

Annual Report on Telecommunications Markets in Illinois

Submitted to the Illinois General Assembly
Pursuant to Section 13-407 and 13-301(b) of the
Illinois Public Utilities Act



Illinois Commerce Commission
527 East Capitol Avenue
Springfield, Illinois 62701

September 2008

STATE OF ILLINOIS



ILLINOIS COMMERCE COMMISSION

September 10, 2008

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,

A handwritten signature in black ink that reads "Charles E. Box".

Charles E. Box
Chairman

cc: Illinois State Library

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EXECUTIVE SUMMARY

This report presents summary statistics on competition in basic local telephone services and the deployment of high speed services in Illinois. It is the seventh 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 competition in the areas of telephone and high speed service. The following are selected highlights from the facts and findings in this Report:

- 45 incumbent local exchange carriers (ILECs) and 80 competitive local exchange carriers (CLECs) reported providing POTS (“plain old telephone service”) to Illinois customers as of December 31, 2007. These figures compare to 45 ILECs and 91 CLECs reporting as of December 31, 2006.
- CLECs provided approximately 1.4 million (or 20%) of the roughly 7.1 million reported Illinois POTS lines in service at year-end 2007. The number of CLEC reported POTS lines increased in Illinois from approximately 1.1 million at year-end 2006 to approximately 1.4 million at year-end 2007. This increase was, in part, attributable to reports received from providers that were providing service, but that did not report in the past.

- ILECs provided approximately 5.7 million (or 80%) of the roughly 7.1 million reported Illinois POTS lines in service at year-end 2007. The number of ILEC reported POTS lines decreased in Illinois from approximately 6.1 million at year-end 2006 to approximately 5.7 million at year-end 2007.
- The number of reported POTS lines in Illinois decreased between year-end 2001 and year-end 2007 by nearly 2 million lines (or nearly 22%).
- Based on estimates derived from residential E-911 listings, approximately 500,000 residential competitive provider lines were provided by providers that, due to regulatory uncertainties, do not report line counts to the Commission. If these lines are added to the reported CLEC POTS counts then CLECs provided approximately 1.9 million (or 25%) of the roughly 7.6 million estimated Illinois POTS lines.
- Approximately 46% of the 1.4 million reported CLEC POTS lines (or approximately 635,000 lines) in Illinois were provided over CLEC owned loops.
- Mobile-wireless subscribership continued to grow between mid-year 2006 and mid-year 2007 as it has for several years. The number of wireless subscribers in Illinois at mid-year 2007 (approximately 9.9 million) exceeds not only wireline subscribers reported for year-end 2007, but reported wireline subscribers for all periods since the Commission began producing reports pursuant to Section 13-407.
- High speed subscribership continues to increase in Illinois. Illinois providers served nearly 4.3 million Illinois high speed customers as of June 30, 2007. These figures compare to 2.7 million Illinois high speed customers as of December 31, 2006.

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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 high speed and wireless provisioning.

This current Report, dated September 10, 2008, 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, 2007). This current Report similarly updates information on high speed and wireless provisioning based on the most recent data made available by the FCC (as of June 30, 2007).

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 C4). 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 February 5, 2008 and lists the carriers responding to the Commission's year-end 2007 data request.

II. TELEPHONE SERVICES

A. Overview

"POTS" (plain old telephone service) is the acronym often used to refer to basic local voice service provided over the wireline 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 are providing POTS service over alternative technologies, such as fiber optics and associated electronics which allow multiple customers to make 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, 2007.

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 wireline 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 historically have obtained 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 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.

² Such carriers were requested to report to the Commission information separately for ILEC and CLEC operational units. With the 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 Illinois Bell Telephone Company ILEC service areas have been treated as though provided by Illinois Bell Telephone Company. 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 local telecommunications customers.

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 a portion of the facilities needed to serve end-user customers from ILECs as unbundled network elements (UNEs),
- Purchasing telecommunications services from ILECs at discounted prices and reselling these services to customers.

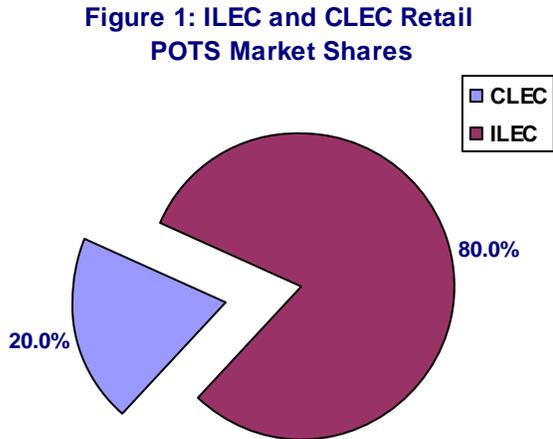
Recently, competitors have increasingly adopted two additional methods of entry:

- Leasing all or a portion of the facilities needed to serve end-user customers from ILECs under commercial agreements,
- Leasing or purchasing telecommunications services from non-ILECs at discounted prices and reselling these services to customers.

This report summarizes the use of each of these five methods by CLECs in Illinois. Regardless of the method utilized by a CLEC, 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 2007, reporting CLECs provided approximately 20% of all reported retail POTS lines in Illinois.



In total, approximately 7.1 million total retail POTS lines were reported in Illinois. ILECs provided approximately 5.7 million lines (or 80%), while reporting CLECs provided approximately 1.4 million lines (or 20%). Table 1 displays these figures and comparable figures for year-end 2001, 2002, 2003, 2004, 2005, and 2006.

Table 1: Retail POTS Lines in Illinois

<i>Date</i>	<i>Total Lines</i>	<i>ILEC Lines</i>	<i>CLEC Lines</i>	<i>CLEC Share</i>
<i>Dec 2001</i>	9,036,493	7,628,679	1,407,814	16%
<i>Dec 2002</i>	8,727,943	7,029,967	1,697,976	19%
<i>Dec 2003</i>	8,327,835	6,549,268	1,778,567	21%
<i>Dec 2004</i>	8,103,503	6,262,826	1,840,677	23%
<i>Dec 2005</i>	7,805,958	6,462,064	1,343,894	17%
<i>Dec 2006</i>	7,221,713	6,108,281	1,113,432	15%
<i>Dec 2007</i>	7,061,103	5,684,221	1,376,882	20%

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

while the remaining 41 ILECs provided approximately 3% of the total ILEC lines in Illinois.⁴

Eighty CLECs reported providing retail POTS service in Illinois.⁵ Of these 80 CLECs, the 5 largest (Comcast Corporation, Level 3 Communications, Inc., Globalcom, Inc, Verizon Communications, Inc. and XO Holdings, Inc.) accounted for approximately 60% of all reported CLEC retail POTS lines, while the remaining 75 CLECs provided approximately 40% of all reported CLEC retail POTS lines.

Table 2: Retail POTS Providers in Illinois

<i>Date</i>	<i>No. of Retail POTS Providers Reporting</i>	<i>No. of ILEC POTS Providers Reporting</i>	<i>No. of CLEC POTS Providers Reporting</i>
<i>Dec 2001</i>	82	47	35
<i>Dec 2002</i>	94	49	45
<i>Dec 2003</i>	102	49	53
<i>Dec 2004</i>	114	49	65
<i>Dec 2005</i>	114	45	69
<i>Dec 2006</i>	136	45	91
<i>Dec 2007</i>	125	45	80

The number of lines reported by CLECs generally increased between year-end 2001 and year-end 2004. However, as shown in Table 1, the number of reported CLEC lines decreased between year-end 2004 and year-end 2005, and again between year-end 2005 and year-end 2006. Reductions between year-end 2004 and year-end 2005 were attributable in no small part to the merger, completed in 2005, between SBC Communications, Inc. and AT&T Corp. This merger caused lines formerly reported by the former CLEC AT&T Corp.

⁴ Two mutual incumbent local exchange carriers, Clarksville Mutual Telephone and Kinsman Mutual Telephone did not report line counts to the Commission for year-end 2007. They are, however, included in ILEC carrier counts above. Year-end 2007 line counts for these two entities were assumed to be the same as line counts reported by these two entities for year-end 2005.

⁵ This figure treats affiliated CLECs under common control as a single competitive entity.

(and/or its CLEC affiliates) to be reclassified as ILEC lines for purposes of this report. This merger does not, however, account for the entire decrease in reported CLEC lines between year-end 2004 and year-end 2005, nor does it account for any of the reduction in CLEC reported lines between year-end 2005 and year-end 2006.

The decreases between year-end 2005 and year-end 2006 in CLEC reported lines reflect, at least in part, increased competition from non-reporting providers. The implications of this increased competition are discussed in the next section.

C. Competition from Non-Reporting Providers

As Table 1 shows, the total reported retail POTS lines fell by approximately 2 million lines (or nearly 22%) over the six year period between year end 2001 and year end 2007. The largest single year decrease occurred in the period year-end 2005 to year-end 2006. Between year-end 2005 and year-end 2006 the total number of reported retail POTS lines fell by over 580,000 (nearly 7.5%). As there is no evidence to suggest or reason to believe that overall demand for telecommunications services is shrinking, these reductions in total reported lines strongly suggest that customers are substituting non-reported telecommunications services for reported POTS services.

There are several substitutes for reported POTS service that likely are not reflected in the figures reported in Table 1. Two services in particular serve, to some degree, as substitutes for POTS services, but are not fully reflected in the competition numbers reported above. The first such service is wireless mobile or cellular service. The second is voice over Internet protocol or VoIP service.

In the past, most telecommunications customers purchased cellular service in addition to, rather than as a substitute for, their traditional wireline

POTS service.⁶ As noted by the FCC, however, recent survey data and substitution studies indicate that consumers increasingly are substituting wireless service for wireline service.⁷ These data indicate that by the second half of 2006 approximately 13% of the adult population lived in households with only wireless service, which suggests that the decline in reported POTS lines in Illinois is, in part, a result of wireless substitution.⁸ Unfortunately, information elicited from providers does not lend itself to identification of substitution patterns that would reveal how much of the reduction in reported POTS lines in Illinois can be explained by wireless substitution. Nor does it shed any light on how wireless substitution patterns may differ across areas in Illinois. Nevertheless, wireless substitution is undoubtedly influencing the competitive information provided in this report.

VoIP services also can be substituted to some degree for POTS lines. While the term VoIP has not been precisely defined, many VoIP services closely resemble traditional circuit switched telephone service, except they are provided using Internet protocol technologies. Variations of VoIP service include non-nomadic (facilities-based) services that customers may use from only a single location, and nomadic services that customers can access from multiple locations (e.g., from any broadband access point).

It is generally presumed that customers subscribing to VoIP services do so in substitution of, rather in addition to, their traditional wireline POTS service. Assuming this to be the case, line count based analyses of VoIP service should be able to illuminate competitive substitution patterns between VoIP and

⁶ Since provider reported line counts, like those summarized in this report, do not reveal whether and where customers have substituted cellular service for some or all of their traditional wireline POTS lines, line count based analyses of competition have generally excluded wireless lines from counts used to calculate incumbent carrier market shares.

⁷ Federal Communications Commission, Twelfth Report, In the Matter of Implementation of Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993, Annual Report and Analysis of Competitive Market Conditions With Respect to Commercial Mobile Services, FCC 08-28, Released February 4, 2008, at ¶¶ 246-249.

⁸ Id. at ¶ 248.

traditional wireline service. Unfortunately, the uncertain regulatory status of the various VoIP services and providers impairs the Commission's ability to gather line count information from VoIP providers.

Reported reductions in POTS lines in Illinois between 2001 and 2005 are likely attributable, in part, to the fact that both nomadic and non-nomadic VoIP lines were not included in the total reported line counts. In the Commission's year-end 2006 Competition Data Request, providers of POTS service utilizing non-nomadic (i.e., facilities-based) VoIP technologies were asked to provide line count information to the Commission.⁹ While some VoIP providers cooperated with this request, others did not. In the most recent Competition Data Request, providers of POTS service utilizing non-nomadic (i.e., facilities-based) VoIP technologies were asked again to provide line count information to the Commission. Cooperation between 2006 and 2007 requests improved significantly. Therefore, the increase in POTS lines reported by competitive providers between year-end 2006 and year-end 2007 in part is attributable to an increase in the number of lines being reported to the Commission.

While many VoIP providers now report their VoIP lines counts to the Commission, some providers, notably nomadic VoIP providers, do not. This problem is not entirely insurmountable. As a result of their 911 obligations, VoIP providers supply 911 service information that is used to populate E-911 databases. E-911 information can be used as a proxy for line count information.

Companies that maintain E-911 databases in Illinois reported to the Commission counts of non-wireless E-911 listings in Illinois at year-end 2007. Typically, E-911 databases contain information for each residential line in the communities served by the E-911 system. Thus, E-911 listings provide a

⁹ While customers likely do substitute both non-nomadic and nomadic VoIP services for their traditional wireline VoIP service, nomadic VoIP services do not as readily correspond to any particular LATA or even state as do non-nomadic VoIP services. Thus, only non-nomadic VoIP providers were requested to report Illinois provisioning information to the Commission.

reasonably accurate proxy of the number of residential telephone lines in the communities served by E-911 systems. These counts do not, however, provide a perfect proxy. For example, a few selected communities do not yet have E-911 systems, which will cause the number of reported residential E-911 lines to fall short of the number of residential telephone lines in service.¹⁰ Similarly, E-911 listings will fall short of the number of residential telephone lines in service because, while the FCC has required providers using VoIP technologies to provide E-911 service, not all VoIP providers are in full compliance. Thus, E-911 listings likely understate the number of residential telephone lines in service.¹¹

Assuming available E-911 data provide a reasonable proxy of the number of residential telephone lines in Illinois, the number of unreported competitive residential telephone lines in Illinois can be estimated by examining the difference between E-911 listings and the number of lines reported to the Commission. Year-end 2007 E-911 figures suggest that approximately 500,000 residential competitive provider lines went unreported to the Commission at year-end 2007.¹²

Table 3: Retail Lines in Illinois (with Estimated Non-Reported Residential E-911 Listings)

<i>Date</i>	<i>Total Lines</i>	<i>ILEC Lines</i>	<i>CLEC Lines</i>	<i>CLEC Share</i>
<i>Dec 2007</i>	7,557,568	5,684,221	1,873,347	25%

¹⁰ For information on the E-911 systems, including their availability across Illinois, see Illinois Commerce Commission, October 2007 Report, 9-1-1 Emergency, Released October 2007.

¹¹ There are also factors that could cause E-911 listings to overstate the number of residential telephone lines in service. For example, E-911 listings might overstate publicly provided telecommunications lines because of a provider's failure to remove listings for customers that have discontinued service in a timely manner. The analysis contained above is premised on the assumption that such factors are relatively insignificant. Nevertheless, as cautioned above, without systematic evidence that would shed light on the accuracy of these assumptions, caution should be exercised when interpreting the results reported here.

¹² In areas where there is no E-911 system, line counts were reported that were not reflected in the E-911 system. Thus, for example, in the Quincy LATA, where there were several areas without E-911 at the end of 2007, reported line counts actually exceeded E-911 counts. E-911 information for LATAs where E-911 line counts fell below reported line counts are excluded from the figures above.

This estimated total of 500,000 unreported residential CLEC lines at year-end 2007 likely falls short of the actual number of unreported lines. For example, the estimated number of unreported lines would increase if the E-911 data included listings for areas in which E-911 service was not available at year-end 2007, and if all VoIP providers had fully functional E-911 capabilities. The information reported in Table 3 also fails to consider the degree to which business lines are unreported, and the degree to which customers are substituting wireless service for wireline service. Thus, there remains, based on the reductions in line counts reported in Table 1, lost retail lines that cannot be explained by information contained in the E-911 data.

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 (now AT&T Illinois) were permitted to carry telephone traffic following their divestiture 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 and encompass relatively few Illinois customers.¹³ Information

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

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

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 4 – Illinois LATA Demographic Data
U.S. Census 2000**

<i>LATA Name</i>	<i>Area (Sq. Miles)</i>	<i>Population</i>	<i>No. of Households</i>	<i>Population per Sq. Mile</i>	<i>Households per Sq. Mile</i>
<i>Chicago, IL</i>	8,504	8,410,544	3,025,532	989	356
<i>Rockford, IL</i> ¹	2,124	397,119	153,045	187	72
<i>Springfield, IL</i>	3,028	352,223	144,596	116	48
<i>St Louis, MO</i>	6,718	781,199	299,332	116	45
<i>Champaign, IL</i> ²	3,635	328,037	129,890	90	36
<i>Davenport, IA</i>	2,058	219,120	87,962	106	43
<i>Peoria, IL</i>	4,834	471,493	185,114	98	38
<i>Sterling, IL</i>	2,966	226,357	84,774	76	29
<i>Forrest, IL</i>	3,698	261,915	98,749	71	27
<i>Cairo, IL</i>	4,863	308,127	122,875	63	25
<i>Mattoon, IL</i>	4,248	227,242	88,247	53	21
<i>Quincy, IL</i>	3,682	161,005	62,415	44	17
<i>Macomb, IL</i>	3,248	136,242	53,061	42	16
<i>Olney, IL</i>	4,309	138,670	56,187	32	13
<i>Total - All LATAs</i>	57,914	12,419,293	4,591,779	214	79
<i>Average</i>	4,137	887,092	327,984	---	---
<i>Standard Deviation</i>	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 4 displays basic demographic information for each Illinois LATA. It reveals that there is considerable variation in LATA demographics within Illinois. Not surprisingly, the Chicago LATA surpasses all others in Illinois with respect to both total population and population density.

Table 5 shows CLEC market shares by LATA. The market shares displayed are based upon reported POTS lines, and estimates of residential lines contained in the E-911 information not reported directly to the Commission.

**Table 5: CLEC Market Shares by LATA
December 31, 2007**

<i>LATA Name</i>	<i>Reported CLEC Market Share</i>	<i>Reported CLEC Residential Market Share</i>	<i>Reported CLEC Business Market Share</i>	<i>CLEC Market Share with Estimated Unreported Residential E- 911 Capable VoIP Lines</i>	<i>CLEC Residential Market Share with Estimated Unreported Residential E- 911 Capable VoIP Lines</i>
<i>Statewide</i>	19.5%	18.1%	21.4%	24.8%	27.1%
<i>Chicago, IL</i>	22.4%	21.5%	23.6%	24.9%	26.0%
<i>Rockford, IL¹</i>	14.8%	7.5%	26.4%	34.4%	37.8%
<i>Cairo, IL</i>	11.1%	8.8%	15.7%	21.5%	23.8%
<i>Sterling, IL</i>	11.6%	12.9%	9.0%	25.9%	32.7%
<i>Forrest, IL</i>	11.2%	8.0%	15.9%	25.4%	30.3%
<i>Peoria, IL</i>	10.8%	6.8%	16.9%	32.7%	39.3%
<i>Champaign, IL²</i>	9.0%	10.0%	7.8%	24.7%	34.9%
<i>Springfield, IL</i>	7.8%	5.7%	10.1%	22.0%	30.1%
<i>Quincy, IL</i>	8.8%	5.1%	15.2%	8.8%	5.1%
<i>St Louis, MO</i>	15.9%	16.7%	14.2%	23.0%	26.4%
<i>Davenport, IA</i>	13.2%	16.7%	7.0%	25.2%	33.5%
<i>Mattoon, IL</i>	10.7%	5.9%	20.2%	20.8%	21.1%
<i>Macomb, IL</i>	2.7%	2.6%	2.7%	10.3%	13.6%
<i>Olney, IL</i>	5.0%	3.8%	8.0%	5.0%	3.8%

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

E. CLEC Methods of Provisioning Retail POTS Lines

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

- Building and using their own facilities exclusively,
- Leasing a portion of the facilities needed to serve end-user customers from ILECs as unbundled network elements,
- Leasing all or a portion of the facilities needed to serve end-user customers from ILECs under commercial agreements,
- Purchasing telecommunications services from ILECs at discounted prices and reselling these services to customers.

- Leasing or purchasing telecommunications services from non-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.

Several of the approaches identified above are self-explanatory. Some, however, warrant further discussion. The basic network elements used in the provision of POTS include local loops (connecting customer premises to telephone company switching equipment), local switching, and interoffice transport (between telephone company switches). In some circumstances CLECs may lease some of these basic network elements from an ILEC pursuant to ILEC obligations under federal and/or state law. CLECs can 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.¹⁸ 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.

In certain cases, CLECs lease all of the basic network elements from an ILEC. Unbundled network element platform (UNE-P) was typically the term applied to describe leasing arrangements for complete 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

¹⁸ 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.

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. Although ILECs have been relieved of many federal and state obligations to provide UNE-P, several carriers continue to report that they provide service using UNE-P arrangements.

CLECs also have entered into commercial leasing agreements whereby they are able to lease such combinations according to commercially negotiated rates. As federal and state laws have changed over time, CLECs increasingly are leasing combinations of elements pursuant to commercial agreement with ILECs. These agreements typically involve an ILEC providing to a CLEC network elements at rates, terms and conditions negotiated between the parties (rather than at rates determined pursuant to state or federal law). Because many reporting carriers are no longer able to, or simply do not, distinguish between element combinations leased through UNE-P arrangements and such combinations leased through commercial agreements, lines provided through these two methods are consolidated in the figures below.

Table 6 shows that at year-end 2007, approximately 636,000 CLEC retail POTS lines in Illinois (46% of the CLEC total) were provisioned entirely over CLEC owned facilities. Approximately 533,000 CLEC retail POTS lines (39% of all CLEC lines) were provisioned over facilities leased (in part or in whole) from ILECs. Approximately 196,000 CLEC lines (about 19%) were provided by CLECs purchasing discounted services from ILECs and reselling them to their customers. Finally, about 13,000 lines (or about 1%) were provided by CLECs using non-ILEC third party facilities and/or services.

Table 6: CLEC Reported Retail POTS Lines by Provisioning Method
(Percentages of Total for Each Year in Brackets)

	<i>Own Facilities</i>	<i>UNE-L</i>	<i>UNE-P³</i>	<i>Resale from ILEC</i>	<i>Commercial Agreement with ILEC¹</i>	<i>Use of 3rd Party Non-ILEC²</i>	<i>All Methods</i>
<i>Dec 2001</i>	460,598 (33%)	314,459 (22%)	314,718 (22%)	318,039 (23%)	NA	NA	1,407,814 (100%)
<i>Dec 2002</i>	433,131 (26%)	355,658 (21%)	644,932 (38%)	264,255 (16%)	NA	NA	1,697,976 (100%)
<i>Dec 2003</i>	434,524 (24%)	362,102 (20%)	804,036 (45%)	177,905 (10%)	NA	NA	1,778,567 (100%)
<i>Dec 2004</i>	616,218 (34%)	278,616 (15%)	793,410 (43%)	152,433 (8%)	NA	NA	1,840,677 (100%)
<i>Dec 2005</i>	635,691 (47%)	245,783 (18%)	384,975 (29%)	77,445 (6%)	NA	NA	1,343,894 (100%)
<i>Dec 2006</i>	369,098 (33%)	311,131 (28%)	59,076 (5%)	139,202 (13%)	209,048 (19%)	25,877 (2%)	1,113,432 (100%)
<i>Dec 2007</i>	635,391 (46%)	277,319 (20%)	NA	195,667 (14%)	255,825 (19%)	12,670 (1%)	1,376,882 (100%)
¹ Category added in 2006. Prior to 2006 lines in this category, if any, may have been included along with UNE-P and/or resale. ² Category added in 2006. Prior to 2006 lines in this category may have been included along with resale. ³ Lines reported as UNE-P are, beginning with Dec 2007, included as lines in the Commercial Agreement with ILEC category.							

As Table 7 shows, 15 CLECs provided some POTS service completely over their own facilities. Thirty-nine CLECs provided some POTS service entirely over leased facilities. Eighteen CLECs provided some POTS service over some combination of their own facilities and leased facilities. Statewide, 37 CLECs provided POTS service over resold lines. Finally, 6 CLECs provided POTS service using non-ILEC third party facilities and/or services.

Table 7: CLEC Retail POTS Providers by Provisioning Method

	<i>Own Facilities</i>	<i>UNE-L</i>	<i>UNE-P²</i>	<i>Resale</i>	<i>Commercial Agreement with ILEC</i>	<i>Use of 3rd Party Non-ILEC</i>	<i>All Methods¹</i>
<i>Dec 01</i>	11	12	11	23	NA	NA	35
<i>Dec 02</i>	10	14	16	30	NA	NA	45
<i>Dec 03</i>	14	14	23	29	NA	NA	53
<i>Dec 04</i>	14	15	40	28	NA	NA	65
<i>Dec 05</i>	11	16	37	29	NA	NA	69
<i>Dec 06</i>	19	17	21	40	24	13	91
<i>Dec 07</i>	15	18	NA	37	39	6	80

¹ 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.
² Companies reported as UNE-P are, beginning with Dec 2007, included as companies in the Commercial Agreement with ILEC category.

F. Wireline Subscribership

Section 13-301(b) of the Illinois Public Utilities Act requires that the Commission monitor and analyze subscribership in Illinois telecommunications markets, stating that the Commission shall:

...establish a program to monitor the level of telecommunications subscriber connection within each exchange in Illinois, and shall report the results of such monitoring and any actions it has taken or recommends be taken to maintain and increase such levels in its annual report to the General Assembly, or more often if necessary;...

The E-911 database information, described above, provides a means by which the Commission can measure subscribership in Illinois markets. This information allows the Commission to assess subscribership at the exchange level. Table 8 summarizes the exchange level subscribership information contained in the E-911 database.

**Table 8 - Summary of Subscribership by LATA
(December 31, 2007)**

<i>LATA</i>	<i>LATA NAME</i>	<i>Exchanges in LATA</i>	<i>Total Res E-911 Listings</i>	<i>Avg Res E-911 Listings per Exchange</i>	<i>Max Of Res E-911 Listings per Exchange</i>
358	CHICAGO ILLINOIS	177	2,973,149	16,797	125,299
360	ROCKFORD ILLINOIS ¹	38	168,772	4,441	68,991
362	CAIRO ILLINOIS	69	103,549	1,501	9,515
364	STERLING ILLINOIS	41	85,851	2,094	13,950
366	FORREST ILLINOIS	61	93,489	1,533	39,862
368	PEORIA ILLINOIS	91	206,255	2,267	69,128
370	CHAMPAIGN ILLINOIS ²	70	124,378	1,777	34,327
374	SPRINGFIELD ILLINOIS	55	138,660	2,521	47,843
376	QUINCY ILLINOIS	55	46,766	850	16,327
520	ST LOUIS MISSOURI	113	292,196	2,586	27,094
634	DAVENPORT IOWA	40	91,087	2,277	16,761
976	MATTOON ILLINOIS	59	76,784	1,301	8,154
977	MACOMB ILLINOIS	52	42,045	809	10,315
978	OLNEY ILLINOIS	60	42,592	710	4,600

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

G. Mobile Wireless Subscribership

Data on mobile wireless subscribership are reported to the FCC by facilities-based wireless providers on a state-by-state basis. Facilities-based wireless providers serve subscribers using electromagnetic spectrum that they are licensed to utilize or manage.¹⁹ 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.

¹⁹ FCC, Local Telephone Competition: Status as of December 31, 2001, Released July 2002, at 1-2.

Table 9 shows wireless subscribership data for Illinois and for the nation as a whole (reported biannually to the FCC). At mid-year 2007, larger mobile wireless providers reported approximately 9.9 million subscribers in Illinois.

Table 9: Mobile Wireless Subscribers
(Millions)²⁰

	<i>Total US Subscribers</i>	<i>Total IL Subscribers</i>
DEC 1999	79.7	3.9
JUNE 2000	90.6	4.3
DEC 2000	101.0	5.1
JUNE 2001	114.0	5.6
DEC 2001	124.0	5.6
JUNE 2002	130.8	5.4
DEC 2002	138.9	6.5
JUNE 2003	147.6	6.8
DEC 2003	157.0	7.2
JUNE 2004	167.3	7.5
DEC 2004	181.1	8.1
JUNE 2005	192.1	8.2
DEC 2005	203.7	8.7
JUNE 2006	217.4	9.1
DEC 2006	229.6	9.6
June 2007	238.2	9.9

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

²⁰ Source: Federal Communications Commission, Industry Analysis and Technology Division, Wireline Competition Bureau, Local Telephone Competition: Status as of June 30, 2007, Released March 2008. 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).

(kbps) in at least one direction.²¹ This definition matches the definition of “advanced telecommunications services” as used in the PUA.²² This definition also matches that used by the FCC in its data collection activities and analyses of high-speed telecommunications markets.²³

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.²⁴

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.

²¹ 220 ILCS 5/13-517

²² The information presented herein concerns the telecommunications services that are the subject of the provisions of Section 13-517 of the Act.

²³ 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 one report 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.

²⁴ 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.

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.

Technologies in the “other” category include symmetric DSL, traditional T1 wireline, fiber optic to the customer’s premises, satellite, and (terrestrial) fixed wireless technologies.²⁵

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 through a switch to middle mile facilities.

²⁵ 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.

As its name suggests, ADSL provides speeds in one direction (usually downstream) that are greater than the speeds in the other 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

B. Statewide High-Speed Line Subscribership in Illinois

Table 10 shows high-speed line counts nationwide and in Illinois, as reported biannually to the FCC. This table indicates that nationwide and in

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).

Illinois there has been substantial growth in high-speed telecommunications lines over the last several years.

Table 10: High-Speed Lines
(Thousands)²⁸

	Total U.S. Lines	Total IL Lines
DEC 1999	2,754	66
JUNE 2000	4,107	149
DEC 2000	7,070	242
JUNE 2001	9,242	325
DEC 2001	12,793	423
JUNE 2002	15,788	526
DEC 2002	19,881	734
JUNE 2003	22,995	841
DEC 2003	28,230	1,089
JUNE 2004	31,951	1,271
DEC 2004	37,352	1,498
JUNE 2005	42,518	1,817
DEC 2005	51,218	2,160
JUNE 2006	65,271	2,666
DEC 2006	82,810	3,539
JUNE 2007	100,922	4,305

Appendix D presents a map that contains more granular data on high-speed deployment. In particular, Figure D1 depicts zip code areas in Illinois where neither ADSL nor Cable Modem customers were reported to the FCC in June of 2006. It appears that consumers in these areas do not have access to the types of high speed service that are generally directed at residential customers.²⁹

²⁸ Source: Federal Communications Commission, Industry Analysis and Technology Division, Wireline Competition Bureau, High-Speed Services for Internet Access: Status as of June 30, 2007, Released March 2008 and Federal Communications Commission, Industry Analysis and Technology Division, Wireline Competition Bureau, High-Speed Services for Internet Access: Status as of December 31, 2005, Released July 2006. Line counts for periods before June 2005 include only lines provided by large providers (those with over 250 lines in a state).

²⁹ The Commission does not possess information that would indicate whether other technologies are being offered in these areas that are designed (particularly, in terms of pricing)

IV. 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.³⁰

According to the market share information reported here, the CLEC overall POTS market share increased between year-end 2006 and year-end 2007. Given year-to-year reporting inconsistencies this information, should, however, be interpreted with caution. Nevertheless, total reported POTS lines in Illinois declined between year-end 2006 and year-end 2007 (as has occurred 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 may explain, in part, the reported reductions. However, it is not likely these factors explain the entire reduction. Some portion of the reduction in POTS lines undoubtedly is attributable to the fact that many substitutes for POTS services are not reported as CLEC POTS lines to the Commission. It is clear that some 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 accurate an examination based solely on CLEC POTS market shares will be as a gauge of competition in local telephone markets. For, this reason, the information contained in this report must be interpreted with caution.

to appeal to residential customers. Nor does the Commission possess information that would indicate whether ADSL and/or cable modem service is offered in these areas, but that customers simply do not elect to purchase such services.

³⁰ “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.

Even given such limitations, the market share data and other information presented in this report reveal and confirm several broad trends in competitive conditions in Illinois telephone markets. Notably, new entrants increasingly are relying upon their own network facilities, rather than leasing or otherwise utilizing network facilities of the historic incumbent local exchange carriers. Prominent among such competitive entrants are cable television companies, which increasingly have been adopting their preexisting video networks to accommodate entry into Illinois telephony markets. The last year or two also has witnessed several business alliances between cable television providers and traditional voice telephone providers, aimed at facilitating entry into local telecommunications markets across the state. And the available data are consistent with observations that local telephone competition generally is (and individual competitors are) increasingly focused on offering bundled packages of voice telephone, high speed data and video services.

Recommendations for Legislative Action

At this time, the Commission has three specific recommendations for legislative action to accompany this report. Among other things, if acted upon, these recommendations would enable the Commission to update several of its Administrative Rules to better accord with current realities.

Section 13 of (50 ILCS 750/) (Emergency Telephone System Act) is now obsolete and should be repealed. Section 13 requires that every two years each telephone company report to the General Assembly and the Commerce Commission on its implementation of an emergency telephone system. Such reporting has been rendered duplicative and unnecessary by events subsequent to passage of 50 ILCS 750/. Initially this reporting requirement was necessary in order to keep track of all the 9-1-1 implementations in the state. However, now that the majority of the state has been served and has been tracked by the Commission this kind of detailed tracking is no longer necessary and has

become redundant. Additionally, the reporting focus has changed and now the concern is what areas still remain without 9-1-1. The Commission has the means, through its certification processes, to keep track of the remaining areas that implement 9-1-1. Thus, repeal of Section 13 would eliminate unnecessary reporting burdens currently imposed on telephone companies.

50 ILCS 750/ (Emergency Telephone System Act) and Section 13 of the 200 ILCS 5 (Public Utilities Act) should also be amended to require new 9-1-1 system providers to certify with the Illinois Commerce Commission as 9-1-1 system providers and to comply with statutes, rules and regulations applicable to 9-1-1 system providers. Currently 9-1-1 system providers, when they do obtain certification from the Commission, obtain telecommunications certification under the same provisions applicable to local exchange carriers. By conflating the two types of providers under the same certification class, the existing system needlessly implicates 9-1-1 system provider certification in complications related to the regulation of local exchange carriers. Amending the PUA and the ETSA so that 9-1-1 system providers are required to obtain a certification separate and distinct from that obtained by local exchange and other telecommunications providers will ensure that the Commission's ability to oversee 9-1-1 service provisioning is not compromised by the current uncertainties and controversies surrounding the Commission's ability to regulate local exchange and other telecommunications providers.

Section 13-301.3 of the PUA (Digital Divide Elimination Infrastructure Program) created a special fund in the State Treasury, and vested the Commission with responsibility to make grants from this fund for the construction of high-speed data transmission facilities in eligible areas of Illinois. This grant-making authority and responsibility subsequently was transferred to the Department of Commerce and Economic Opportunity. Section 13-301.3 should be repealed or otherwise appropriately revised to reflect this significant change in status. Such action would allow the Commerce Commission to appropriately

update its Administrative Rules. Furthermore, Section 13-305 of the PUA (Amount of Civil Penalty) currently requires that civil penalties imposed on telecommunications carriers for violations of the PUA, the rules, or orders of the Commission be deposited in the Digital Divide Elimination Infrastructure Fund. This Section should be revised to prevent additional funds from being deposited in the defunct fund.

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 divestiture 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.³¹

There is considerable variation in size and demographic makeup among the Illinois LATAs.³² Table 4 (above) lists size and demographic data for each of the 14 LATAs for which information is presented in this report. Table 4 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,

³¹ 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").

³² 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.

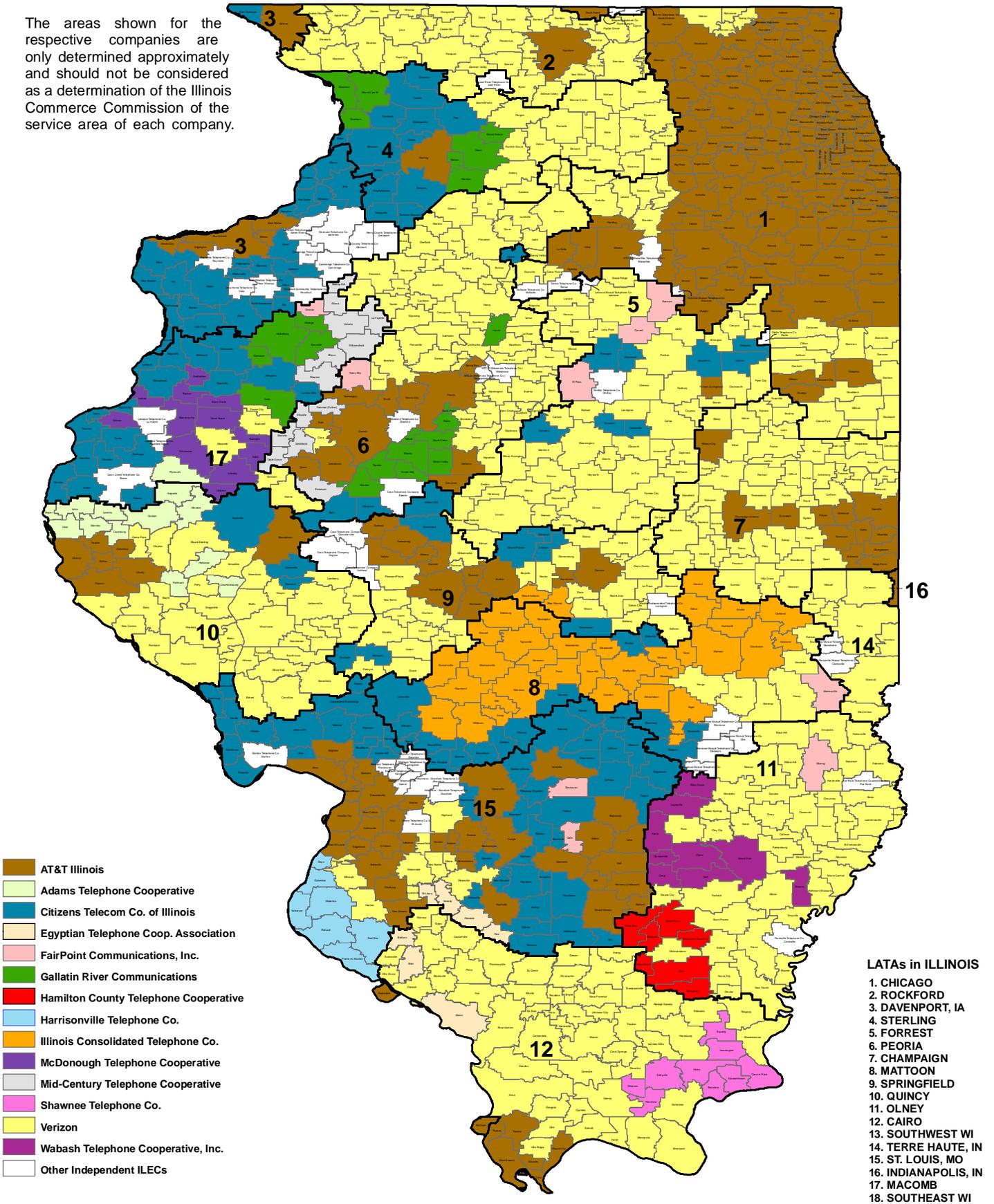
Illinois LATAs, respectively, contain the highest and lowest population per square mile. There are nearly 1,000 residents per square mile in the Chicago LATA and less than 32 residents per square mile in the Olney LATA. These two LATAs also contain the highest and lowest number of households per square 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 located 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: Local Access and Transport Area ("LATAs") and Rate Exchange Area Boundaries in the State of Illinois

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The areas shown for the respective companies are only determined approximately and should not be considered as a determination of the Illinois Commerce Commission of the service area of each company.



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.³³ 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 February 5, 2008, and carriers reporting to the Commission's CDR, respectively.

³³ 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 2/5/08

1-800-RECONEX, Inc. d/b/a Ustel
 360networks (USA) inc.
 AboveNet Communications, Inc. d/b/a AboveNet Media Networks
 Access One, Inc.
 Access2Go, Inc.
 ACN Communication Services, Inc.
 Adams Telephone Co-Operative
 Adams TelSystems, Inc.
 Aero Communications, LLC
 Airespring, Inc.
 Alhambra-Grantfork Telephone Company
 American Fiber Network, Inc. d/b/a 'AFN'
 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
 Backbone Communications Inc.
 BellSouth Long Distance, Inc. d/b/a AT&T Long Distance Service
 Bergen Telephone Company
 Birch Telecom of the Great Lakes, Inc.
 BITWISE Communications, Inc.
 Broadwing Communications, LLC
 Budget PrePay, Inc. d/b/a Budget Phone
 Bullseye Telecom, Inc.
 Cambridge Telcom Services, Inc.
 Cambridge Telephone Company
 Cass Telephone Company
 CBB Carrier Services, Inc.
 Cbeyond Communications, LLC
 CCG Communications LLC d/b/a Verosity Technical Partners
 Charter Fiberlink-Illinois, LLC
 CIMCO Communications, Inc.
 Citizens Telecommunications Company of Illinois d/b/a Frontier Citizens Communications of Illinois
 City of Batavia
 City of Naperville
 City of Princeton
 City of Rochelle
 City of Rock Falls
 Clear Rate Communications, Inc.
 Comcast Phone of Illinois, LLC d/b/a Comcast Digital Phone
 CommPartners, LLC
 Computer View, Inc.
 ComTech Solutions, L.L.C. d/b/a Integrated Connections
 Comtel Telecom Assets LP d/b/a Clear Choice Communications d/b/a Vartec Telecom d/b/a d/b/a
 Consolidated Communications Network Services, Inc.
 Covad Communications Company
 Covista, Inc.
 C-R Telephone Company d/b/a Fairpoint Communications / C-R Telephone Company
 Crossville Telephone Company, The
 Data Net Systems, L.L.C.
 Delta Communications, LLC, d/b/a Clearwave Communications
 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 d/b/a Fairpoint Communications / The El Paso Telephone
 Electric Lightwave, LLC d/b/a Integra Telecom
 Equivoice, L.L.C.
 Ernest Communications, Inc.
 Essex Telcom, Inc.
 First Communications, LLC
 Flat Rock Communications, Inc.
 Flat Rock Telephone Co-Op, Incorporated
 France Telecom Corporate Solutions L.L.C.
 Frontier Communications - Midland, Inc.
 Frontier Communications - Prairie, Inc.
 Frontier Communications - Schuyler, Inc.
 Frontier Communications of America, Inc.
 Frontier Communications of DePue, Inc.
 Frontville 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 Telephone Company
 Global Connection Inc. of America
 Global Crossing Local Services, Inc.
 Global Crossing Telemanagement, Inc.
 Global TelData, LLC
 Global Telecom & Technology Americas, Inc.
 Globalcom Inc.
 Grafton Technologies, Inc.
 Grafton Telephone Company
 Granite Telecommunications, LLC
 Great America Networks, Inc.
 Gridley Communications, Inc.
 Gridley Telephone Co.
 Hamilton County Telephone Co-Op.
 Hanson Telecommunications, Inc.
 Harrisonville Telephone Company
 Henry County Telephone Company
 Home TeleNetworks, Inc.
 Home Telephone Co.
 HTC Communications Co.
 IBFA Acquisition Company, LLC d/b/a Farm Bureau Connection
 ICG Telecom Group, Inc.
 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.
 Inter-Tel NetSolutions, Inc.
 Intrado Inc.
 Kentucky Data Link, Inc. d/b/a Cinergy Networks
 KMC Data LLC
 LaHarpe Telephone Company, Inc.
 Leaf River Telephone Company
 Level 3 Communications, L.L.C.
 LH Telecom, Inc.
 Lightspeed Telecom, LLC
 Lightyear Network Solutions, LLC
 Long Distance of Michigan, Inc., d/b/a LDMI Telecommunications
 Looking Glass Networks, Inc.
 Madison River Communications, LLC d/b/a Gallatin River
 Madison Telephone Company
 Marion Telephone LLC
 Marseilles Telephone Company, The
 Matrix Telecom, Inc. d/b/a Matrix Business Technologies
 MCC Telephony of Illinois, Inc.
 McDonough Telephone Cooperative, Inc.
 MCI Communications Services, Inc. d/b/a Verizon Business
 MCimetro Access Transmission Services LLC d/b/a Verizon
 McLeodUSA Telecommunications Services, Inc.
 McNabb Telephone Company
 Metamora Telephone Company
 Metropolitan Telecommunications of Illinois, Inc. d/b/a MetTel
 Mid-Century Telephone Cooperative, Inc.
 Midwest Telecom of America, Inc.
 Midwestern Telecommunications, Incorporated
 Millennium 2000 Inc.
 Montrose Mutual Telephone Company
 Moultrie Independent Telephone Company
 Moultrie InfoComm, Inc.
 MTCO Communications, Inc.
 Navigator Telecommunications, LLC.
 Network PTS, Inc.
 Network US, Inc. d/b/a CA Affinity
 Neutral Tandem-Illinois, LLC
 New Millennium Telecommunications, Inc.
 New Windsor Telephone Company
 Nexus Communications, Inc. d/b/a TSI Telephone Company
 Norlight Telecommunications, Inc.

Table B1 - Certificated Local Exchange Carriers on 2/5/08 (Continued)

Norlight, Inc. d/b/a Cinergy Communications	TelCove Operations, Inc.
North County Communications Corporation	Telecom Management, Inc. d/b/a Pioneer Telephone
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	Telecourier Communications Corporation
NTS Services Corp.	Tele-Reconnect Inc.
NuVox Communications of Illinois, Inc.	Think 12 Corporation d/b/a Hello Depot
Odin Telephone Exchange, Inc. d/b/a Fairpoint Communications / Odin Telephone Exchange, Inc.	Time Warner Telecom of Illinois LLC
Oneida Network Services, Inc.	Tri-City Regional Port District d/b/a River's Edge Telecommunications
PaeTec Communications, Inc.	U.S. Gas Electric & Telecommunications Corp.
Peak Communications, Inc.	UCN, Inc.
Peerless Network of Illinois, LLC	Unite Private Networks-Illinois, LLC
Pelzer Communications Corporation	United Communications Systems, Inc. d/b/a Call One
PersonalOffice, Inc.	US Signal Company, L.L.C. d/b/a RVP Fiber Company
PNG Telecommunications, Inc. d/b/a Powernet Global Communications	US Xchange of Illinois, L.L.C. d/b/a One Communications II
QuantumShift Communications, Inc.	Vanco Direct USA, LLC
Qwest Communications Corporation	Verizon Avenue Corp.
RCN Telecom Services of Illinois, LLC	Verizon North Inc.
Reliant Communications, Inc.	Verizon South Inc.
Reynolds Telephone Company	Vertex Broadband, Corp. d/b/a AthenaTel d/b/a Reason to Switch d/b/a TownLink d/b/a INT Connections Communications
RGT Utilities of California, Inc.	VinaKom, Inc. d/b/a VinaKom Communications
Royal Phone Company LLC	Viola Home Telephone Company
Sage Telecom, Inc.	Volo Communications of Illinois, Inc.
Sharon Telephone Company	Wabash Independent Networks, Inc.
Shawnee Telephone Company	Wabash Telephone Cooperative, Inc.
Spectrotel, Inc.	WiITel Communications, LLC
Sprint Communications L.P. d/b/a Sprint Communications Company L.P.	WiITel Local Network, LLC
Swetland Internet, Inc. d/b/a Swetland Communications	Woodhull Telephone Company
Talk America Inc. d/b/a Cavalier Telephone d/b/a Cavalier Business Communications	Working Assets Funding Services (Inc.)
TCG Chicago	World-Link Solutions, Inc.
TCG Illinois	XO Communications Services, Inc.
TCG St. Louis	YMax Communications Corp.
TDS Metrocom, LLC	Zone Telecom, Inc.
Tonica Telephone Company	
Access Media 3, Inc.	Easy Call, Inc.
Advanced Integrated Technologies Inc.	Elantic Telecom, Inc.
Affordable Voice Communications, Inc.	Elite Telnet, LLC
Airdis, LLC d/b/a Airdis Telecom	Empire One Telecommunications, Inc.
ALLTEL Communications, Inc.	Everycall Communications, Inc. d/b/a All American Home Phone d/b/a Local USA
American Telephone Company LLC	ExteNet Systems, Inc.
Applewood Communications Corporation	EZ RECONNECT, LLC
Apps Communications, Inc.	FairPoint Carrier Services, Inc.
Ascendtel, LLC	GEH Technologies, LLC
Bandwidth.com CLEC, LLC	Geneseo Communications Services, Inc.
BCN Telecom, Inc.	Global NAPs Illinois, Inc.
BetterWorld Telecom, LLC	Global TelData II, LLC
Big River Telephone Company, LLC	GlobalEyes Telecommunications, Inc.
BLC Management LLC d/b/a Angles Communication Solutions d/b/a Mexicall Solutions	Globetel, Inc.
Broadband Dynamics, LLC	IDT America, Corp.
BT Communications Sales LLC	I-Element, Inc.
Business Communications Analysts, Inc.	IL - CLEC LLC
Cablecom/Spacelink Inc.	IlliCom Telecommunications, Inc.
CAL Communications, Inc.	Infotelecom, LLC
Camarato Distributing, Inc.	IQ Telecom, Inc.
Campus Communication Group, Inc.	Levin Telecommunications, Corp.
Capraro Development LLC	Loop Telecom, L.P.
CAT Communications International, Inc.	Madison Network Systems, Inc.
CenturyTel Fiber Company II, LLC d/b/a LightCore CenturyTel Company	Master Call Communications, Inc.
City of Aurora, Illinois	Mobilittie, LLC
City of Geneva	NetworkIP, L.L.C. d/b/a Elite Telecom
City of Springfield	New Edge Network, Inc. d/b/a New Edge Networks
City of St. Charles	NextG Networks of Illinois, Inc.
Citynet Illinois, LLC	Nextlink Wireless, Inc.
ClearTel Telecommunications, Inc. d/b/a Now Telecommunications	nii communications, Ltd.
CloseCall America, Inc.	OnFiber Carrier Services, Inc.
CMC Telecom, Inc.	Pacific Centrex Services, Inc.
COMTECH 21, LLC	Pac-West Telecomm, Inc.
Cordia Communications Corp.	PhoneCo, L.P.
Cost Plus Communications, LLC	Platinumtel Communications, LLC
Crosslink Long Distance Company	Preferred Long Distance, Inc.
Cypress Communications Operating Company, LLC	Primus Telecommunications, Inc.
Dial-Around Telecom, Inc.	ProCom International, Ltd.
Digital Network Access Communications, Inc. d/b/a DNA Communications	PT Communications, Inc.
DLS Communication Services, Inc.	RB Telecom Inc. d/b/a Rangatel
dPi Teleconnect, L.L.C.	RCN New York Communications, LLC

Table B1 - Certificated Local Exchange Carriers on 2/5/08 (Continued)

RocNet Holdings, LLC
ROUTE 24 Computers, Inc.
ShawneeLEC, Inc.
ShawneeLink Corporation
Sigecom, LLC d/b/a WOW! Internet, Cable and Phone
Smart Choice Communications, LLC
SNG Communications, L.L.C.
SOS Telecom, Inc.
T6 Communications, Inc.
Telcentrex, LLC
TelNet Worldwide-IL, LLC d/b/a Superior Spectrum Telephone and Data
Telrite Corporation
Telscape Communications, Inc.

Trans National Communications International, Inc.
Transcend Multimedia, LLC
Trinsic Communications, Inc.
TruComm Corporation
U.S. Fiber LLC
VCI Company d/b/a Vilaire Communications, Inc.
Verizon Select Services Inc.
Virtual Office Services, Inc. d/b/a Aspen Datacom
Voice Spring, LLC
WDT World Discount Telecommunications Co.
Winstar Communications, LLC
Worldwide Telecommunications Inc.
Yipes Enterprise Services, Inc.

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

1-800-RECONEX, Inc. d/b/a Ustel
 360networks (USA) inc.
 AboveNet Communications, Inc. d/b/a AboveNet Media Networks
 Access One, Inc.
 Access2Go, Inc.
 ACN Communication Services, Inc.
 Adams Telephone Co-Operative
 Adams TelSystems, Inc.
 Aero Communications, LLC
 Airespring, Inc.
 Alhambra-Grantfork Telephone Company
 American Fiber Network, Inc. d/b/a 'AFN'
 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
 Backbone Communications Inc.
 BellSouth Long Distance, Inc. d/b/a AT&T Long Distance Service
 Bergen Telephone Company
 Birch Telecom of the Great Lakes, Inc.
 BITWISE Communications, Inc.
 Broadwing Communications, LLC
 Budget PrePay, Inc. d/b/a Budget Phone
 Bullseye Telecom, Inc.
 Cambridge Telcom Services, Inc.
 Cambridge Telephone Company
 Cass Telephone Company
 CBB Carrier Services, Inc.
 Cbeyond Communications, LLC
 CCG Communications LLC d/b/a Verosity Technical Partners
 Charter Fiberlink-Illinois, LLC
 CIMCO Communications, Inc.
 Citizens Telecommunications Company of Illinois d/b/a Frontier Citizens Communications of Illinois
 City of Batavia
 City of Naperville
 City of Princeton
 City of Rochelle
 City of Rock Falls
 Clear Rate Communications, Inc.
 Comcast Phone of Illinois, LLC d/b/a Comcast Digital Phone
 CommPartners, LLC
 Computer View, Inc.
 ComTech Solutions, L.L.C. d/b/a Integrated Connections
 Comtel Telecom Assets LP d/b/a Clear Choice Communications d/b/a Vartec Telecom d/b/a d/b/a
 Consolidated Communications Network Services, Inc.
 Covad Communications Company
 Covista, Inc.
 C-R Telephone Company d/b/a Fairpoint Communications / C-R Telephone Company
 Crossville Telephone Company, The
 Data Net Systems, L.L.C.
 Delta Communications, LLC, d/b/a Clearwave Communications
 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 d/b/a Fairpoint Communications / The El Paso Telephone
 Electric Lightwave, LLC d/b/a Integra Telecom
 Equivoice, L.L.C.
 Ernest Communications, Inc.
 Essex Telcom, Inc.
 First Communications, LLC
 Flat Rock Communications, Inc.
 Flat Rock Telephone Co-Op, Incorporated
 France Telecom Corporate Solutions L.L.C.
 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 Telephone Company
 Global Connection Inc. of America
 Global Crossing Local Services, Inc.
 Global Crossing Telemanagement, Inc.
 Global TelData, LLC
 Global Telecom & Technology Americas, Inc.
 Globalcom Inc.
 Grafton Technologies, Inc.
 Grafton Telephone Company
 Granite Telecommunications, LLC
 Great America Networks, Inc.
 Gridley Communications, Inc.
 Gridley Telephone Co.
 Hamilton County Telephone Co-Op.
 Hanson Telecommunications, Inc.
 Harrisonville Telephone Company
 Henry County Telephone Company
 Home TeleNetworks, Inc.
 Home Telephone Co.
 HTC Communications Co.
 IBFA Acquisition Company, LLC d/b/a Farm Bureau Connection
 ICG Telecom Group, Inc.
 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.
 Inter-Tel NetSolutions, Inc.
 Intrado Inc.
 Kentucky Data Link, Inc. d/b/a Cinergy Networks
 KMC Data LLC
 LaHarpe Telephone Company, Inc.
 Leaf River Telephone Company
 Level 3 Communications, L.L.C.
 LH Telecom, Inc.
 Lightspeed Telecom, LLC
 Lightyear Network Solutions, LLC
 Long Distance of Michigan, Inc., d/b/a LDMI Telecommunications
 Looking Glass Networks, Inc.
 Madison River Communications, LLC d/b/a Gallatin River
 Madison Telephone Company
 Marion Telephone LLC
 Marseilles Telephone Company, The
 Matrix Telecom, Inc. d/b/a Matrix Business Technologies
 MCC Telephony of Illinois, Inc.
 McDonough Telephone Cooperative, Inc.
 MCI Communications Services, Inc. d/b/a Verizon Business
 MCimetro Access Transmission Services LLC d/b/a Verizon
 McLeodUSA Telecommunications Services, Inc.
 McNabb Telephone Company
 Metamora Telephone Company
 Metropolitan Telecommunications of Illinois, Inc. d/b/a MetTel
 Mid-Century Telephone Cooperative, Inc.
 Midwest Telecom of America, Inc.
 Midwestern Telecommunications, Incorporated
 Millennium 2000 Inc.
 Montrose Mutual Telephone Company
 Moultrie Independent Telephone Company
 Moultrie InfoComm, Inc.
 MTCO Communications, Inc.
 Navigator Telecommunications, LLC.
 Network PTS, Inc.
 Network US, Inc. d/b/a CA Affinity
 Neutral Tandem-Illinois, LLC
 New Millennium Telecommunications, Inc.
 New Windsor Telephone Company
 Nexus Communications, Inc. d/b/a TSI Telephone Company
 Norlight Telecommunications, Inc.

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

Norlight, Inc. d/b/a Cinergy Communications	TelCove Operations, Inc.
North County Communications Corporation	Telecom Management, Inc. d/b/a Pioneer Telephone
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	Telecourier Communications Corporation
NTS Services Corp.	Tele-Reconnect Inc.
NuVox Communications of Illinois, Inc.	Think 12 Corporation d/b/a Hello Depot
Odin Telephone Exchange, Inc. d/b/a Fairpoint Communications / Odin Telephone Exchange, Inc.	Time Warner Telecom of Illinois LLC
Oneida Network Services, Inc.	Tri-City Regional Port District d/b/a River's Edge Telecommunications
PaeTec Communications, Inc.	U.S. Gas Electric & Telecommunications Corp.
Peak Communications, Inc.	UCN, Inc.
Peerless Network of Illinois, LLC	Unite Private Networks-Illinois, LLC
Pelzer Communications Corporation	United Communications Systems, Inc. d/b/a Call One
PersonalOffice, Inc.	US Signal Company, L.L.C. d/b/a RVP Fiber Company
PNG Telecommunications, Inc. d/b/a Powernet Global Communications	US Xchange of Illinois, L.L.C. d/b/a One Communications II
QuantumShift Communications, Inc.	Vanco Direct USA, LLC
Qwest Communications Corporation	Verizon Avenue Corp.
RCN Telecom Services of Illinois, LLC	Verizon North Inc.
Reliant Communications, Inc.	Verizon South Inc.
Reynolds Telephone Company	Vertex Broadband, Corp. d/b/a AthenaTel d/b/a Reason to Switch d/b/a TownLink d/b/a INT Connections Communications
RGT Utilities of California, Inc.	VinaKom, Inc. d/b/a VinaKom Communications
Royal Phone Company LLC	Viola Home Telephone Company
Sage Telecom, Inc.	Volo Communications of Illinois, Inc.
Sharon Telephone Company	Wabash Independent Networks, Inc.
Shawnee Telephone Company	Wabash Telephone Cooperative, Inc.
Spectrotel, Inc.	WiiTel Communications, LLC
Sprint Communications L.P. d/b/a Sprint Communications Company L.P.	WiiTel Local Network, LLC
Swetland Internet, Inc. d/b/a Swetland Communications	Woodhull Telephone Company
Talk America Inc. d/b/a Cavalier Telephone d/b/a Cavalier Business Communications	Working Assets Funding Services (Inc.)
TCG Chicago	World-Link Solutions, Inc.
TCG Illinois	XO Communications Services, Inc.
TCG St. Louis	YMax Communications Corp.
TDS Metrocom, LLC	Zone Telecom, Inc.
Tonica Telephone Company	

APPENDIX C: POTS Provisioning Detail

Table C1 – C4 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 estimated unreported residential retail E-911 lines by LATA.

**Table C1 - Retail POTS Provision by LATA
(December 31, 2007)**

LATA	LATA Name	All LECs	All LEC Lines	ILECs	ILEC Lines	CLECs	CLEC Lines	CLEC Lines as % of Total
358	CHICAGO ILLINOIS	68	5,169,835	8	4,009,558	60	1,160,277	22.4%
360	ROCKFORD ILLINOIS ¹	38	184,825	4	157,426	34	27,399	14.8%
362	CAIRO ILLINOIS	28	128,472	4	114,251	24	14,221	11.1%
364	STERLING ILLINOIS	35	100,837	5	89,172	30	11,665	11.6%
366	FORREST ILLINOIS	24	119,197	6	105,871	18	13,326	11.2%
368	PEORIA ILLINOIS	44	221,509	8	197,617	36	23,892	10.8%
370	CHAMPAIGN ILLINOIS ²	35	165,620	4	150,708	31	14,912	9.0%
374	SPRINGFIELD ILLINOIS	34	196,648	6	181,286	28	15,362	7.8%
376	QUINCY ILLINOIS	32	74,528	4	67,986	28	6,542	8.8%
520	ST LOUIS MISSOURI	48	372,861	10	313,592	38	59,269	15.9%
634	DAVENPORT IOWA	40	114,308	9	99,242	31	15,066	13.2%
976	MATTOON ILLINOIS	17	97,917	5	87,426	12	10,491	10.7%
977	MACOMB ILLINOIS	19	54,094	8	52,655	11	1,439	2.7%
978	OLNEY ILLINOIS	19	60,452	6	57,431	13	3,021	5.0%
Statewide		125	7,061,103	45	5,684,221	80	1,376,882	19.5%

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, 2007)**

LATA	LATA Name	All LECs	All LEC Lines	ILECs	ILEC Lines	CLECs	CLEC Lines	CLEC Lines as % of Total
358	CHICAGO ILLINOIS	42	2,803,043	8	2,200,657	34	602,386	21.5%
360	ROCKFORD ILLINOIS ¹	24	113,558	4	104,988	20	8,570	7.5%
362	CAIRO ILLINOIS	17	86,484	4	78,861	13	7,623	8.8%
364	STERLING ILLINOIS	21	66,336	5	57,762	16	8,574	12.9%
366	FORREST ILLINOIS	15	70,812	6	65,162	9	5650	8.0%
368	PEORIA ILLINOIS	29	134,291	8	125,181	21	9,110	6.8%
370	CHAMPAIGN ILLINOIS ²	22	89,953	4	80,980	18	8,973	10.0%
374	SPRINGFIELD ILLINOIS	20	102,818	6	96,907	14	5,911	5.7%
376	QUINCY ILLINOIS	20	47,500	4	45,068	16	2,432	5.1%
520	ST LOUIS MISSOURI	34	258,049	10	215,042	24	43,007	16.7%
634	DAVENPORT IOWA	24	72,706	9	60,558	15	12,148	16.7%
976	MATTOON ILLINOIS	10	64,979	5	61,151	5	3828	5.9%
977	MACOMB ILLINOIS	12	36,357	8	35,396	4	961	2.6%
978	OLNEY ILLINOIS	12	43,149	6	41,510	6	1639	3.8%
Statewide		96	3,990,035	45	3,269,223	51	720,812	18.1%

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.

**Table C3 - Business Retail POTS Provision by LATA
(December 31, 2007)**

LATA	LATA Name	All LECs	All LEC Lines	ILECs	ILEC Lines	CLECs	CLEC Lines	CLEC Lines as % of Total
358	CHICAGO ILLINOIS	57	2,366,792	8	1,808,901	49	557,891	23.6%
360	ROCKFORD ILLINOIS ¹	28	71,267	4	52,438	24	18,829	26.4%
362	CAIRO ILLINOIS	22	41,988	4	35,390	18	6,598	15.7%
364	STERLING ILLINOIS	27	34,501	5	31,410	22	3,091	9.0%
366	FORREST ILLINOIS	20	48,385	6	40,709	14	7,676	15.9%
368	PEORIA ILLINOIS	38	87,218	9	72,436	29	14,782	16.9%
370	CHAMPAIGN ILLINOIS ²	27	75,667	4	69,728	23	5,939	7.8%
374	SPRINGFIELD ILLINOIS	28	93,830	6	84,379	22	9,451	10.1%
376	QUINCY ILLINOIS	25	27,028	4	22,918	21	4,110	15.2%
520	ST LOUIS MISSOURI	38	114,812	10	98,550	28	16,262	14.2%
634	DAVENPORT IOWA	31	41,602	9	38,684	22	2,918	7.0%
976	MATTOON ILLINOIS	13	32,938	5	26,275	8	6663	20.2%
977	MACOMB ILLINOIS	16	17,737	8	17,259	8	478	2.7%
978	OLNEY ILLINOIS	17	17,303	6	15,921	11	1382	8.0%
Statewide		113	3,071,068	45	2,414,998	68	656,070	21.4%

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 C4 –Residential Retail Reported Lines and E-911 Listing by LATA

LATA	LATA Name	Reported Residential Retail POTS Lines as of 12/31/07	Residential Retail E-911 Listings as of 12/31/07	Estimated Residential Retail E-911 Listings not Reported as POTS Lines as of 12/31/07	Reported Residential Retail POTS Lines Plus Estimated Unreported E-911 Listings as of 12/31/07	Reported Residential Retail POTS Lines as of 12/31/01
358	CHICAGO ILLINOIS	2,803,043	2,973,149	170,106	2,973,149	3,645,807
360	ROCKFORD ILLINOIS ¹	113,558	168,772	55,214	168,772	161,890
364	STERLING ILLINOIS	66,336	85,851	19,515	85,851	89,546
368	PEORIA ILLINOIS	134,291	206,254	71,963	206,254	191,519
370	CHAMPAIGN ILLINOIS ²	89,953	124,378	34,425	124,378	135,155
374	SPRINGFIELD ILLINOIS	102,818	138,661	35,843	138,661	151,539
376	QUINCY ILLINOIS	47,500	46,766	0	47,500	63,784
520	ST LOUIS MISSOURI	258,049	292,196	34,147	292,196	313,543
634	DAVENPORT IOWA	72,706	91,087	18,381	91,087	92,784
362	CAIRO ILLINOIS	86,484	103,549	17,065		
366	FORREST ILLINOIS	70,812	93,489	22,677		
976	MATTOON ILLINOIS	64,979	76,784	12,537	358,652*	411,,824*
977	MACOMB ILLINOIS	36,357	42,045	4,592		
978	OLNEY ILLINOIS	43,149	42,592	0		
	Statewide	3,990,035	4,485,573	496,465	4,486,500	5,257,391

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 the Cairo, Forrest, Mattoon, Macomb, and Olney LATAs.

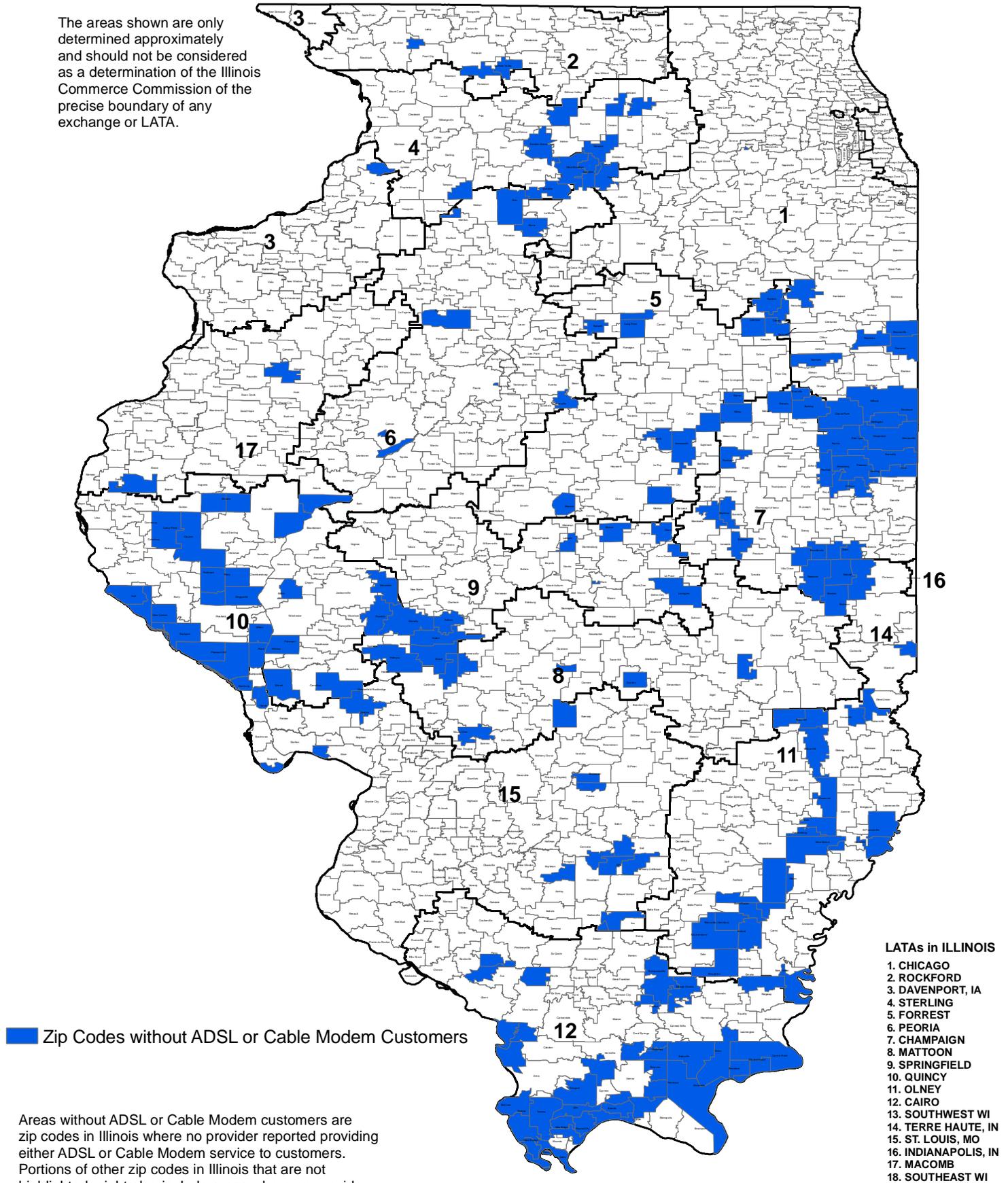
APPENDIX D: High Speed Subscribership Maps

Figures D1 identifies areas no ADSL or Cable Modem (the two most residential oriented provisioning technologies) subscribers.

**Figure D1: Areas without any Reported ADSL or Cable Modem Customers as of 6/30/07
(Boundaries Depicted are Rate Exchange and Local Access and Transport Areas in the State of Illinois)**

13 18

The areas shown are only determined approximately and should not be considered as a determination of the Illinois Commerce Commission of the precise boundary of any exchange or LATA.



Areas without ADSL or Cable Modem customers are zip codes in Illinois where no provider reported providing either ADSL or Cable Modem service to customers. Portions of other zip codes in Illinois that are not highlighted might also include areas where no provider provides either ADSL or Cable Modem service to customers.