunications services, including emerging high speed telecommunications markets, and shall include its findings together with appropriate recommendations for legislative action in its annual report to the General Assembly. (220 ILCS 5/13-407)

To enable the Commission to carry out this mandate, Section 13-407 authorizes the Commission to collect pertinent information from firms providing telecommunications services in Illinois.

> The Commission shall also collect all information, in a format determined by the Commission, that the Commission deems necessary to assist in monitoring and analyzing the telecommunications markets and the status of competition and deployment of telecommunications services to consumers in the State. (220 ILCS 5/13-407)

The Commission's first Annual Report on Telecommunications produced pursuant to PUA Section 13-407 was submitted to the Illinois General Assembly on October 23, 2002. That Report summarized competitive developments in plain old telephone service (POTS) based on information reported by local exchange carriers to the Commission as of December 31, 2001. That report also presented and summarized information submitted to the Federal Communications Commission (FCC) on trends in local service, broadband, and wireless provisioning.

This current Report, dated September 26, 2006, also summarizes competitive developments in POTS services, but it has been updated to reflect

the most recent available information reported to the Commission (as of December 31, 2005). This current Report similarly updates information on trends in local service, broadband, and wireless provisioning based on the most recent data made available by the FCC.

The bulk of the data provided by Illinois carriers and compiled by Commission Staff is displayed in Appendix C of this report (Tables C1 through C5). Selected data from these tables are highlighted and displayed in several sections of the Report itself.[1] Appendix B (Tables B1 and B2) contains a list of certificated local exchange carriers in Illinois as of March 1, 2006 and lists the carriers responding to the Commission's year-end 2005 data request.

II. COMPETITION IN PLAIN OLD TELEPHONE SERVICE (POTS)

A. Overview

"POTS" is the acronym often used to refer to basic local voice service provided over the public switched telephone network (PSTN). POTS service enables the end-user to place and receive calls to and from any other user on the PSTN. The information presented in this section of this report focuses on the local line (or loop) that connects end-users to the PSTN, and thus enables the provision of POTS.

Technologies used to provide POTS service vary. Local exchange carriers (LECs) traditionally have provisioned POTS service over a "twisted" pair of copper wires and electronics that enable the customer to make or receive a single phone call. Many carriers increasingly have provided POTS service over alternative technologies, such as fiber optics and associated electronics that allows customers to make multiple simultaneous phone calls over a single fiber

[1] The bulk of the information provided herein reflects data reported by ILECs and CLECs measuring provisioning as of December 31, 2005.

optic strand. To enable uniform reporting and analysis of POTS service regardless of the technologies utilized, the information presented herein is reported by voice grade equivalent (VGE) lines. Carriers report the number of lines provided by measuring the number of simultaneous phone calls that their customers are able to make or receive. This uniformity ensures direct comparability for purposes of reporting, discussion and analysis.

There are two general classes of LECs providing POTS service in Illinois: incumbent local exchange carriers (ILECs) and competitive local exchange carriers (CLECs). An ILEC is a telecommunications carrier (including its successors, assigns, and affiliates) that historically has served as the exclusive provider of wireline local telephone service in a specific service territory. CLECs are competitive carriers that have been authorized and certificated by the Commission to provide local telephone service in competition with ILECs. Some telecommunications carriers operate as both an ILEC and CLEC.[2]

ILECs generally serve non-overlapping geographic areas, and consumers generally may obtain local telephone service from only one ILEC. Thus, absent competitive entry by CLECs, customers typically have only one source for POTS service - the ILEC that serves the area where the customer is located.[3] In

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[2] Such carriers were requested to report to the Commission information separately for ILEC and CLEC operational units. With the recent merger of SBC Communications, Inc. and AT&T Corp., the ILEC Illinois Bell Telephone Company now has an affiliate, which is certified as a CLEC and is providing lines within its incumbent local service area. For purposes of this report all lines provided by this affiliate that are provided in LATAs served by Illinois Bell Telephone Company have been treated as though provided by Illinois Bell Telephone Company. This will have the effect of understating competition to the extent that Illinois Bell Telephone Company's CLEC affiliate is providing lines in a LATA served by Illinois Bell Telephone Company but outside the service area of Illinois Bell Telephone Company in the LATA. Alternatively, despite the merger of Verizon Communications, Inc. and MCI, Inc., lines provided by the CLEC affiliate of Verizon North, Inc. or Verizon South, Inc. have been treated in this report as CLEC provided (as such lines are estimated by Staff to be, in all cases, outside Verizon's incumbent local service areas). The approach adopted here with respect to the merged entities, to the extent feasible given the information supplied by the companies, minimizes the error of counting affiliates as competitors and of excluding competitive activity by ILEC affiliates outside their affiliated ILEC service areas.

[3] This does not consider non-POTS alternatives, such as cellular or satellite service that may be available to some local telecommunications customers.

contrast to ILECs, which generally do not compete in the service areas of other ILECs, many CLECs provide service in the same areas as other CLECs as well as ILECs.

Both the Illinois PUA and the Federal Telecommunications Act of 1996 strongly encourage and endorse the development of competition in local telecommunications services. Together, these Acts provide a framework for new competitors to enter local markets by three fundamental and distinct methods, as follows:

- Building complete telecommunications networks using their own facilities,
- Leasing all or a portion of the facilities needed to serve end-user customers from other carriers,
- Purchasing telecommunications services form ILECs at discounted prices and reselling these services to customers.

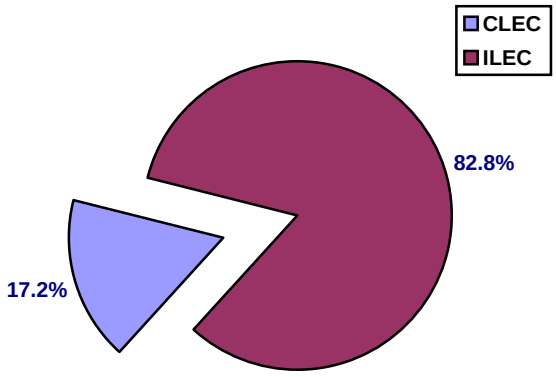
This report summarizes the use of each of these methods by CLECs in Illinois.

Regardless of the method utilized by a CLEC to enter local markets, significant cooperation and coordination between ILECs and CLECs is crucial to the maintenance and proper operation of the PSTN. This remains true even where a CLEC has deployed a network utilizing 100% of its own facilities. Even under these circumstances, telephone traffic must be passed back and forth efficiently and reliably between the networks of all ILECs and all CLECs.

B. Statewide Competition In Retail POTS in Illinois

As Figure 1 shows, at year-end 2005, CLECs provided approximately 17.2% of all retail POTS lines in Illinois. In total, over 7.8 million total retail POTS lines were reported in Illinois. ILECs provided approximately 6.5 million lines (or 82.8%), while CLECs provided approximately 1.3 million lines (or 17.2%). Table 1 displays these figures and comparable figures for year-end 2001, 2002, 2003, and 2004.

Figure 1: ILEC and CLEC Retail POTS Market Shares



As Table 1 shows, the number of retail POTS lines in Illinois has steadily decreased in the past four years. Between year-end 2004 and year-end 2005 the number of retail POTS lines provided to Illinois residential and business customers by reporting providers decreased by 3.7%. Over the period between year-end 2001 and year-end 2005 the number of retail POTS lines provided to Illinois residential and business customers decreased by approximately 13.6%.[4]

[4] The Illinois experience is not unique in this respect. Information compiled by the FCC and reported below shows that the nationwide number of POTS lines has decreased in recent periods. A number of factors may explain the reduction in POTS lines. Consumers may be increasingly substituting mobile wireless phone service or unreported voice-over-internet-protocol ("VoIP") service for POTS service or may be relying on broadband services to obtain high-speed Internet access instead of relying on POTS service to obtain dial-up access to the Internet. Other factors, such as economic conditions in Illinois and reporting inconsistencies and/or inaccuracies, may also explain the reported reduction.

Table 1: Retail POTS Lines in Illinois

Date	*Total Lines*	*ILEC Lines*	*CLEC Lines*	*CLEC Share*
Dec 2001	9,036,493	7,628,679	1,407,814	16%
Dec 2002	8,727,943	7,029,967	1,697,976	19%
Dec 2003	8,327,835	6,549,268	1,778,567	21%
Dec 2004	8,103,503	6,262,826	1,840,677	23%
Dec 2005	7,805,958	6,462,064	1,343,894	17%

The number of such lines provided by CLECs has generally increased since year-end 2001. However, as shown in Table 1, CLEC lines provided to Illinois residential and business customers by reporting providers decreased between year-end 2004 and year-end 2005. This is attributable in no small part to the merger, completed in 2005, between SBC Communications, Inc. and AT&T Corp. that, as noted above, has caused lines formally attributed to the former CLEC AT&T Corp. and/or its CLEC affiliates in AT&T Illinois' ILEC territory to be reclassified as ILEC lines for purposes of this report.[5]

As Table 2 shows, 45 ILECs provide POTS lines in Illinois.[6] The 4 largest ILECs (AT&T Illinois, Verizon Communications, Citizens Communications and Consolidated Communications) provided approximately 97% of all ILEC retail

[5] A number of other factors might also contribute to the reduction in CLEC POTS lines. For example, CLECs might be losing lines as a result of increased competition from ILECs, mobile wireless phone providers, or nonreporting voice-over-internet-protocol ("VoIP") service providers. They could also be losing lines as customers rely more heavily on broadband services to obtain high-speed Internet access instead of relying on POTS service to obtain dial-up access to the Internet. They also might be electing to reduce their service offerings as a result of regulatory, economic or other factors that impact their various business plans. The information collected by the Commission does not, with the exception of certain of the merger effects, identify whether or to what extent these various factors or others have contributed to the decline.

[6] Two small ILECs failed to respond to the Commission's CDR for year-end 2001, but did respond for year-end 2002 and year-end 2003. The total number of lines for these two ILECs is a very small percentage (less than 0.01%) of all Illinois ILEC retail POTS lines. 2005 numbers do not reflect the exit of ILECs from the market, but rather reflect consolidation of certain ILECs, relative to 2004 numbers, according to common ownership.

POTS lines, while the remaining 41 ILECs provided just over 3% of the total ILEC lines in Illinois.

Sixty-nine CLECs reported providing retail POTS service in Illinois.[7] Of these 69 CLECs, the 5 largest (Broadwing Corporation, MCI LLC, Comcast Corporation, XO Communications, LLC, and McLeodUSA Telecommunications Inc.) accounted for approximately 67% of all CLEC retail POTS lines, while the remaining 60 CLECs provided approximately 33% of all CLEC retail POTS lines.

Table 2: Retail POTS Providers in Illinois

Date	*No. of Retail POTS Providers Reporting*	*No. of ILEC POTS Providers Reporting*	*No. of CLEC POTS Providers Reporting*
Dec 2001	82	47	35
Dec 2002	94	49	45
Dec 2003	102	49	53
Dec 2004	114	49	65
Dec 2005	114	45	69

At year-end 2005, approximately 56% of all retail POTS lines in Illinois served residential customers, while 44% served business customers. Approximately 59% of ILEC total retail lines served residential customers, while 41% of ILEC lines served business customers. Approximately 39% of all CLEC retail lines served residential customers, while approximately 61% served business customers.

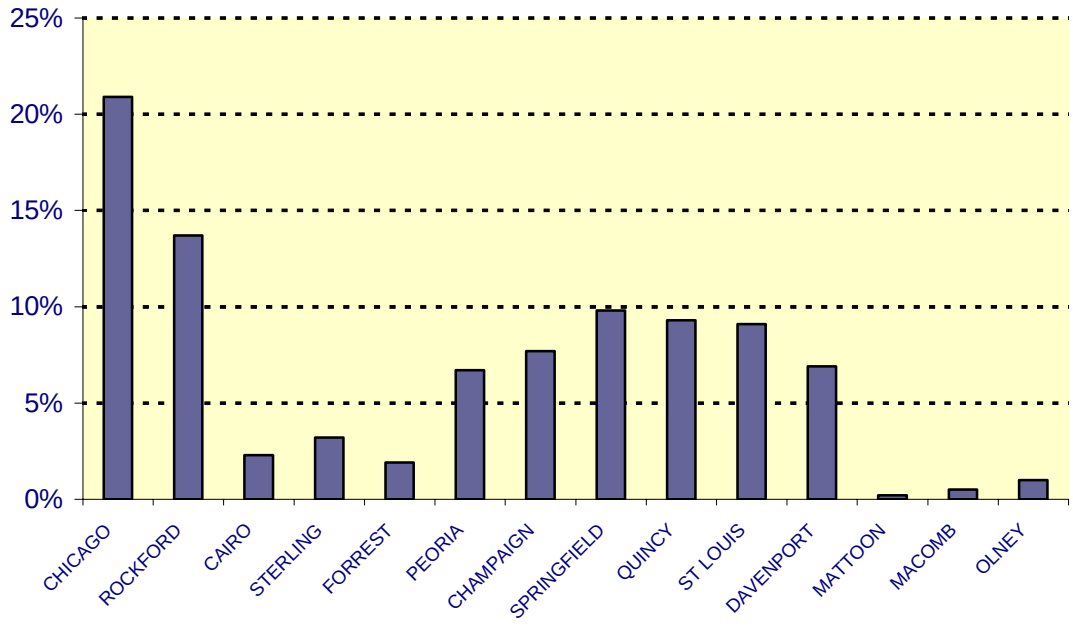
[7] This figure treats affiliated CLECs under common control as a single competitive entity.

Table 3: Residential Retail POTS Line Percentages[8]

Date	*Perc. of Lines Classified as Residential*	*Perc. of ILEC Lines Classified as Residential*	*Perc. of CLEC Lines Classified as Residential*
Dec 2001	58%	61%	45%
Dec 2002	59%	60%	55%
Dec 2003	58%	60%	52%
Dec 2004	57%	60%	49%
Dec 2005	56%	59%	39%

Figure 3 shows that CLEC market shares are highest in the most densely-populated urban areas.

Figure 3: CLEC Market Shares by LATA
(Perc. of POTS Lines)



[8] December 2003 figures have been revised in order to correct a typographical error contained in the May 24, 2005 Annual Report on Telecommunications Markets in Illinois. December 2004 figures have been revised in order to reflect revised submissions filed by carriers after May 24, 2005.

C. CLEC Methods of Provisioning Retail POTS Lines

As previously noted, CLECs can provide POTS service to customers via three fundamental approaches:

- Building complete telecommunications networks using their own facilities,
- Leasing all or a portion of the facilities needed to serve end-user customers from other carriers,
- Purchasing telecommunications services from ILECs at discounted prices and reselling these services to customers.

These methods are not mutually exclusive; they can each be employed by a particular CLEC to provide services at different times and/or in different regions. For example, a CLEC may deploy its own network in a particular part of the state while using resale to provide services to consumers in another area of the state.

While the first and third of these approaches seem self-explanatory, the second option warrants further discussion. The basic network elements used in the provision of POTS include local loops (these connect customer premises to telephone company switching equipment), local switching, and interoffice transport (between telephone company switches). In some circumstances CLECs may lease all three of these basic network elements (loop, local switching, and transport) from an ILEC. Such combinations are referred to as unbundled network element platforms (UNE-Ps). When a CLEC provides service to a given customer using UNE-P, it relies exclusively on the network elements supplied by ILECs.[9]

[9] CLECs do, however, combine their own technology (e.g., voicemail technology) with ILEC provided UNE-P combinations, in order to customize their services. UNE-P is typically the term applied to describe leasing arrangements for combinations of local loops, local switching, and interoffice transport when purchased according to the rates, terms, and conditions prescribed by Sections 251 and 252 of the Telecommunications Act of 1996 and FCC rules and regulations implementing those sections. It has also been applied to such combinations leased pursuant to Section 13-801 of the Public Utilities Act and Commission rules and regulations implementing this section. Recently, carriers have entered into commercial leasing agreements whereby they are

CLECs also provide service using various combinations of ILEC supplied network elements and their own self-supplied elements. The most common variant of this approach is to lease ILEC local loops and self-supply local switching.[10] When CLECs combine leased ILEC loops with their own (or third party supplied) local switching, such combinations are termed unbundled network element loop (UNE-L) combinations.

Table 5 shows that at year-end 2005, over 635,000 CLEC retail POTS lines in Illinois (47% of the CLEC total) were provisioned entirely over CLEC owned facilities.[11] Approximately 631,000 CLEC retail POTS lines (or 47% of all CLEC lines) were provisioned over facilities leased (in part or in whole) from ILECs or other providers. About 61% of these approximately 631,000 retail POTS lines were provided entirely over facilities leased from ILECs and other providers (as UNE-Ps). The remaining 39% of these approximately 631,000 lines were provided over facilities leased from ILECs and combined with CLEC facilities to provide service. Table 5 also shows that the method of POTS provisioning relied on least by CLECs was resale. Approximately 77,000 CLEC lines were provided by CLECs purchasing discounted services from ILECs and reselling them to their customers.

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able to lease such combinations according to commercially negotiated rates. The information reported to the Commission does not distinguish between these different types of leasing arrangements.

[10] In such instances, the CLEC may or may not lease ILEC transport to connect a loop to its switch or to interconnect its own switches to either ILEC switches or to other (including its own) CLEC switches.

[11] Nearly all of ILEC lines were reported as provided over ILEC owned facilities. While AT&T Illinois affiliated CLEC lines (which were treated for purposes of this report as ILEC lines in LATAs served by AT&T Illinois' ILEC) were reported as provided over non-facilities based arrangements, it is indeterminate from the information filed how many of these lines were provisioned using the facilities of ILEC and/or CLEC AT&T Illinois affiliates.

Table 5: CLEC Retail POTS Lines by Provisioning Method

(Percentages of Total for Each Year in Brackets)

	Own Facilities	*UNE-L*	*UNE-P*	*Resale*	*All Methods*
Dec 2001	460,598 (33%)	314,459 (22%)	314,718 (22%)	318,039 (23%)	1,407,814 (100%)
Dec 2002	433,131 (26%)	355,658 (21%)	644,932 (38%)	264,255 (16%)	1,697,976 (100%)
Dec 2003	434,524 (24%)	362,102 (20%)	804,036 (45%)	177,905 (10%)	1,778,567 (100%)
Dec 2004	616,218 (34%)	278,616 (15%)	793,410 (43%)	152,433 (8%)	1,840,677 (100%)
Dec 2005	635,691 (47%)	245,783 (18%)	384, 975 (29%)	77,445 (6%)	1,343,894 (100%)

As Table 6 shows, 11 CLECs provided some POTS service completely over their own facilities. Thirty-seven CLECs provided some POTS service entirely over leased facilities. Sixteen CLECs provided some POTS service over some combination of their own facilities and leased facilities. Statewide, 29 CLECs provided POTS service over resold lines.

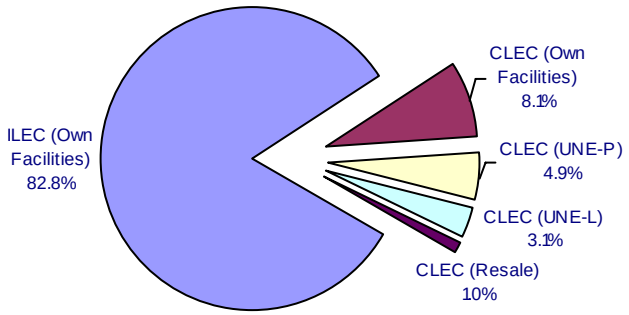
Table 6: CLEC Retail POTS Providers by Provisioning Method

	Own Facilities	*UNE-L*	*UNE-P*	*Resale*	*All Methods*[12]
Dec 2001	11	12	11	23	35
Dec 2002	10	14	16	30	45
Dec 2003	14	14	23	29	53
Dec 2004	14	15	40	28	65
Dec 2005	11	16	37	29	69

[12] The sum of CLECs providing services over the respective provisioning methods exceeds the total number of CLECs providing services because some CLECs provide services using more than one method of provisioning.

Figure 2 shows the overall CLEC Illinois POTS market share of 17.2% disaggregated by mode of entry. CLECs captured 8.1% of the POTS retail market using solely their own facilities. CLECs captured 3.1% of the retail POTS market through partial reliance upon ILEC facilities, and 5.9% of the overall Illinois POTS market via total reliance upon ILEC network facilities (i.e., UNE-P and resale).

Figure 2: POTs Provisioning Methods



D. Retail POTS Competition by LATA

This section of the report provides an overview of POTS competition broken down by Local Access and Transport Area (LATA). LATAs are the geographic areas within which Bell Operating Companies (BOCs), such as Ameritech Illinois were permitted to carry telephone traffic following their divesture from AT&T. Terms of the 1984 divestiture initially prohibited BOCs from carrying telephone traffic across LATA boundaries (termed interLATA traffic) but permitted them to carry telephone traffic, including toll calls, within LATA boundaries (intraLATA traffic). The Telecommunications Act of 1996 provided that the "interLATA restriction" would be lifted once a BOC demonstrated that its local markets had become sufficiently open to competition.

There are 193 domestic LATAs in the United States. Of this total, fourteen LATAs have substantial areas in Illinois and contain a significant number of Illinois customers. An additional four LATAs lie predominately outside

of Illinois but encompass relatively few Illinois customers.[13] Information applicable to the Illinois portion of these 4 LATAs will be included with information for the 14 LATAs that lie predominately in Illinois.[14] Additional detail concerning Illinois LATAs is presented in Appendix A.

Reporting and analysis of POTS data by LATA has several important advantages over other possible approaches. First, disaggregation of statewide information into 14 separate LATA markets illustrates important competitive differences across Illinois markets and regions that cannot be discerned from data aggregated at the state level. Second, LATAs are a natural unit for the reporting of many types of information by telephone companies. Notably, the telephone numbers provided to LECs for assignment to their customers are, with limited exceptions, assigned uniquely to LATAs.[15] This permits the Commission to readily identify the LATAs within which telephone customers reside.[16] Finally, data disaggregated by LATA still are sufficiently aggregated to protect sensitive competitive information, and the proprietary concerns of local telephone service providers.[17]

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[13] Although LATA boundaries were created in order to delineate the geographical area within which BOCs could offer long distance services, other LATA boundaries have been created in order to segment non-BOC service territories. The LATA geography adopted here follows Telcordia Technologies, Inc. ("Telcordia" f/k/a Bellcore) conventions as delineated in the local exchange routing guide (LERG).

[14] Information is aggregated in this manner to protect the confidentiality of individual carrier information reported to the Commission.

[15] Traditionally, blocks of telephone numbers have been assigned uniquely to rate exchange areas, which in turn, have been uniquely assigned to LATAs.

[16] The use of more "traditional" means to identify the location of individual telephone customers, such as the county of residence, is, at best, problematic, since telephone numbers are assigned to geographic areas with boundaries that are not congruent with the boundaries of the more traditional geographical divisions.

[17] Per the Commission's Competition Data Request, the Commission is offering proprietary treatment to individual company retail provisioning information. Therefore, all retail provisioning numbers have been aggregated into carrier classes and will be reported only in circumstances where a particular number represents provisioning by four or more providers.

Table 7 – Illinois LATA Demographic Data

U.S. Census 2000

LATA Name	Area (Sq. Miles)	Population	No. of Households	Population per Sq. Mile	Households per Sq. Mile
Chicago, IL	8,504	8,410,544	3,025,532	989	356
Rockford, IL [1]	2,124	397,119	153,045	187	72
Springfield, IL	3,028	352,223	144,596	116	48
St Louis, MO	6,718	781,199	299,332	116	45
Champaign, IL [2]	3,635	328,037	129,890	90	36
Davenport, IA	2,058	219,120	87,962	106	43
Peoria, IL	4,834	471,493	185,114	98	38
Sterling, IL	2,966	226,357	84,774	76	29
Forrest, IL	3,698	261,915	98,749	71	27
Cairo, IL	4,863	308,127	122,875	63	25
Mattoon, IL	4,248	227,242	88,247	53	21
Quincy, IL	3,682	161,005	62,415	44	17
Macomb, IL	3,248	136,242	53,061	42	16
Olney, IL	4,309	138,670	56,187	32	13
Total - All LATAs	57,914	12,419,293	4,591,779	214	79
Average	4,137	887,092	327,984	---	---
Standard Deviation	1,673	2,092,850	750,729	---	---

[1] Includes information for those portions of the Southeast and Southwest Wisconsin LATAs located in Illinois.

[2] Includes information for those portions of the Indianapolis and Terre Haute Indiana LATAs located in Illinois.

Table 7 shows some basic demographic information for each Illinois LATA. It reveals that there is considerable variation in LATA demographics within Illinois. Not surprisingly, the Chicago LATA stands out from the other LATAs, surpassing all others in Illinois with respect to both total population and population density.

Table 8 shows CLEC market shares by LATA over time. As shown in Table 8, CLEC market entry correlates closely with demographic factors.

Table 8: CLEC Market Shares by LATA[1]

LATA Name	*Date*	*Overall CLEC Market Share*	*Residential CLEC Market Share*	*Business CLEC Market Share*
Statewide	Dec 2001	15.6%	12.2%	20.3%
	Dec 2002	19.5%	18.3%	21.1%
	Dec 2003	21.5%	20.0%	23.3%
	Dec 2004	22.7%	19.6%	26.9%
	Dec 2005	17.2%	12.1%	23.7%
Chicago, IL	Dec 2001	18.7%	15.0%	23.2%
	Dec 2002	23.2%	22.6%	23.9%
	Dec 2003	25.0%	23.9%	26.4%
	Dec 2004	26.5%	23.1%	30.6%
	Dec 2005	20.9%	15.1%	27.4%
Rockford, IL	Dec 2001	8.3%*	5.5%*	13.8%*
	Dec 2002	14.4%	10.6%	21.6%
	Dec 2003	18.1%	14.6%	24.6%
	Dec 2004	18.9%	14.4%	26.7%
	Dec 2005	13.7%	8.3%	23.0%
Cairo, IL	Dec 2001	1.6%	0.6%**	1.4%**
	Dec 2002	1.9%	0.9%	4.2%
	Dec 2003	2.6%	1.8%	4.4%
	Dec 2004	3.3%	2.9%	4.3%
	Dec 2005	2.3%	1.6%	3.8%
Sterling, IL	Dec 2001	8.3%*	5.5%*	13.8%*
	Dec 2002	2.8%	1.8%	4.9%
	Dec 2003	4.8%	4.0%	6.4%
	Dec 2004	7.1%	6.5%	8.2%
	Dec 2005	3.2%	2.6%	4.2%
Forrest, IL	Dec 2001	0.8%	0.6%**	1.4%**
	Dec 2002	0.6%****	0.0%****	1.7%****
	Dec 2003	2.0%	0.2%	5.3%
	Dec 2004	2.7%	0.3%	7.0%
	Dec 2005	1.9%	0.1%	4.9%
Peoria, IL	Dec 2001	7.5%	5.8%	10.8%
	Dec 2002	10.4%	7.8%	15.0%
	Dec 2003	12.2%	10.3%	15.7%
	Dec 2004	12.9%	11.5%	15.6%
	Dec 2005	6.7%	5.2%	9.5%
Champaign, IL	Dec 2001	9.2%	8.5%	11.6%
	Dec 2002	10.7%	10.7%	10.8%
	Dec 2003	12.3%	13.1%	11.2%
	Dec 2004	12.3%	11.9%	12.9%
	Dec 2005	7.7%	6.5%	9.4%
Springfield, IL	Dec 2001	11.7%	9.7%	14.2%
	Dec 2002	14.3%	12.6%	16.5%
	Dec 2003	15.8%	16.7%	14.5%
	Dec 2004	19.3%	20.9%	17.2%
	Dec 2005	9.8%	8.0%	12.1%
Quincy, IL	Dec 2001	5.7%	2.7%	11.7%
	Dec 2002	7.7%	6.0%	11.1%
	Dec 2003	9.9%	9.1%	11.7%
	Dec 2004	12.2%	11.9%	12.8%
	Dec 2005	9.3%	7.0%	13.7%

Table 8: CLEC Market Shares by LATA (Continued)

LATA Name	*Date*	*Overall CLEC Market Share*	*Residential CLEC Market Share*	*Business CLEC Market Share*
St Louis, MO	Dec 2001	9.7%	9.1%	11.0%
	Dec 2002	15.3%	16.2%	13.1%
	Dec 2003	19.4%	20.7%	16.3%
	Dec 2004	19.5%	20.5%	17.2%
	Dec 2005	9.1%	8.7%	10.1%
Davenport, IA	Dec 2001	11.6%	9.3%	15.7%
	Dec 2002	15.6%	16.0%	14.9%
	Dec 2003	17.1%	18.5%	14.7%
	Dec 2004	13.8%	13.0%	15.2%
	Dec 2005	6.9%	6.4%	7.8%
Mattoon, IL	Dec 2001	0.3%	0.6%**	1.4%**
	Dec 2002	0.6%****	0.0%****	1.7%****
	Dec 2003	0.1%	0.1%*****	0.8%*****
	Dec 2004	0.2%	0.4%*****	1.2%*****
	Dec 2005	0.2%	0.1%*****	1.4%*****
Macomb, IL	Dec 2001	0.6%***	0.6%**	1.4%**
	Dec 2002	0.6%****	0.0%****	1.7%****
	Dec 2003	0.3%	0.1%*****	0.8%*****
	Dec 2004	0.3%	0.4%*****	1.2%*****
	Dec 2005	0.5%	0.1%*****	1.4%*****
Olney, IL	Dec 2001	0.6%***	0.6%**	1.4%**
	Dec 2002	0.6%****	0.0%****	1.7%****
	Dec 2003	0.5%	0.1%*****	0.8%*****
	Dec 2004	1.7%	0.4%*****	1.2%*****
	Dec 2005	1.0%	0.1%*****	1.4%*****

1 December 2004 figures have been revised in order to reflect revised submissions filed by carriers after May 24, 2005.

* Combined figures for the Rockford and Sterling LATAs.
** Combined figures for the Cairo, Forrest, Macomb, Olney and Mattoon LATAs.
*** Combined figures for the Macomb and Olney LATAs.
****Combined figures for the Forrest, Macomb, Olney, and Mattoon LATAs.
*****Combined figures for the Macomb, Olney, and Mattoon LATAs.

The Chicago LATA differs significantly from other Illinois LATAs not only demographically, but also in the degree of local market penetration achieved by CLECs. As displayed in Table 9, approximately 5.7 million (74%) of the statewide total of over 7.8 million POTS lines were provided in this single LATA. All other LATAs combined accounted for the remaining 2.1 million (or 26%) of the statewide retail POTS lines.

Table 9: Retail POTS Lines by LATA

December 31, 2005

LATA Name	*Retail POTS*	*% Of Total*
Statewide	7,805,958	100%
Chicago, IL	5,738,409	74%
St Louis, MO	385,345	5%
Peoria, IL	243,791	3%
Springfield, IL	228,350	3%
Rockford, IL	216,484	3%
Champaign, IL	186,263	2%
Cairo, IL	139,164	2%
Forrest, IL	130,424	2%
Davenport, IA	119,983	2%
Sterling, IL	109,246	1%
Mattoon, IL	98,599	1%
Quincy, IL	83,634	1%
Olney, IL	65,020	1%
Macomb, IL	61,246	1%

The 4.5 million lines provided by ILECs in the Chicago LATA represent 70% of the statewide total POTS lines provided by ILECs. The 1.2 million CLEC lines provided in the Chicago LATA represent approximately 89% of the statewide total of CLEC retail POTS lines. Thus, a notably higher percentage of all CLEC Illinois customers are located in the Chicago LATA as compared to the percentage of all ILEC customers.

Table 10: ILEC and CLEC POTS Lines by LATA

December 31, 2005

	ILEC	*% of ILEC Lines*	*CLEC*	*% of CLEC Lines*
Chicago LATA	4.5 m	70%	1.2m	89%
All Other LATAs	1.9 m	30%	0.1m	11%
All LATAs	6.5 m	100%	1.3m	100%

High-volume, low-cost customers in densely populated areas are considered among the most attractive to new entrants. Regional differences in the data reported by LATA in Illinois appear to support this generalization. CLEC market shares in the Chicago LATA relative to CLEC market shares in other Illinois LATAs are shown in Table 11.

Table 11: CLEC Market Share by LATA

December 31, 2005

	CLEC Market Share
Chicago LATA	21%
All Other LATAs	7%
All LATAs	17%

E. Recent Trends in Competitive Retail POTS Provisioning

The retail line counts reported by Illinois LECs for December 31, 2005 are the fifth such retail line counts reported to the Commission in a uniform manner utilizing a consistent definition of POTS.[18] The FCC, however, has collected state-by-state retail line counts from larger retail POTS providers since December 1999.[19] The information reported to the FCC does provide important insight into statewide *trends* in retail POTS provision.[20]

Table 12 shows nationwide retail POTS line counts (reported biannually to the FCC).

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[18] The CDR was released in its current form for the first time in January of 2002.

[19] The FCC has required providers serving 10,000 or more POTS customers to report retail POTS line counts on a statewide basis. In mid-year 2005, the FCC altered its reporting requirements and now requires all providers serving POTS customers to report retail line counts on a statewide basis.

[20] Notably, prior to mid-year 2005, these data do not include information on smaller POTS providers, and lack the regional detail of the information reported to this Commission

Table 12: Nationwide POTS Lines (Thousands)[21]

	Total Lines	ILEC Lines	CLEC Lines	CLEC Share
DEC 1999	189,397	181,203	8,194	4%
JUNE 2000	191,206	179,649	11,557	6%
DEC 2000	192,432	177,561	14,871	8%
JUNE 2001	192,027	174,752	17,275	9%
DEC 2001	191,565	171,912	19,653	10%
JUNE 2002	188,965	167,320	21,645	12%
DEC 2002	189,238	164,374	24,864	13%
JUNE 2003	185,245	158,260	26,985	15%
DEC 2003	182,915	153,140	29,775	16%
JUNE 2004	180,006	147,972	32,034	18%
DEC 2004	177,827	144,935	32,892	19%
JUNE 2005	178,180	144,065	34,114	19%

Table 13 shows Illinois retail POTS line counts reported to the FCC.

Table 13: Illinois POTS Lines (Thousands)[21]

	Total Lines	ILEC Lines	CLEC Lines	CLEC Share
DEC 1999	8,484	8,040	444	5%
JUNE 2000	8,581	7,991	590	7%
DEC 2000	8,679	7,876	803	9%
JUNE 2001	8,672	7,559	1,113	13%
DEC 2001	8,920	7,579	1,341	15%
JUNE 2002	8,790	7,322	1,468	17%
DEC 2002	8,596	6,994	1,602	19%
JUNE 2003	8,358	6,741	1,617	19%
DEC 2003	8,180	6,518	1,662	20%
JUNE 2004	8,000	6,327	1,673	21%
DEC 2004	7,938	6,226	1,712	22%
JUNE 2005	7,816	6,214	1,601	20%

[21] Source: Federal Communications Commission, Industry Analysis and Technology Division, Wireline Competition Bureau, Local Telephone Competition: Status as of June 30, 2005, Released April 2006. Line counts for periods before June 2005 include only lines provided by large providers (those with over 10,000 lines in a state).

Cross State Comparisons of Competitive Retail POTS

Table 14 – June 30, 2005 POTS Provision

State	Population**	Population per Sq. Mile**	POTS Lines****	CLEC Market Share****
Alabama	4,447,100	88	2,403,930	16%
Alaska	626,932	1	*	*
Arizona	5,130,632	45	3,204,682	27%
Arkansas	2,673,400	51	1,446,629	16%
California	33,871,648	217	22,974,865	18%
Colorado	4,301,261	41	2,880,877	18%
Connecticut	3,405,565	703	2,300,718	14%
Delaware	783,600	401	600,954	20%
District of Columbia	572,059	9,317	1,211,033	26%
Florida	15,982,378	296	11,081,530	16%
Georgia	8,186,453	141	5,028,849	20%
Hawaii	1,211,537	189	682,445	6%
Idaho	1,293,953	16	759,183	10%
Illinois	***12,419,293***	***223***	***7,815,880***	***20%***
Indiana	6,080,485	170	3,563,765	14%
Iowa	2,926,324	52	1,572,180	14%
Kansas	2,688,418	33	1,480,202	25%
Kentucky	4,041,769	102	2,132,976	14%
Louisiana	4,468,976	103	2,395,664	18%
Maine	1,274,923	41	849,485	19%
Maryland	5,296,486	542	3,894,328	19%
Massachusetts	6,349,097	810	4,334,828	25%
Michigan	9,938,444	175	5,882,821	25%
Minnesota	4,919,479	62	3,029,010	21%
Mississippi	2,844,658	61	1,288,471	13%
Missouri	5,595,211	81	3,343,111	13%
Montana	902,195	6	530,251	8%
Nebraska	1,711,263	22	967,732	24%
Nevada	1,998,257	18	1,441,255	13%
New Hampshire	1,235,786	138	863,446	25%
New Jersey	8,414,350	1,134	6,235,692	22%
New Mexico	1,819,046	15	990,520	9%
New York	18,976,457	402	11,868,938	30%
North Carolina	8,049,313	165	4,861,478	13%
North Dakota	642,200	9	348,859	20%
Ohio	11,353,140	277	6,501,145	15%
Oklahoma	3,450,654	50	1,866,813	18%
Oregon	3,421,399	36	1,932,715	13%
Pennsylvania	12,281,054	274	8,278,375	23%
Rhode Island	1,048,319	1,003	661,630	40%
South Carolina	4,012,012	133	2,189,231	13%
South Dakota	754,844	10	434,121	32%
Tennessee	5,689,283	138	3,226,194	15%
Texas	20,851,820	80	12,308,774	19%
Utah	2,233,169	27	1,198,125	23%
Vermont	608,827	66	430,289	14%
Virginia	7,078,515	179	4,978,552	21%
Washington	5,894,121	89	3,642,010	14%
West Virginia	1,808,344	75	1,009,112	12%
Wisconsin	5,363,675	99	3,370,193	19%
Wyoming	493,782	5	279,039	11%
*Total - All States****	281,421,906	80	178,179,552	19%

* Data withheld to maintain confidentiality of information.
** U.S. Census 2000. Population per square mile is based on land area, which excludes water area.
*** Includes information for American Samoa, Puerto Rico and the Virgin Islands.
**** Source: Federal Communications Commission, Industry Analysis and Technology Division, Wireline Competition Bureau, Local Telephone Competition: Status as of June 30, 2005, Released April 2006.

Table 14 shows demographic and retail POTS provisioning information for the 50 states and the District of Columbia, based on data compiled by the FCC for June 30, 2005. This data provides useful information on how CLEC market shares in Illinois compare with those in other states.

III. HIGH SPEED TELECOMMUNICATIONS SERVICES

A. Overview

Section 13-407 of the PUA mandates that the Commission monitor and analyze the deployment of high-speed telecommunications services in Illinois. As defined in this report, high-speed telecommunications services provide the subscriber with data transmission at speeds in excess of 200 kilobits per second (kbps) in at least one direction.[22] This definition matches the definition of "advanced telecommunications services" as used in the PUA.[23] This definition also matches that used by the FCC in its data collection activities and analyses of high-speed telecommunications markets.[24]

[22] 220 ILCS 5/13-517

[23] The information presented herein concerns the telecommunications services that are the subject of the provisions of Section 13-517 of the Act.

[24] It should be noted that this definition excludes several services that sometimes are referred to as high speed services, such as basic rate integrated services digital network (ISDN-BRI) service, some lower speed asymmetric digital subscriber line (ADSL) services, some lower speed services that connect subscribers to the Internet over cable systems, and services that connect subscribers to the internet over mobile wireless systems. The terms "high-speed telecommunications service", "advanced telecommunications service" and "broadband service" often are used interchangeably and sometimes inconsistently. For example, mobile wireless providers often offer Internet access over mobile wireless technology marketed as broadband wireless Internet access despite the fact that such technology generally restricts access to speeds slower than users might otherwise obtain from traditional "dial-up" wireline technology. To add to the confusion in terminology, the FCC defines "advanced telecommunications capability" and "advanced services" as service that provide the subscriber with transmission speeds in excess of 200 kbps in BOTH the "upstream" and "downstream" directions. Confusion and misunderstanding in the use of these various terms caused the FCC to state in a report recently submitted to the U.S. Congress that "[I]n light of its now common and imprecise usage, we decline to use the term broadband to describe any of the categories of services on facilities that we discuss in this report. FCC, Deployment of Advanced Telecommunications Capability: Second Report, August 2000, Released August 21, 2000.

Information concerning high-speed service provisioning is reported by state to the FCC only by facilities-based providers of high-speed lines. Carriers do not report high-speed capable lines that are obtained from other carriers for resale to end users or Internet Service providers (ISPs). This practice ensures that each high-speed line is reported only once by the underlying provider.[25]

The information reported here covers the following three methods of high-speed service provisioning:

- high speed service over ADSL technology,
- high-speed service over coaxial cable (cable modem) technology.
- high-speed service over "other" technologies.

The following descriptions of ADSL and cable modem technologies are taken from the FCC's Deployment of Telecommunications Capability: Second Report:

> **ADSL Technology**
>
> With the addition of certain electronics to the telephone line, carriers can transform the copper loop that already provides voice service into a conduit for high-speed data traffic. While there are multiple variations of DSL … most DSL offerings share certain characteristics. With most DSL technologies today, a high-speed signal is sent from the end-user's terminal through the last 100 feet and the last mile (sometimes a few miles) consisting of the copper loop until it reaches a Digital Subscriber Line Access Multiplexer (DSLAM), usually located in the carrier's central office. At the DSLAM, the end-user's signal is combined with the signals of many other customers and forwarded though a switch to middle mile facilities.
>
> As its name suggests, ADSL provides speeds in one direction (usually downstream) that are greater than the speeds in the other

[25] Prior to mid-year 2005, only providers with at least 250 lines in a given state reported to the FCC. There is no indication of how comprehensively small providers, many of which serve rural areas with relatively small populations, are represented in the FCC data summarized here for periods prior to mid-year 2005. See FCC, High Speed Services for Internet Access: Status as of December 31, 2001, Released July 2002, at 1-2.

direction. Many, though not all, residential ADSL offerings provide speeds in excess of 200 kbps in only the downstream path with a slower upstream path and thus do not meet the standard for advanced telecommunications capability. However, ADSL permits the customer to have both conventional voice and high-speed data carried on the same line simultaneously because it segregates the high frequency data traffic from the voice traffic. This segregation allows customers to have an "always on" connection for the data traffic and an open path for telephone calls over a single line. Thus a single line can be used for both a telephone conversation and for Internet access at the same time.[26]

Cable Modem Technology

Cable modem technologies rely on the same basic network architecture used for many years to provide multichannel video service, but with upgrades and enhancements to support advanced services. The typical upgrade incorporates what is commonly known as a hybrid fiber-coaxial (HFC) distribution plant. HFC networks use a combination of high-capacity optical fiber and traditional coaxial cable. Most HFC systems utilize fiber between the cable operators' offices (the "headend") and the neighborhood "nodes." Between the nodes and the individual end-user homes, signals travel over traditional coaxial cable infrastructure. These networks transport signals over infrastructure that serves numerous users simultaneously, i.e., a shared network, rather than providing a dedicated link between the provider and each home, as does DSL technology.[27]

ADSL and cable modem technologies are most commonly used to provide services to residential customers. These technologies typically provide customers a single path to the Internet, generally at comparable quality and price levels and transmission speeds. As a result, services provided via ADSL and cable modem technologies generally are viewed as close substitutes.

[26] FCC's Deployment of Telecommunications Capability: Second Report, August 2000, at ¶¶ 35-36 (footnotes omitted).

[27] FCC's Deployment of Telecommunications Capability: Second Report, August 2000, at ¶ 29 (footnotes omitted).

Technologies in the "other" category include symmetric DSL, traditional T1 wireline, fiber optic to the customer's premises, satellite, and (terrestrial) fixed wireless technologies.[28]

B. Nationwide and Statewide Provision of High Speed Lines

Table 15 shows high-speed line counts nationwide, as reported biannually to the FCC. This table indicates that nationwide there has been substantial growth in high-speed telecommunications lines over the last several years.

Table 15: Nationwide High-Speed Lines (Millions) [29]

	Total Lines	6-Month Growth Rate
DEC 1999	2.8	N/A
JUNE 2000	4.4	59%
DEC 2000	7.0	62%
JUNE 2001	9.6	36%
DEC 2001	12.8	33%
JUNE 2002	16.2	27%
DEC 2002	19.9	23%
JUNE 2003	23.5	18%
DEC 2003	28.2	20%
JUNE 2004	32.5	15%
DEC 2004	37.9	17%
JUNE 2005	42.9	13%

[28] Services provided over technologies in the "other" category vary greatly in quality, speed, and price. These technologies commonly are used to provide service to medium and large business customers, rather than residential customers. Therefore, comparison of figures for the "other" category to ADSL and cable modem figures is largely an apples to oranges exercise --- as is comparison of "other" figures across states. Accordingly, while figures for the "other" technologies category are presented here for completeness, caution should be exercised in their interpretation.

[29] Source: Federal Communications Commission, Industry Analysis and Technology Division, Wireline Competition Bureau, High-Speed Services for Internet Access: Status as of June 30, 2005, Released April 2006. Line counts for periods before June 2005 include only lines provided by large providers (those with over 250 lines in a state).

As shown in Table 16, mid-year 2005, larger high-speed providers reported nearly 1,900,000 high-speed lines in Illinois.

Table 16: Illinois High-Speed Lines (Millions)[29]

	Total Lines	6-Month Growth Rate
DEC 1999	0.1	N/A
JUNE 2000	0.2	115%
DEC 2000	0.2	45%
JUNE 2001	0.4	45%
DEC 2001	0.4	21%
JUNE 2002	0.6	31%
DEC 2002	0.7	33%
JUNE 2003	0.9	19%
DEC 2003	1.1	25%
JUNE 2004	1.3	20%
DEC 2004	1.5	18%
JUNE 2005	1.9	21%

C. Nationwide and Statewide High Speed Lines by Technology

Table 17: Illinois High-Speed Lines by Technology[29]

June 30, 2005

	ADSL	*Coaxial Cable*	*Other*	*Total*
Lines	847,345	841,737	164,922	1,854,004
% of Total	46%	45%	9%	100%

As shown in Table 17, the number of high-speed lines provisioned over ADSL technology was nearly equal to the number of lines provisioned via cable coaxial technology.

Tables 18 indicates that nationwide, cable modem providers continue to maintain their lead in broadband provisioning over ADSL providers.

Table 18: Nationwide High-Speed Lines by Technology[29]

June 30, 2005

	ADSL	*Coaxial Cable*	*Other*	*Total*
Lines	16,182,076	23,938,908	2,745,485	42,866,469
% of Total	38%	56%	6%	100%

IV. MOBILE WIRELESS TELECOMMUNICATIONS

A. Overview

Data on mobile wireless subscribership are reported by state to the FCC by facilities-based wireless mobile providers with subscribers in a given state (as measured by revenue-generating handsets in service). Facilities-based wireless providers serve subscribers using electromagnetic spectrum that they are licensed to utilize or manage.[30] Wireless mobile service is similar to POTS service in that it permits subscribers to place and receive calls to and from any other user on the PSTN.

B. Provision of Mobile Wireless Services

As shown in Table 19, mobile wireless subscribership data for Illinois (reported biannually to the FCC). At mid-year 2005, larger mobile wireless providers reported approximately 8.5 million subscribers in Illinois.

[30] FCC, Local Telephone Competition: Status as of December 31, 2001, Released July 2002, at 1-2.

Table 19: Illinois Mobile Wireless Subscribers (Millions) [31]

	Subscribers	6-Month Growth Rate
DEC 1999	3.9	N/A
JUNE 2000	4.3	10%
DEC 2000	5.1	19%
JUNE 2001	5.6	9%
DEC 2001	5.6	0%
JUNE 2002	5.4	-4%
DEC 2002	6.5	20%
JUNE 2003	6.8	6%
DEC 2003	7.2	5%
JUNE 2004	7.5	5%
DEC 2004	8.1	7%
JUNE 2005	8.5	6%

Table 20 indicates that the growth rate nationwide in mobile subscribership has been relatively constant since year-end 2001.

Table 20: Nationwide Mobile Wireless Subscribers (Millions)[31]

	Subscribers	6-Month Growth Rate
DEC 1999	79.7	N/A
JUNE 2000	90.6	14%
DEC 2000	101.0	11%
JUNE 2001	114.0	13%
DEC 2001	124.0	7%
JUNE 2002	130.8	5%
DEC 2002	138.9	6%
JUNE 2003	147.6	6%
DEC 2003	157.0	6%
JUNE 2004	167.3	7%
DEC 2004	181.1	8%
JUNE 2005	191.3	6%

[31] Source: Federal Communications Commission, Industry Analysis and Technology Division, Wireline Competition Bureau, Local Telephone Competition: Status as of June 30, 2005, Released April 2006. Subscriber counts for periods before June 2005 include only counts for subscribers served by large providers (those with over 10,000 subscribers in a state).

V. CONCLUSION

Information presented in this report summarizes the market shares of ILECs and CLECs in Illinois local telephone markets. While many other factors affect actual market competitiveness, market share information is a useful starting point for analyzing the status of market competition.[32]

According to the market share information reported here, the CLEC overall POTS market share decreased by approximately six percentage points between year-end 2004 and year-end 2005. This reduction is primarily attributable to the merger between AT&T Corp. and SBC Communications, Inc.

The reduction in CLEC POTS market share information contained in this report suggests that competition in Illinois decreased between year-end 2004 and year-end 2005. However, information regarding overall POTS line counts suggest that this decline should be interpreted with caution. Total reported POTS lines in Illinois declined between year-end 2004 and year-end 2005 as they have each year since year-end 2001. Economic conditions in Illinois and the fact that consumers are relying on broadband services to obtain high-speed Internet access instead of relying on POTS service may explain, in part, the reported reductions. However, they do not likely explain the entire reduction. Rather, it is likely that part of the reduction in POTS lines is attributable to the fact that many substitutes for POTS are not being reported as CLEC POTS lines to the Commission. For example, it is becoming increasingly clear that some

[32] "Other things being equal, market share affects the extent to which participants or the collaboration must restrict their own output in order to achieve anticompetitive effects in a relevant market. The smaller the percentage of total supply that a firm controls, the more severely it must restrict its own output in order to produce a given price increase, and the less likely it is that an output restriction will be profitable." Antitrust Guidelines for Collaborations Among Competitors, Issued by Federal Trade Commission and the U.S. Department of Justice, April 2000, Section 3.3.3.

consumers are substituting mobile wireless phone service or unreported voice-over-internet-protocol ("VoIP") service for POTS service. The more consumers turn to such alternatives to POTS services, the less valuable an examination based solely of CLEC POTS market shares will be as a gauge of competition in local telephone market. For, this reason, the information contained in this report should be interpreted with caution.

Recommendations for Legislative Action

At this time, the Commission has no specific recommendations for legislative action arising directly from the facts and findings contained in this report. Separately, the Commission this year may convey to the General Assembly several proposals for legislative action concerning telecommunications.

APPENDIX A: Illinois LATA Geography and Demographics

Local Access and Transport Areas (LATAs) are the geographic areas within which Bell Operating Companies (BOCs) were permitted to carry telephone traffic following their divesture from AT&T. In 1984, BOCs (including Ameritech in Illinois) were prohibited from carrying telephone traffic across LATA boundaries (interLATA traffic), but were allowed to carry telephone traffic, including toll calls, within LATA boundaries (intraLATA traffic). There are 193 domestic LATAs in the United States. Of the 193 domestic U.S. LATAs, 18 are either in whole, or in part, within Illinois.[33]

There is considerable variation in size and demographic makeup among the Illinois LATAs.[34] Table 5 (above) lists size and demographic data for each of the 14 LATAs for which information is presented in this report. Table 5 illustrates that the average LATA in Illinois is approximately 4,100 square miles. The largest LATA in terms of area is the Chicago LATA with approximately 8,500 square miles. The smallest is the portion of the Davenport, Iowa LATA located in Illinois, which encompasses approximately 2,100 square miles.

The Chicago LATA is the most populous LATA in Illinois with over 8.4 million residents, well above the average LATA size of approximately 890,000 residents. The Chicago LATA also contains the greatest number of households, with over 3 million. In contrast the Macomb, Illinois LATA contains less than 140,000 residents and just over 53,000 households. The Chicago and Olney,

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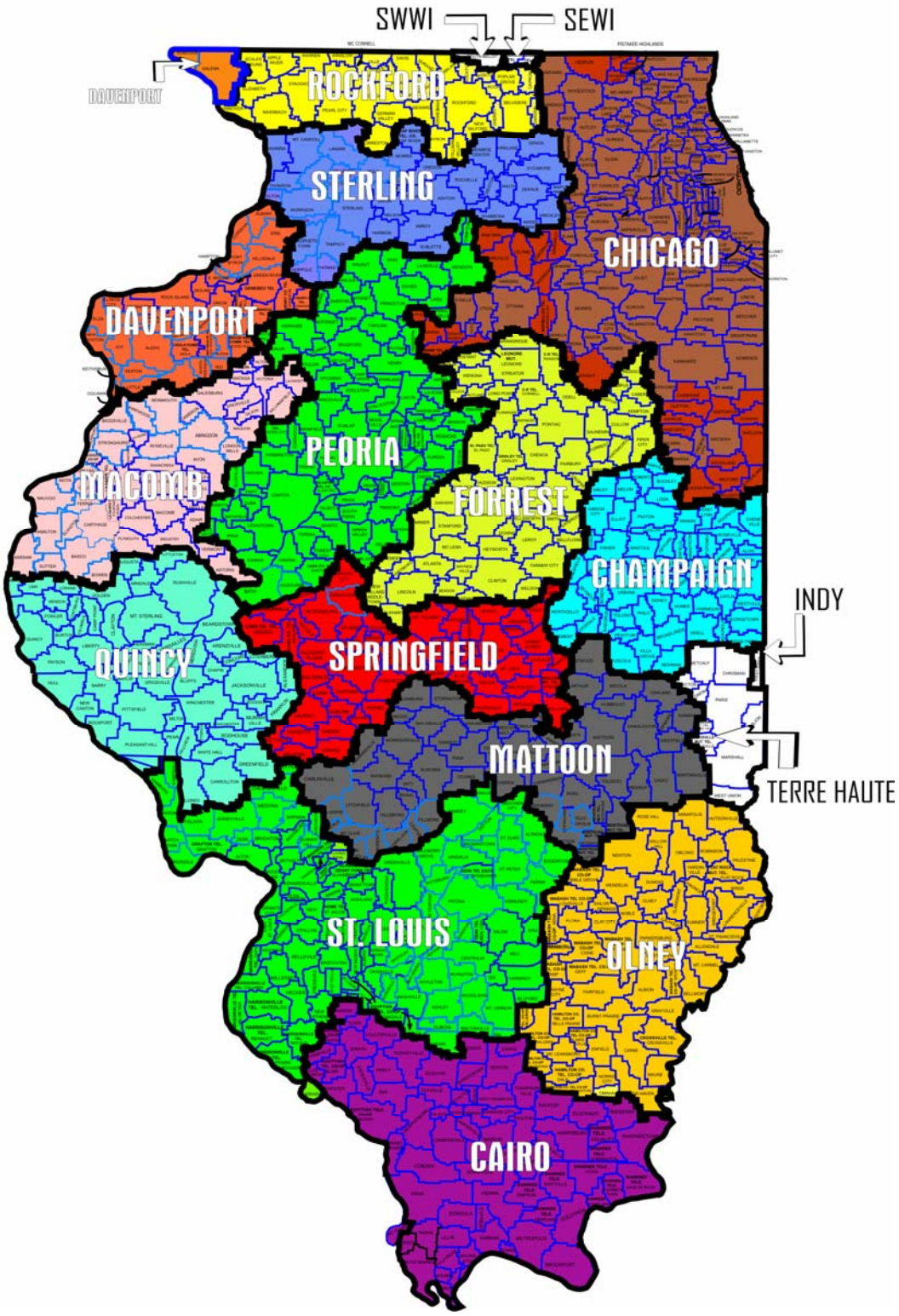
[33] Although LATA boundaries were created in order to delineate the geographical area within which BOCs could offer long distance services, other "LATA" boundaries have been created in order to segment non-BOC service territories. The LATA geography adopted here follows Telcordia Technologies, Inc. ("Telcordia" f/k/a Bellcore) conventions as delineated in the local exchange routing guide ("LERG").

[34] The LATA size and demographic information contained in this table is derived from U.S. Census 2000 obtained from U.S. Department of Commerce, Census Bureau Web Cite at http://www.census.gov/. To obtain estimates of area and demographic information, Staff aggregated census block group information up to the LATA level, assigning each census block group uniquely to the LATA containing the centroid of the census block group.

Illinois LATAs, respectively, contain the highest and lowest population per square mile. There are nearly 1,000 residents per square mile in the Chicago LATA and less than 32 residents per square mile in the Olney LATA. These two LATAs also contain the highest and lowest number of households per square mile, with 356 households per square mile in the Chicago LATA and 13 households per square mile in the Olney LATA.

Of the 18 LATAs in Illinois, 4 are predominately outside of Illinois and contain very few customers located within Illinois. For this report, information applicable to the pieces of these four LATAs will be included with information for LATAs that are predominately in Illinois or contain a significant number of Illinois customers. For example, very few Illinois residents or businesses are located within the Terre Haute, Indiana LATA. The information reported for Illinois residents and businesses in the Terre Haute, Indiana LATA is, therefore, included in information reported for the Champaign, Illinois LATA. However, there are a significant number of Illinois residents and businesses within the St Louis, Missouri LATA. Therefore, information for Illinois residents and businesses in the St Louis, Missouri LATA is reported separately from other Illinois LATAs. All information reported is for those customers located in Illinois. For example, no information is reported for customers located in the Missouri portions of the St Louis, Missouri LATA. Figure A-1 depicts the 14 LATAs for which information is reported in this report.

Figure A1: LATAS IN ILLINOIS



APPENDIX B: Reporting Status

Extracting and reporting the data required by the Commission's CDR is, for many carriers, a decidedly non-trivial exercise. Not surprisingly, a number of carriers have difficulty providing the required information. For example, the definitions used in the Commission's CDR often differ from the numerous and varied definitions devised and used by carriers for their own internal purposes.[35] Recognizing the difficulties faced by carriers, the Commission and its Staff have made every effort to assist carriers in their reporting efforts. It must be recognized, however, that absent comprehensive audits the accuracy of the information reported herein depends primarily on the accuracy of the information reported by the carriers.

Tables B1 and B2 contain lists of certificated local exchange carriers in Illinois on March 1, 2006, and carriers reporting to the Commission's CDR, respectively.

[35] Many of the definitions used in the Commission's CDR were developed to be consistent with those utilized by the FCC

Table B1 - Certificated Local Exchange Carriers on 3/1/06

1-800-RECONEX, Inc. d/b/a Ustel
360networks (USA) inc.
Access2Go, Inc.
ACN Communication Services, Inc.
Adams Telephone Co-Operative
Adams TelSystems, Inc.
Advanced TelCom, Inc. d/b/a Advanced TelCom Group d/b/a ATG
Airdis, LLC d/b/a Airdis Telecom
Alhambra-Grantfork Telephone Company
AmeriMex Communications Corp.
Ameritech Advanced Data Services of Illinois, Inc. d/b/a AT&T Advanced Solutions
AMI Communications, Inc.
AT&T Communications of Illinois, Inc.
B & S Telecom, Inc. d/b/a Quick Connect USA d/b/a Consumers Telephone Company
BellSouth Long Distance, Inc.
Bergen Telephone Company
Birch Telecom of the Great Lakes, Inc.
Broadwing Communications, LLC
Cambridge Telcom Services, Inc.
Cambridge Telephone Company
Cass Telephone Company
CAT Communications International, Inc.
Charter Fiberlink-Illinois, LLC
CIMCO Communications, Inc.
Cinergy Communications Company
Citizens Telecommunications Company of Illinois
d/b/a Frontier Citizens Communications of Illinois
City of Batavia
City of Princeton
City of Springfield
City of St. Charles
Claricom Networks, LLC
Clarity Telecom Local Network Services, Inc.
Clarksville Mutual Telephone Company
Comcast Phone of Illinois, LLC d/b/a Comcast Digital Phone
Computer Network Technology Corporation
ComTech Solutions, L.L.C. d/b/a Integrated Connections
Consolidated Communications Network Services, Inc.
Corecomm Illinois, Inc.
Covad Communications Company
Covista, Inc.
C-R Telephone Company
Crossville Telephone Company, The
Data Net Systems, L.L.C.
Data-Tel of Illinois
Delta Communications, LLC, d/b/a Clearwave Communications
DIGITAL NETWORK ACCESS COMMUNICATIONS, INC.
Diverse Communications, Inc.
DSLnet Communications, LLC
Easton Telecom Services, L.L.C.
EGIX Network Services, Inc.
Egyptian Communication Services, Inc.
Egyptian Telephone Cooperative Association, Inc.
El Paso Telephone Company, The
Ernest Communications, Inc.
Essex Telcom, Inc.
Excel Telecommunications, Inc.
First Communications, LLC
Flat Rock Communications, Inc.
Flat Rock Telephone Co-Op, Incorporated
Forte Communications, Inc.
Frontier Communications - Midland, Inc.
Frontier Communications - Prairie, Inc.
Frontier Communications - Schuyler, Inc.
Frontier Communications of America, Inc.
Frontier Communications of DePue, Inc.
Frontier Communications of Illinois, Inc.
Frontier Communications of Lakeside, Inc.
Frontier Communications of Mt. Pulaski, Inc.
Frontier Communications of Orion, Inc.
Gallatin River Communications L.L.C.
Geneseo Communications Services, Inc.
Glasford Telephone Company
Global Crossing Local Services, Inc.
KMC Data LLC
KMC Telecom V, Inc.
LaHarpe Telephone Company, Inc.
LDMI Telecommunications, Inc.
Leaf River Telephone Company
Lee's Communications, LLC d/b/a Talk & Go
Leonore Mutual Telephone Co., Inc.
Lightyear Network Solutions, LLC
Madison River Communications, LLC
d/b/a Gallatin River Integrated Communications Solutions
Madison Telephone Company
Marion Telephone LLC
Marseilles Telephone Company, The
Matrix Telecom, Inc.
McDonough Telephone Cooperative, Inc.
MCI Communications Services, Inc. d/b/a Verizon Business Services
MCImetro Access Transmission Services LLC d/b/a Verizon Access Transmission Services
McLeodUSA Telecommunications Services, Inc.
McNabb Telephone Company
Metamora Telephone Company
Mid-Century Telephone Cooperative, Inc.
Midwest Telecom of America, Inc.
Midwestern Telecommunications, Incorporated
Montrose Mutual Telephone Company
Moultrie Independent Telephone Company
Moultrie InfoComm, Inc.
Mpower Communications Corp. d/b/a Mpower Communications of Illinois
MTCO Communications, Inc.
Navigator Telecommunications, LLC
New Windsor Telephone Company
Nexus Communications, Inc.
Norlight Telecommunications, Inc.
NOS Communications, Inc. d/b/a International Plus
d/b/a 011 Communications d/b/a The Internet Business Association
d/b/a iVantage Network Solutions d/b/a Blueridge Telecom Systems
NuVox Communications of Illinois, Inc.
Odin Telephone Exchange, Inc.
Oneida Network Services, Inc.
Oneida Telephone Exhange, Inc..
Pacific Centrex Services, Inc.
PaeTec Communications, Inc.
Peak Communications, Inc.
PNG Telecommunications, Inc. d/b/a Powernet Global Communications d/b/a CrossConnect
Preferred Carrier Services, Inc.
QuantumShift Communications, Inc.
Qwest Communications Corporation
Qwest Interprise America, Inc.
RCN Telecom Services of Illinois, LLC
Reliant Communications, Inc.
Reynolds Telephone Company
RGT Utilities of California, Inc.
Royal Phone Company LLC
Sage Telecom, Inc.
SBC Advanced Solutions, Inc.
Sharon Telephone Company
Shawnee Telephone Company
Smart Choice Communications LLC
Spectrotel, Inc.
Sprint Communications L.P. d/b/a Sprint Communications Company L.P.
Stelle Telephone Company
Swetland Internet, Inc.
Talk America Inc.
TCG Chicago
TCG Illinois
TCG St. Louis
TDS Metrocom, LLC
Telecom Resources, Inc.
TelNet Worldwide-IL, LLC
Think 12 Corporation d/b/a Hello Depot
Time Warner Telecom of Illinois LLC
Tonica Telephone Company
Trinsic Communications, Inc.
TruComm Corporation
Unite Private Networks-Illinois, LLC

Table B1 - Certificated Local Exchange Carriers on 3/1/06 (Continued)

Global Crossing Telemanagement, Inc.
Global Internetworking, Inc.
Global TelData II, LLC
Global Teldata, Inc.
Grafton Long Distance Company
Grafton Technologies, Inc.
Grafton Telephone Company
Grandview Mutual Telephone Co.
Granite Telecommunications, LLC
Great America Networks, Inc.
Gridley Telephone Co.
Hamilton County Telephone Co-Op.
Harrisonville Telephone Company
Henry County Telephone Company
Home Telephone Co.
HTC Technologies
Illinois Bell Telephone Company
Illinois Consolidated Telephone Company
Illinois Telephone Corporation
Insight Phone of Illinois, LLC d/b/a Insight Phone
Integrated Solutions, L.L.C.
Intrado Inc.
IQ Telecom, Inc.
Kinsman Mutual Telephone Co.

AboveNet Communications, Inc.
Acceris Communications Corp.
Access One, Inc.
AccuTel of Texas, Inc. d/b/a 1-800-4-A-PHONE
Advanced Integrated Technologies Inc.
Aero Communications, LLC
Affordable Voice Communications, Inc.
Airespring, Inc.
ALLTEL Communications, Inc.
Allure Communications, LLC
American Fiber Network, Inc. d/b/a 'AFN'
Apps Communications, Inc.
Ascendtel, LLC
Association Management Resources, Inc.
BAK Communications, LLC
BCN Telecom, Inc.
Big River Telephone Company, LLC
BITWISE Communications, Inc.
BT Communications Sales LLC
Budget Phone, Inc.
Bullseye Telecom, Inc.
Buzz Telecom, Corporation
CAL Communications, Inc.
Camarato Distributing, Inc.
Campus Communication Group, Inc.
Cbeyond Communications, LLC
CenturyTel Fiber Company II, LLC
CI2, Inc.
City of Geneva
City of Naperville
City of Rochelle
City of Rock Falls
Citynet Illinois, LLC
Cleartel Telecommunications, Inc. d/b/a Now Telecommunications
CloseCall America, Inc.
CM Tel (USA) LLC
CMC Telecom, Inc.
Cogent Communications of Illinois, Inc.
Common Pointe Networks of Illinois, LLC
CommPartners, LLC
Computer View, Inc.
COMTECH 21, LLC
Comtel Telecom Assets LP
Consolidated Communications Enterprise Services, Inc.
Cordia Communications Corp.
Crosslink Long Distance Company
Cypress Communications Operating Company, LLC
Cypress Telecommunications Corporation
Dial-Around Telecom, Inc.

United Communications Systems, Inc. d/b/a Call One
US Signal Company, L.L.C. d/b/a RVP Fiber Company
US Xchange of Illinois, L.L.C. d/b/a Choice One d/b/a Choice One Communications
VarTec Solutions, Inc.
VarTec Telecom, Inc.
Verizon Avenue Corp.
Verizon North Inc.
Verizon Select Services Inc.
Verizon South Inc.
Vertex Broadband, Corp. d/b/a AthenaTel d/b/a Reason to Switch
d/b/a TownLink Communications d/b/a INT Connections
VinaKom, Inc. d/b/a VinaKom Communications
Viola Home Telephone Company
Volo Communications of Illinois, Inc.
Wabash Independent Networks, Inc.
Wabash Telephone Cooperative, Inc.
WilTel Communications, LLC
WilTel Local Network, LLC
Winstar Communications, LLC
Woodhull Telephone Company
Working Assets Funding Services (Inc.)
XO Communications Services, Inc.
Yates City Telephone Company
Yipes Enterprise Services, Inc.

IDT America, Corp.
I-Element, Inc.
IlliCom Telecommunications, Inc.
Illinois IntraNetwork, Inc.
Infotelecom, LLC
Integrated Communications Consultants, Inc.
Intelligent Switch Services, LLC
Inter-Tel NetSolutions, Inc.
iP Tel, LLC
Kayla Communications, Inc.
KBS Computer Services, Inc.
Kentucky Data Link, Inc. d/b/a Cinergy Networks
King City Telephone, LLC d/b/a Southern Illinois Communications
Level 3 Communications, L.L.C.
Levin Telecommunications, Corp.
Lightspeed Telecom, LLC
Line 1 Communications, LLC d/b/a Direct Line Communications
Local Fiber L.L.C.
Local Line America, Inc.
Long Distance of Michigan, Inc., d/b/a LDMI Telecommunications
Looking Glass Networks, Inc.
Loop Telecom, L.P.
Madison Network Systems, Inc.
Master Call Communications, Inc.
MCC Telephony of Illinois, Inc.
McGraw Communications, Inc.
MCImetro Access Transmission Services, Inc.
Metro Teleconnect Companies, Inc.
Metropolitan Telecommunications of Illinois, Inc. d/b/a MetTel
Neon Telephone, Inc.
Network US, Inc. d/b/a CA Affinity
NetworkIP, L.L.C. d/b/a Elite Telecom
Neutral Tandem-Illinois, LLC
New Access Communications, LLC
New Edge Network, Inc. d/b/a New Edge Networks
New Millennium Telecommunications, Inc.
NextG Networks of Illinois, Inc.
nii communications, Ltd.
North County Communications Corporation
Novacon Holdings LLC
Novacon LLC
NTERA, Inc.
NTS Services Corp.
OneStar Long Distance, Inc.
OnFiber Carrier Services, Inc.
PersonalOffice, Inc.
PhoneCo, L.P.
Platinumtel Communications, LLC
Poltel, LLC

Table B1 - Certificated Local Exchange Carriers on 3/1/06 (Continued)

DLS Communication Services, Inc.
Dominion Telecom, Inc.
dPi-Teleconnect, L.L.C.
Eagle Communications, Inc.
Easy Call, Inc.
El Paso Global Networks Company
El Paso Networks, L.L.C.
Electric Lightwave, LLC
Empire One Telecommunications, Inc.
Epana Networks, Inc.
Equivoice, L.L.C.
Expedient Carrier Services, LLC
EZ RECONNECT, LLC
FairPoint Carrier Services, Inc.
France Telecom Corporate Solutions L.L.C.
GANTEL, L.L.C.
Geneseo Telephone Company
Global Connection Inc. of America
Global NAPs Illinois, Inc.
Globalcom Inc.
GlobalEyes Telecommunications, Inc.
Globcom, Inc.
Grid 4 Communications, Inc.
Gridley Communications, Inc.
Hanson Telecommunications, Inc.
Henry County Communications Services, Inc.
Home TeleNetworks, Inc.
IBFA Acquisition Company, LLC d/b/a Farm Bureau Connection
ICG Telecom Group, Inc.
Premiere Network Services, Inc.
Primo Communications, Inc.
Primus Telecommunications, Inc.
ProCom International, Ltd.
PT Communications, Inc.
Quick-Tel Communications, Inc.
Ripple Communications, Inc.
ROUTE 24 Computers, Inc.
ShawneeLink Corporation
SNG Communications, L.L.C.
SOS Telecom, Inc.
Supra Telecommunications and Information Systems, Inc.
Symatec Communications, LLC
TelCove Operations, Inc.
Telecom Management, Inc. d/b/a SBA of America d/b/a Pioneer Telephone
Telecourier Communications Corporation
Telscape Communications, Inc.
Trans National Communications International, Inc.
Tri-City Regional Port District d/b/a River's Edge Telecommunications
U.S. Fiber LLC
U.S. Gas Electric & Telecommunications Corp.
UCN, Inc.
Universal Access, Inc.
US TelePacific Corp. d/b/a TelePacific Communications
V & T Communications, Inc.
Vanco Direct USA, LLC
Virtual Office Services, Inc. d/b/a Aspen Datacom
Worldwide Telecommunications Inc.
Zone Telecom, Inc.

Table B2 – Carriers that Responded to the ICC Competition Data Request

1-800-RECONEX, Inc. d/b/a Ustel
360networks (USA) inc.
Access2Go, Inc.
ACN Communication Services, Inc.
Adams Telephone Co-Operative
Adams TelSystems, Inc.
Advanced TelCom, Inc. d/b/a Advanced TelCom Group d/b/a ATG
Airdis, LLC d/b/a Airdis Telecom
Alhambra-Grantfork Telephone Company
AmeriMex Communications Corp.
Ameritech Advanced Data Services of Illinois, Inc. d/b/a AT&T Advanced Solutions
AMI Communications, Inc.
AT&T Communications of Illinois, Inc.
B & S Telecom, Inc. d/b/a Quick Connect USA d/b/a Consumers Telephone Company
BellSouth Long Distance, Inc.
Bergen Telephone Company
Birch Telecom of the Great Lakes, Inc.
Broadwing Communications, LLC
Cambridge Telcom Services, Inc.
Cambridge Telephone Company
Cass Telephone Company
CAT Communications International, Inc.
Charter Fiberlink-Illinois, LLC
CIMCO Communications, Inc.
Cinergy Communications Company
Citizens Telecommunications Company of Illinois
d/b/a Frontier Citizens Communications of Illinois
City of Batavia
City of Princeton
City of Springfield
City of St. Charles
Claricom Networks, LLC
Clarity Telecom Local Network Services, Inc.
Clarksville Mutual Telephone Company
Comcast Phone of Illinois, LLC d/b/a Comcast Digital Phone
Computer Network Technology Corporation
ComTech Solutions, L.L.C. d/b/a Integrated Connections
Consolidated Communications Network Services, Inc.
Corecomm Illinois, Inc.
Covad Communications Company
Covista, Inc.
C-R Telephone Company
Crossville Telephone Company, The
Data Net Systems, L.L.C.
Data-Tel of Illinois
Delta Communications, LLC, d/b/a Clearwave Communications
DIGITAL NETWORK ACCESS COMMUNICATIONS, INC.
Diverse Communications, Inc.
DSLnet Communications, LLC
Easton Telecom Services, L.L.C.
EGIX Network Services, Inc.
Egyptian Communication Services, Inc.
Egyptian Telephone Cooperative Association, Inc.
El Paso Telephone Company, The
Ernest Communications, Inc.
Essex Telcom, Inc.
Excel Telecommunications, Inc.
First Communications, LLC
Flat Rock Communications, Inc.
Flat Rock Telephone Co-Op, Incorporated
Forte Communications, Inc.
Frontier Communications - Midland, Inc.
Frontier Communications - Prairie, Inc.
Frontier Communications - Schuyler, Inc.
Frontier Communications of America, Inc.
Frontier Communications of DePue, Inc.
Frontier Communications of Illinois, Inc.
Frontier Communications of Lakeside, Inc.
Frontier Communications of Mt. Pulaski, Inc.
Frontier Communications of Orion, Inc.
Gallatin River Communications L.L.C.
Geneseo Communications Services, Inc.
Glasford Telephone Company
Global Crossing Local Services, Inc.
KMC Data LLC
KMC Telecom V, Inc.
LaHarpe Telephone Company, Inc.
LDMI Telecommunications, Inc.
Leaf River Telephone Company
Lee's Communications, LLC d/b/a Talk & Go
Leonore Mutual Telephone Co., Inc.
Lightyear Network Solutions, LLC
Madison River Communications, LLC
d/b/a Gallatin River Integrated Communications Solutions
Madison Telephone Company
Marion Telephone LLC
Marseilles Telephone Company, The
Matrix Telecom, Inc.
McDonough Telephone Cooperative, Inc.
MCI Communications Services, Inc. d/b/a Verizon Business Services
MCImetro Access Transmission Services LLC d/b/a Verizon Access Transmission Services
McLeodUSA Telecommunications Services, Inc.
McNabb Telephone Company
Metamora Telephone Company
Mid-Century Telephone Cooperative, Inc.
Midwest Telecom of America, Inc.
Midwestern Telecommunications, Incorporated
Montrose Mutual Telephone Company
Moultrie Independent Telephone Company
Moultrie InfoComm, Inc.
Mpower Communications Corp. d/b/a Mpower Communications of Illinois
MTCO Communications, Inc.
Navigator Telecommunications, LLC
New Windsor Telephone Company
Nexus Communications, Inc.
Norlight Telecommunications, Inc.
NOS Communications, Inc. d/b/a International Plus
d/b/a 011 Communications d/b/a The Internet Business Association
d/b/a iVantage Network Solutions d/b/a Blueridge Telecom Systems
NuVox Communications of Illinois, Inc.
Odin Telephone Exchange, Inc.
Oneida Network Services, Inc.
Oneida Telephone Exhange, Inc..
Pacific Centrex Services, Inc.
PaeTec Communications, Inc.
Peak Communications, Inc.
PNG Telecommunications, Inc. d/b/a Powernet Global Communications d/b/a CrossConnect
Preferred Carrier Services, Inc.
QuantumShift Communications, Inc.
Qwest Communications Corporation
Qwest Interprise America, Inc.
RCN Telecom Services of Illinois, LLC
Reliant Communications, Inc.
Reynolds Telephone Company
RGT Utilities of California, Inc.
Royal Phone Company LLC
Sage Telecom, Inc.
SBC Advanced Solutions, Inc.
Sharon Telephone Company
Shawnee Telephone Company
Smart Choice Communications LLC
Spectrotel, Inc.
Sprint Communications L.P. d/b/a Sprint Communications Company L.P.
Stelle Telephone Company
Swetland Internet, Inc.
Talk America Inc.
TCG Chicago
TCG Illinois
TCG St. Louis
TDS Metrocom, LLC
Telecom Resources, Inc.
TelNet Worldwide-IL, LLC
Think 12 Corporation d/b/a Hello Depot
Time Warner Telecom of Illinois LLC
Tonica Telephone Company
Trinsic Communications, Inc.
TruComm Corporation
Unite Private Networks-Illinois, LLC

Table B2 – Carriers that Responded to the ICC Competition Data Request (Continued)

Global Crossing Telemanagement, Inc.
Global Internetworking, Inc.
Global TelData II, LLC
Global Teldata, Inc.
Grafton Long Distance Company
Grafton Technologies, Inc.
Grafton Telephone Company
Grandview Mutual Telephone Co.
Granite Telecommunications, LLC
Great America Networks, Inc.
Gridley Telephone Co.
Hamilton County Telephone Co-Op.
Harrisonville Telephone Company
Henry County Telephone Company
Home Telephone Co.
HTC Technologies
Illinois Bell Telephone Company
Illinois Consolidated Telephone Company
Illinois Telephone Corporation
Insight Phone of Illinois, LLC d/b/a Insight Phone
Integrated Solutions, L.L.C.
Intrado Inc.
IQ Telecom, Inc.
Kinsman Mutual Telephone Co.
United Communications Systems, Inc. d/b/a Call One
US Signal Company, L.L.C. d/b/a RVP Fiber Company
US Xchange of Illinois, L.L.C. d/b/a Choice One d/b/a Choice One Communications
VarTec Solutions, Inc.
VarTec Telecom, Inc.
Verizon Avenue Corp.
Verizon North Inc.
Verizon Select Services Inc.
Verizon South Inc.
Vertex Broadband, Corp. d/b/a AthenaTel d/b/a Reason to Switch
d/b/a TownLink Communications d/b/a INT Connections
VinaKom, Inc. d/b/a VinaKom Communications
Viola Home Telephone Company
Volo Communications of Illinois, Inc.
Wabash Independent Networks, Inc.
Wabash Telephone Cooperative, Inc.
WilTel Communications, LLC
WilTel Local Network, LLC
Winstar Communications, LLC
Woodhull Telephone Company
Working Assets Funding Services (Inc.)
XO Communications Services, Inc.
Yates City Telephone Company
Yipes Enterprise Services, Inc.

APPENDIX C: POTS Provisioning Detail

Table C1 – C5 contain detail POTS provisioning information for the 14 Illinois LATAs examined in this report. Table C1 contains POTS lines in each LATA provided by ILECs, CLECs and all LECs combined. Tables C2 and C3 contain similar information regarding, respectively, residential and business POTS line provisioning. Table C4 reports the distributions of lines between residential and business customers for ILECs, CLECs, and all LECs combined. Finally, Table C5 includes information summarizing the methods used by CLECs to provide POTS service.

Table C1 - Retail POTS Provision by LATA
(December 31, 2005)

LATA	LATA Name	All LECs	All LEC Lines	ILECs	ILEC Lines	CLECs	CLEC Lines	CLEC Lines as % if Total
358	CHICAGO ILLINOIS	65	5,738,409	8	4,538,769	57	1,199,640	20.9%
360	ROCKFORD ILLINOIS[1]	32	216,484	4	186,875	28	29,609	13.7%
362	CAIRO ILLINOIS	22	139,164	4	135,938	18	3,226	2.3%
364	STERLING ILLINOIS	27	109,246	5	105,791	22	3,455	3.2%
366	FORREST ILLINOIS	19	130,424	6	127,924	13	2,500	1.9%
368	PEORIA ILLINOIS	35	243,791	9	227,489	26	16,302	6.7%
370	CHAMPAIGN ILLINOIS[2]	31	186,263	4	171,863	27	14,400	7.7%
374	SPRINGFIELD ILLINOIS	30	228,350	6	205,969	24	22,381	9.8%
376	QUINCY ILLINOIS	27	83,634	4	75,849	23	7,785	9.3%
520	ST LOUIS MISSOURI	36	385,345	10	350,130	26	35,215	9.1%
634	DAVENPORT IOWA	31	119,983	9	111,667	22	8,316	6.9%
976	MATTOON ILLINOIS	11	98,599	5	98,429	6	170	0.2%
977	MACOMB ILLINOIS	15	61,246	8	60,970	7	276	0.5%
978	OLNEY ILLINOIS	12	65,020	6	64,401	6	619	1.0%
	Statewide	114	7,805,958	45	6,462,064	69	1,343,894	17.2%

[1] Includes information for those portions of the SE and SW Wisconsin LATAs located in Illinois.

[2] Includes information for those portions of the Indianapolis Indiana and Terre Haute Indiana LATAs located in Illinois.

Table C2 - Residential Retail POTS Provision by LATA
(December 31, 2005)

LATA	LATA Name	All LECs	All LEC Lines	ILECs	ILEC Lines	CLECs	CLEC Lines	CLEC Lines as % if Total
358	CHICAGO ILLINOIS	46	3,017,416	8	2,562,444	38	454,972	15.1%
360	ROCKFORD ILLINOIS[1]	24	137,619	4	126,188	20	11,431	8.3%
362	CAIRO ILLINOIS	17	95,740	4	94,181	13	1,559	1.6%
364	STERLING ILLINOIS	19	73,144	5	71,219	14	1,925	2.6%
366	FORREST ILLINOIS	14	81,558	6	81,436	8	122	0.1%
368	PEORIA ILLINOIS	27	159,751	9	151,450	18	8,301	5.2%
370	CHAMPAIGN ILLINOIS[2]	21	105,746	4	98,914	17	6,832	6.5%
374	SPRINGFIELD ILLINOIS	21	126,869	6	116,730	15	10,139	8.0%
376	QUINCY ILLINOIS	19	55,011	4	51,144	15	3,867	7.0%
520	ST LOUIS MISSOURI	28	271,237	10	247,523	18	23,714	8.7%
634	DAVENPORT IOWA	23	75,322	9	70,500	14	4,822	6.4%
976	MATTOON ILLINOIS	5	70,154	5	70,154	0		
977	MACOMB ILLINOIS	11	42,770	8	42,756	3	134*	0.1%*
978	OLNEY ILLINOIS	10	46,749	6	46,629	4		
	Statewide	93	4,359,086	45	3,831,268	48	527,818	12.1%

[1] Includes information for those portions of the SE and SW Wisconsin LATAs located in Illinois.

[2] Includes information for those portions of the Indianapolis Indiana and Terre Haute Indiana LATAs located in Illinois.

* Combined figure for the Mattoon, Macomb, and Olney LATAs.

Table C3 - Business Retail POTS Provision by LATA
(December 31, 2005)

LATA	LATA Name	All LECs	All LEC Lines	ILECs	ILEC Lines	CLECs	CLEC Lines	CLEC Lines as % if Total
358	CHICAGO ILLINOIS	55	2,720,993	8	1,976,325	47	744,668	27.4%
360	ROCKFORD ILLINOIS[1]	24	78,865	4	60,687	20	18,178	23.0%
362	CAIRO ILLINOIS	17	43,424	4	41,757	13	1,667	3.8%
364	STERLING ILLINOIS	19	36,102	5	34,572	14	1,530	4.2%
366	FORREST ILLINOIS	16	48,866	6	46,488	10	2,378	4.9%
368	PEORIA ILLINOIS	29	84,040	9	76,039	20	8,001	9.5%
370	CHAMPAIGN ILLINOIS[2]	23	80,517	4	72,949	19	7,568	9.4%
374	SPRINGFIELD ILLINOIS	23	101,481	6	89,239	17	12,242	12.1%
376	QUINCY ILLINOIS	23	28,623	4	24,705	19	3,918	13.7%
520	ST LOUIS MISSOURI	30	114,108	10	102,607	20	11,501	10.1%
634	DAVENPORT IOWA	25	44,661	9	41,167	16	3,494	7.8%
976	MATTOON ILLINOIS	11	28,445	5	28,275	6		
977	MACOMB ILLINOIS	14	18,476	8	18,214	6	931*	1.4%*
978	OLNEY ILLINOIS	11	18,271	6	17,772	5		
	Statewide	103	3,446,872	45	2,630,796	58	816,076	23.7%

[1] Includes information for those portions of the SE and SW Wisconsin LATAs located in Illinois.

[2] Includes information for those portions of the Indianapolis Indiana and Terre Haute Indiana LATAs located in Illinois.

* Combined figure for the Mattoon, Macomb, and Olney LATAs.

Table C4 - Retail POTS Provision Business Percentage by LATA
(December 31, 2005)

LATA	LATA Name	All LECs		ILECs		CLECs	
		% Res	% Bus	% Res	% Bus	% Res	% Bus
358	CHICAGO ILLINOIS	52.6%	47.4%	56.5%	43.5%	37.9%	62.1%
360	ROCKFORD ILLINOIS[1]	63.6%	36.4%	67.5%	32.5%	38.6%	61.4%
362	CAIRO ILLINOIS	68.8%	31.2%	69.3%	30.7%	48.3%	51.7%
364	STERLING ILLINOIS	67.0%	33.0%	67.3%	32.7%	55.7%	44.3%
366	FORREST ILLINOIS	62.5%	37.5%	63.7%	36.3%	4.9%	95.1%
368	PEORIA ILLINOIS	65.5%	34.5%	66.6%	33.4%	50.9%	49.1%
370	CHAMPAIGN ILLINOIS[2]	56.8%	43.2%	57.6%	42.4%	47.4%	52.6%
374	SPRINGFIELD ILLINOIS	55.6%	44.4%	56.7%	43.3%	45.3%	54.7%
376	QUINCY ILLINOIS	65.8%	34.2%	67.4%	32.6%	49.7%	50.3%
520	ST LOUIS MISSOURI	70.4%	29.6%	70.7%	29.3%	67.3%	32.7%
634	DAVENPORT IOWA	62.8%	37.2%	63.1%	36.9%	58.0%	42.0%
976	MATTOON ILLINOIS	71.2%	28.8%	71.3%	28.7%	0.0%	100.0%
977	MACOMB ILLINOIS	69.8%	30.2%	70.1%	29.9%	5.1%	94.9%
978	OLNEY ILLINOIS	71.9%	28.1%	72.4%	27.6%	19.4%	80.6%
	Statewide	55.8%	44.2%	59.3%	40.7%	39.3%	60.7%

[1] Includes information for those portions of the SE and SW Wisconsin LATAs located in Illinois.

[2] Includes information for those portions of the Indianapolis Indiana and Terre Haute Indiana LATAs located in Illinois.

Table C5 - CLEC Retail POTS Provisioning Methods by LATA
(December 31, 2005)

LATA	LATA Name	Own Facilities			UNE-L			UNE-P			Resale		
		CLECs	Lines	% of CLEC Lines	CLECs	Lines	% of CLEC Lines	CLECs	Lines	% of CLEC Lines	CLECs	Lines	% of CLEC Lines
358	CHICAGO ILLINOIS	5	626,617	52.2%	10	179,230	14.9%	35	323,345	27.0%	23	70,448	5.9%
520	ST LOUIS MISSOURI	2			3			19			10		
360	ROCKFORD ILLINOIS[1]	1			5			22			8		
362	CAIRO ILLINOIS	0			3			15			3		
364	STERLING ILLINOIS	2			2			16			7		
366	FORREST ILLINOIS	0			2			10			3		
368	PEORIA ILLINOIS	2	9,074*	6.3%*	3	66,553*	46.1%*	20	61,630*	42.7%*	10	6,997*	4.9%*
370	CHAMPAIGN ILLINOIS[2]	1			2			23			8		
374	SPRINGFIELD ILLINOIS	1			2			20			8		
376	QUINCY ILLINOIS	3			2			17			7		
634	DAVENPORT IOWA	3			1			15			8		
976	MATTOON ILLINOIS	0			1			4			3		
977	MACOMB ILLINOIS	0			1			5			3		
978	OLNEY ILLINOIS	0			0			6			2		
	Statewide	11	635,691	47.3%	16	245,783	18.3%	37	384,975	28.6%	29	77,445	5.8%

(1) Includes information for those portions of the SE and SW Wisconsin LATAs located in Illinois.
(2) Includes information for those portions of the Indianapolis Indiana and Terre Haute Indiana LATAs located in Illinois.
* Combined figures for all Illinois LATAs outside the Chicago LATA.