

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 2007

*Printed by authority of the State of Illinois
135 - September 2007 - 575r*

STATE OF ILLINOIS



ILLINOIS COMMERCE COMMISSION

September 13, 2007

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

Annual Report on Telecommunications
Markets in Illinois

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

Illinois Commerce Commission
527 East Capitol Avenue
Springfield, Illinois 62701

September 12, 2007

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 sixth 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 91 competitive local exchange carriers (CLECs) reported providing POTS (“plain old telephone service”) to Illinois customers as of December 31, 2006. These figures compare to 49 ILECs and 69 CLECs reporting as of December 31, 2005.
- CLECs provided approximately 1.1 million (or 15%) of the roughly 7.2 million reported Illinois POTS lines in service at year-end 2006. The number of CLEC reported POTS lines decreased in Illinois from approximately 1.3 million at year-end 2005 to approximately 1.1 million at year-end 2006.
- ILECs provided approximately 6.1 million (or 85%) of the roughly 7.2 million reported Illinois POTS lines in service at year-end 2006. The number of ILEC reported POTS lines decreased in Illinois from approximately 6.5 million at year-end 2005 to approximately 6.1 million at year-end 2006.

- The number of reported POTS lines in Illinois decreased between year-end 2001 and year-end 2006 by over 1.8 million lines (or over 20%). The single biggest decrease during this period occurred in the most recent year. Between year-end 2005 and year-end 2006 the number of retail reported POTS lines decreased by over 580,000 lines (or nearly 7.5%).
- Based on residential E-911 listings, over 572,000 residential competitive provider lines were provided by providers that do not report to the Commission. If these lines are added to the reported CLEC POTS counts then CLECs provided approximately 1.7 million (or 22%) of the roughly 7.8 million estimated Illinois POTS lines.
- Once the most prevalent form of CLEC provisioning, the number of CLEC lines provided entirely over the UNE platform (UNE loop, switching, and transport) fell, at year-end 2006, to just over 59,000 lines or 5% of all reported CLEC lines. The most prevalent form of CLEC provisioning at year-end 2006 was over the CLEC's own loops. Approximately 33% of the 1.1 million reported CLEC POTS lines (or approximately 369,000 lines) in Illinois were provided over CLEC owned loops.
- For the first time, CLECs this year reported information on the number of lines they provide using network elements obtained from ILECs through commercial agreements and the number of lines they provided using facilities or services from 3rd party non-ILECs. Approximately 19% of the 1.1 million reported CLEC POTS lines (approximately 209,000 lines) in Illinois were provided using network elements obtained from ILECs through commercial agreements. Approximately 2% of the 1.1 million reported CLEC POTS lines (approximately 26,000 lines) in Illinois were provided using facilities or services from 3rd party non-ILECs.

- Mobile-wireless subscribership continued to grow between mid-year 2005 and mid-year 2006 as it has for several years. The number of wireless subscribers in Illinois now exceeds not only wireline subscribers reported for year-end 2006, 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 2.6 million Illinois high speed customers as of June 30, 2006. High speed subscribership increased over 700% over the five year period between June 30, 2001 and June 30, 2006. Nevertheless, as of June, 2006, areas existed in Illinois where no high speed subscribers were reported, and even more areas existed where no subscribers for residential high speed offerings of either ADSL or Cable Modem services were reported.

I. INTRODUCTION.....	6
II. TELEPHONE SERVICES.....	7
A. <i>Overview</i>	7
B. <i>Statewide Competition In Retail POTS in Illinois</i>	10
C. <i>Competition from Non-Reporting Providers</i>	12
D. <i>Retail POTS Competition by LATA.....</i>	16
E. <i>Reporting CLEC Methods of Provisioning Retail POTS Lines</i>	19
F. <i>Wireline Subscribership.....</i>	23
G. <i>Mobile Wireless Subscribership</i>	24
III. HIGH SPEED TELECOMMUNICATIONS SERVICES	25
A. <i>Overview</i>	25
B. <i>Statewide High-Speed Line Subscribership in Illinois.....</i>	28
IV. CONCLUSION	30
APPENDIX A: Illinois LATA Geography and Demographics	32
APPENDIX B: Reporting Status.....	35
APPENDIX C: POTS Provisioning Detail	41
APPENDIX D: High Speed Subscribership Maps.....	46

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 12, 2007, 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, 2006). 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, 2006).

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 January 17, 2007 and lists the carriers responding to the Commission's year-end 2006 data request.

II. TELEPHONE SERVICES

A. Overview

"POTS" 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, 2006.

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 all or 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.

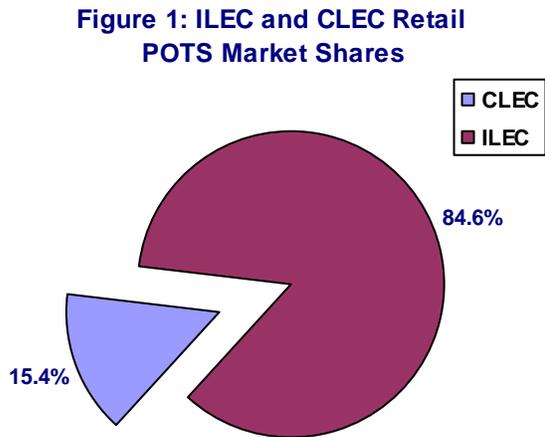
Recently, competitors have increasingly adopted two additional methods of entry:

- 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 2006, reporting CLECs provided approximately 15.4% of all reported retail POTS lines in Illinois.



In total, approximately 7.2 million total retail POTS lines were reported in Illinois. ILECs provided approximately 6.1 million lines (or 84.6%), while reporting CLECs provided approximately 1.1 million lines (or 15.4%). Table 1 displays these figures and comparable figures for year-end 2001, 2002, 2003, 2004 and 2005.

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%

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 96% of all ILEC retail POTS lines,

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

Ninety-one CLECs reported providing retail POTS service in Illinois.⁵ Of these 91 CLECs, the 5 largest (Comcast Corporation, Verizon Communications, Inc., Broadwing Corporation LLC, Globalcom, Inc, and McLeodUSA Telecommunications Inc.) accounted for approximately 46% of all reported CLEC retail POTS lines, while the remaining 86 CLECs provided approximately 54% 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

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. (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

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 2006. They are, however, included in ILEC carrier counts above. Year-end 2006 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.

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 most recent decreases in CLEC reported lines may reflect increased competition from ILECs, or may reflect CLEC decisions to reduce or eliminate service offerings due to regulatory, economic or other factors impacting their various business plans. Such factors do not, however, explain why reported lines in total are declining. Decreases in reported ILEC line counts actually exceeded, in absolute terms, the reductions in reported CLEC line counts between year-end 2005 and year-end 2006. As Table 1 shows, the total number of retail POTS lines reported in Illinois has steadily decreased in the past four years, reflecting decreases in both CLEC and ILEC reported lines. The implications of these decreases are discussed in the next section.

C. Competition from Non-Reporting Providers

As Table 1 shows, the total reported retail POTS lines fell by over 1.8 million lines (or 20%) over the five year period between year end 2001 and year end 2006. The largest single year decrease occurred in the most recent 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 likely 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 2005 nearly 8% 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, that 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

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, Eleventh 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 06-142, Released September 29, 2006, at ¶¶ 205-207.

⁸ Id. at ¶ 205.

be able to illuminate competitive substitution patterns between VoIP and 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.

In the most recent 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 providers cooperated with the Commission's request, others refused, based on assertions that the Commission lacks authority to collect such information.¹⁰ Thus, the reported reductions in POTS lines in Illinois between 2001 and 2006 time are likely attributable, in part, to the fact that both nomadic and non-nomadic VoIP lines are not included in the total reported line counts.

Assuming VoIP subscribers substitute VoIP lines for traditional wireline POTS service,¹¹ it is possible to estimate the degree of substitution of VoIP service for wireline service based on VoIP service levels. While many VoIP providers do not report their VoIP lines counts, 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.

For the first time this year, in preparation for this report, companies that maintain E-911 databases in Illinois reported to the Commission counts of non-wireless E-911 listings in Illinois at year-end 2006. Typically, E-911 databases

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.

¹⁰ In response to a Staff request for information on its non-nomadic VoIP lines Comcast Phone of Illinois, LLC responded "...because state public utility commissions do not have jurisdiction over VOIP services, Comcast does not provide its Comcast Digital Voice line counts to state public utility commissions." March 12, 2007 e-mail from Richard Wolfe, Senior Director, Government Affairs to Commission Staff.

¹¹ If customers purchase VoIP services in addition to traditional wireline services (for example, maintaining a bare bones traditional wireline service for emergency purposes) then the assumption that VoIP subscribers substitute VoIP lines for traditional wireline service rather than purchase VoIP lines in addition to traditional wireline service will prove erroneous. Commission Staff is unaware of any systematic evidence that would shed light on the accuracy of this assumption and, therefore, urges caution in interpreting results that rely on it.

contain information for each residential line in the communities served by the E-911 system. Thus, E-911 listings provide a 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.¹² 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 will likely understate the number of residential telephone lines in service.¹³

Assuming the E-911 data provide a reasonable, but understated proxy of the number of residential telephone lines in Illinois, we can compare counts from the E-911 data to direct reported line counts to estimate the number of unreported residential telephone lines in Illinois. Year-end 2006 E-911 figures suggest that more than 572,104 residential competitive provider lines went unreported to the Commission at year-end 2006.¹⁴

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 2006</i>	7,793,817	6,108,281	1,685,536	22%

¹² For information on the E-911 systems, including their availability across Illinois, see Illinois Commerce Commission, October 2006 Report, 9-1-1 Emergency, Released October 2006.

¹³ There are 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 this assumption, caution should be exercised when interpreting the results reported here.

¹⁴ 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 2006, 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 572,104 unreported residential CLEC lines at year-end 2006, while significant, likely fall 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 2006 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, a sizable number of 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 but encompass relatively few Illinois customers.¹⁵ Information

¹⁵ 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.¹⁶ 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.¹⁷ This permits the Commission to readily identify the LATAs within which telephone customers reside.¹⁸ Finally, data disaggregated by LATA still are sufficiently aggregated to protect sensitive competitive information, and the proprietary concerns of local telephone service providers.¹⁹

Telcordia Technologies, Inc. (“Telcordia” f/k/a Bellcore) conventions as delineated in the local exchange routing guide (LERG).

¹⁶ Information is aggregated in this manner to protect the confidentiality of individual carrier information reported to the Commission.

¹⁷ Traditionally, blocks of telephone numbers have been assigned uniquely to rate exchange areas, which in turn, have been uniquely assigned to LATAs.

¹⁸ 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.

¹⁹ 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 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 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 that were not reported directly to the Commission.

**Table 5: CLEC Market Shares by LATA
December 31, 2006**

LATA Name	<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>	15.4%	10.8%	21.0%	21.6%	22.0%
<i>Chicago, IL</i>	17.4%	11.7%	23.6%	22.5%	21.5%
<i>Rockford, IL¹</i>	16.6%	10.0%	27.9%	24.0%	22.0%
<i>Cairo, IL</i>	10.5%	8.0%	15.9%	10.5%	8.0%
<i>Sterling, IL</i>	5.5%	3.5%	8.4%	21.5%	28.4%
<i>Forrest, IL</i>	10.1%	6.2%	16.2%	42.4%	51.1%
<i>Peoria, IL</i>	8.1%	6.4%	11.3%	25.0%	30.7%
<i>Champaign, IL²</i>	9.9%	10.4%	9.2%	18.3%	24.3%
<i>Springfield, IL</i>	9.6%	7.7%	11.8%	12.8%	13.6%
<i>Quincy, IL</i>	10.0%	4.7%	18.9%	10.0%	4.7%
<i>St Louis, MO</i>	14.1%	15.5%	11.4%	18.6%	22.1%
<i>Davenport, IA</i>	7.3%	8.0%	6.5%	20.7%	29.5%
<i>Mattoon, IL</i>	7.6%	4.9%	11.0%	9.0%	7.4%
<i>Macomb, IL</i>	1.0%	0.5%	1.8%	1.0%	0.5%
<i>Olney, IL</i>	4.3%	3.1%	7.5%	4.3%	3.1%

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. Reporting CLEC Methods of Provisioning Retail POTS Lines

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

- Building complete telecommunications networks using their own facilities,
- 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.
- Leasing all or 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,

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.

The first three approaches are largely self-explanatory. However, the last two approaches 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 all of these basic network elements (loop, local switching, and transport) from an ILEC pursuant to ILEC obligations under federal and/or state law. 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.²⁰

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

²⁰ 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 able to lease such combinations according to commercially negotiated rates. Within this report, UNEs are distinguished from elements obtained through such commercial agreements.

switching.²¹ 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.

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 a CLEC network elements not pursuant to state or federal law, but at rates, terms and conditions that are negotiated between the parties.

Table 6 shows that at year-end 2006, approximately 369,000 CLEC retail POTS lines in Illinois (33% of the CLEC total) were provisioned entirely over CLEC owned facilities. Approximately 579,000 CLEC retail POTS lines (52% of all CLEC lines) were provisioned over facilities leased (in part or in whole) from ILECs. Over 209,000 of these leased lines were obtained by CLECs from ILECs under commercial agreements. Approximately 139,000 CLEC lines (about 13%) were provided by CLECs purchasing discounted services from ILECs and reselling them to their customers. Finally, over 25,000 lines (or about 2%) were provided by CLECs using non-ILEC third party facilities and/or services.

²¹ 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.

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-P</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%)
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.							

As Table 7 shows, 19 CLECs provided some POTS service completely over their own facilities. Twenty-one CLECs provided some POTS service entirely over leased UNE-P facilities. Seventeen CLECs provided some POTS service over some combination of their own facilities and leased facilities. Statewide, 40 CLECs provided POTS service over resold lines. Twenty-four CLECs provided some POTS service over facilities provided under commercial agreements. Finally, 13 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-P</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

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.

F. Wireline Subscribership

Section 13-301(b) of the Illinois Public Utilities Act (PUA) requires that the Illinois Commerce Commission (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 more fully above, provides a source 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, 2006)**

<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	3,042,452	17,189	132,738
360	ROCKFORD ILLINOIS ¹	38	152,621	4,016	69,679
362	CAIRO ILLINOIS	69	69,735	1,011	21,493
364	STERLING ILLINOIS	41	81,163	1,980	21,905
366	FORREST ILLINOIS	61	151,976	2,491	119,041
368	PEORIA ILLINOIS	91	203,980	2,242	70,437
370	CHAMPAIGN ILLINOIS ²	70	119,735	1,711	36,153
374	SPRINGFIELD ILLINOIS	55	125,960	2,290	49,258
376	QUINCY ILLINOIS	55	40,963	745	17,252
520	ST LOUIS MISSOURI	113	273,530	2,421	30,139
634	DAVENPORT IOWA	40	82,221	2,056	17,389
976	MATTOON ILLINOIS	59	61,703	1,046	7,541
977	MACOMB ILLINOIS	52	38,353	738	10,917
978	OLNEY ILLINOIS	60	23,597	393	4,855

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 by state 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.²² 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.

²² 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 2006, larger mobile wireless providers reported approximately 9.5 million subscribers in Illinois.

Table 9: Mobile Wireless Subscribers
(Millions)²³

	<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	8.6
DEC 2005	203.7	9.0
JUNE 2006	217.4	9.5

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.²⁴ This definition matches the definition of

²³ 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).

²⁴ 220 ILCS 5/13-517

“advanced telecommunications services” as used in the PUA.²⁵ This definition also matches that used by the FCC in its data collection activities and analyses of high-speed telecommunications markets.²⁶

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.²⁷

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.

²⁵ The information presented herein concerns the telecommunications services that are the subject of the provisions of Section 13-517 of the Act.

²⁶ 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.

²⁷ 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.

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.

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.²⁸

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

²⁸ FCC's Deployment of Telecommunications Capability: Second Report, August 2000, at ¶¶ 35-36 (footnotes omitted).

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.²⁹

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.³⁰

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

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

³⁰ 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.

**Table 10: High-Speed Lines
(Thousands)³¹**

	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	42,437	1,817
DEC 2005	51,156	2,160
JUNE 2006	64,614	2,612

Appendix D presents two maps that contain 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 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.³² Similarly, Figure D2 depicts zip code areas in Illinois where no high speed customers of any type were reported in June of 2006.³³

³¹ Source: Federal Communications Commission, Industry Analysis and Technology Division, Wireline Competition Bureau, High-Speed Services for Internet Access: Status as of June 30, 2006, Released January 2007 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).

³² 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) 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.

³³ The Commission does not possess more granular data that would show areas within zip codes that do not have access to high speed services. Thus, the information presented in the maps likely understates the degree to which customers did not have access to high speed services in June of 2006.

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.³⁴

According to the market share information reported here, the CLEC overall POTS market share decreased between year-end 2005 and year-end 2006. However, information regarding overall POTS line counts suggests that this decline should be interpreted with caution. Total reported POTS lines in Illinois declined between year-end 2005 and year-end 2006 (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.

³⁴ “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.

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.

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.³⁵

There is considerable variation in size and demographic makeup among the Illinois LATAs.³⁶ 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,

³⁵ 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").

³⁶ 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.

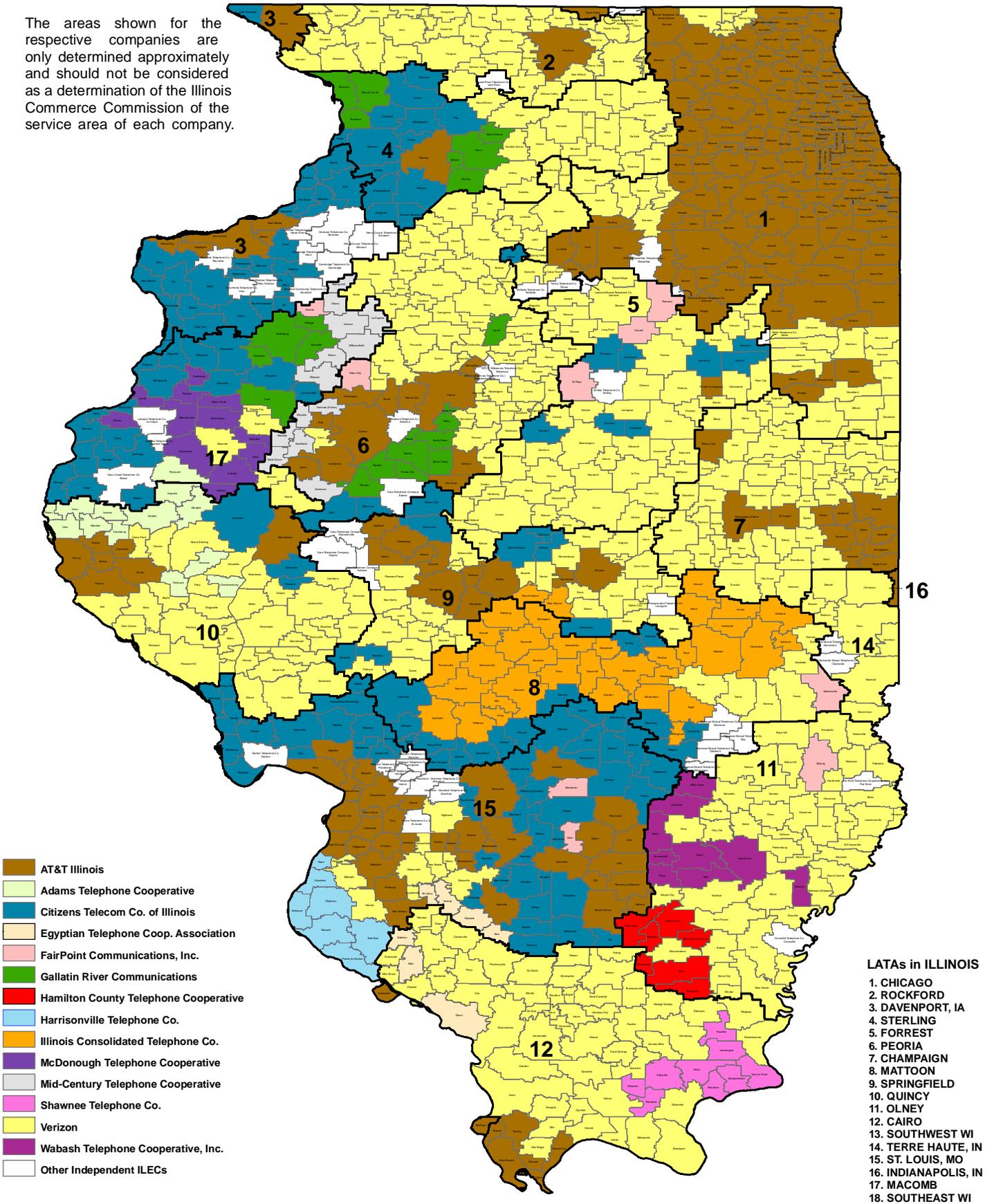
Illinois LATAs, respectively, contain the highest and lowest population per square mile. There are nearly 1,000 residents per square mile in the Chicago LATA and less than 32 residents per square mile in the Olney LATA. These two LATAs also contain the highest and lowest number of households per square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

13 18

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.³⁷ 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 January 17, 2007, and carriers reporting to the Commission's CDR, respectively.

³⁷ 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 1/17/07

1-800-RECONEX, Inc. d/b/a Ustel	El Paso Telephone Company, The d/b/a Fairpoint Communications / The El Paso Telephone Company
AboveNet Communications, Inc. d/b/a AboveNet Media Networks	Electric Lightwave, LLC d/b/a Integra Telecom
Access One, Inc.	Elite Telnet, LLC
Access2Go, Inc.	Empire One Telecommunications, Inc.
ACN Communication Services, Inc.	Equivoice, L.L.C.
Adams Telephone Co-Operative	Ernest Communications, Inc.
Adams TelSystems, Inc.	Essex Telecom, Inc.
Aero Communications, LLC	EZ RECONNECT, LLC
Airdis, LLC d/b/a Airdis Telecom	First Communications, LLC
Airespring, Inc.	Flat Rock Communications, Inc.
Alhambra-Grantfork Telephone Company	Flat Rock Telephone Co-Op, Incorporated
ALLTEL Communications, Inc.	Frontier Communications - Midland, Inc.
American Fiber Network, Inc. d/b/a 'AFN'	Frontier Communications - Prairie, Inc.
Ameritech Advanced Data Services of Illinois, Inc. d/b/a AT&T Advanced Solutions	Frontier Communications - Schuyler, Inc.
AMI Communications, Inc.	Frontier Communications of DePue, Inc.
Apps Communications, Inc.	Frontier Communications of Illinois, Inc.
AT&T Communications of Illinois, Inc.	Frontier Communications of Lakeside, Inc.
B & S Telecom, Inc. d/b/a Quick Connect USA d/b/a Consumers Telephone Company	Frontier Communications of Mt. Pulaski, Inc.
Backbone Communications Inc.	Frontier Communications of Orion, Inc.
BellSouth Long Distance, Inc. d/b/a AT&T Long Distance Service	Gallatin River Communications L.L.C.
Bergen Telephone Company	GEH Technologies, LLC
BetterWorld Telecom, LLC	Geneseo Communications Services, Inc.
Big River Telephone Company, LLC	Geneseo Telephone Company
Birch Telecom of the Great Lakes, Inc.	Global Connection Inc. of America
BLC Management LLC d/b/a Angles Communication Solutions d/b/a Mexicall Solutions	Global Crossing Local Services, Inc.
Broadwing Communications, LLC	Global Crossing Telemanagement, Inc.
Budget Phone, Inc.	Global Internetworking, Inc.
Bullseye Telecom, Inc.	Global NAPs Illinois, Inc.
Camarato Distributing, Inc.	Global TelData II, LLC
Cambridge Telcom Services, Inc.	Globalcom Inc.
Cambridge Telephone Company	Grafton Technologies, Inc.
Cass Telephone Company	Grafton Telephone Company
CAT Communications International, Inc.	Grandview Mutual Telephone Company
Cbeyond Communications, LLC	Granite Telecommunications, LLC
CCG Communications LLC d/b/a Verosity Technical Partners	Great America Networks, Inc.
Charter Fiberlink-Illinois, LLC	Gridley Communications, Inc.
CIMCO Communications, Inc.	Gridley Telephone Co.
Cinergy Communications Company	Hamilton County Telephone Co-Op.
Citizens Telecommunications Company of Illinois d/b/a Frontier Citizens Communications of Illinois	Hanson Telecommunications, Inc.
City of Batavia	Harrisonville Telephone Company
City of Naperville	Henry County Telephone Company
City of Princeton	Home TeleNetworks, Inc.
City of Rochelle	Home Telephone Co.
City of Rock Falls	HTC Communications Co.
City of Springfield	IBFA Acquisition Company, LLC d/b/a Farm Bureau Connection
City of St. Charles	ICG Telecom Group, Inc.
Claricom Networks, LLC	I-Element, Inc.
Clear Rate Communications, Inc.	Illinois Bell Telephone Company
Cleartel Telecommunications, Inc. d/b/a Now Telecommunications	Illinois Consolidated Telephone Company
Comcast Phone of Illinois, LLC d/b/a Comcast Digital Phone	Illinois Telephone Corporation
CommPartners, LLC	Insight Phone of Illinois, LLC d/b/a Insight Phone
Computer Network Technology Corporation	Integrated Solutions, L.L.C.
Computer View, Inc.	Intrado Inc.
COMTECH 21, LLC	IQ Telecom, Inc.
Comtel Telecom Assets LP d/b/a Clear Choice Communications d/b/a Vartec Telecom	Kentucky Data Link, Inc. d/b/a Cinergy Networks
d/b/a Vartec Solutions d/b/a Excel Telecommunications	KMC Data LLC
Consolidated Communications Network Services, Inc.	LaHarpe Telephone Company, Inc.
Cordia Communications Corp.	Leaf River Telephone Company
Cost Plus Communications, LLC	Leonore Mutual Telephone Co., Inc.
Covad Communications Company	Level 3 Communications, L.L.C.
Covista, Inc.	Lightspeed Telecom, LLC
C-R Telephone Company d/b/a Fairpoint Communications / C-R Telephone Company	Lightyear Network Solutions, LLC
Crossville Telephone Company, The	Long Distance of Michigan, Inc., d/b/a LDMI Telecommunications
Data Net Systems, L.L.C.	Looking Glass Networks, Inc.
Delta Communications, LLC, d/b/a Clearwave Communications	Madison River Communications, LLC d/b/a Gallatin River Integrated Communications Solutions
Digital Network Access Communications, Inc. d/b/a DNA Communications	Madison Telephone Company
Diverse Communications, Inc.	Marion Telephone LLC
DLS Communication Services, Inc.	Marseilles Telephone Company, The
DSLnet Communications, LLC	Matrix Telecom, Inc. d/b/a Matrix Business Technologies
Easton Telecom Services, L.L.C.	MCC Telephony of Illinois, Inc.
Easy Call, Inc.	McDonough Telephone Cooperative, Inc.
EGIX Network Services, Inc.	MCI Communications Services, Inc. d/b/a Verizon Business Services
Egyptian Communication Services, Inc.	MCImetro Access Transmission Services LLC d/b/a Verizon Access Transmission Services
Egyptian Telephone Cooperative Association, Inc.	

Table B1 - Certificated Local Exchange Carriers on 1/17/07 (Continued)

McLeodUSA Telecommunications Services, Inc.	SOS Telecom, Inc.
McNabb Telephone Company	Spectrotel, Inc.
Metamora Telephone Company	Sprint Communications L.P. d/b/a Sprint Communications Company L.P.
Metropolitan Telecommunications of Illinois, Inc. d/b/a MetTel	Stelle Telephone Company
Mid-Century Telephone Cooperative, Inc.	Swetland Internet, Inc. d/b/a Swetland Communications
Midwest Telecom of America, Inc.	Talk America Inc.
Midwestern Telecommunications, Incorporated	TCG Chicago
Montrose Mutual Telephone Company	TCG Illinois
Moultrie Independent Telephone Company	TCG St. Louis
Moultrie InfoComm, Inc.	TDS Metrocom, LLC
Mpower Communications Corp. d/b/a Mpower Communications of Illinois	TelCove Operations, Inc.
MTCO Communications, Inc.	Telecourier Communications Corporation
Navigator Telecommunications, LLC.	Tele-Reconnect Inc.
Network PTS, Inc.	TelNet Worldwide-IL, LLC d/b/a Superior Spectrum Telephone and Data
Network US, Inc. d/b/a CA Affinity	Think 12 Corporation d/b/a Hello Depot
Neutral Tandem-Illinois, LLC	Time Warner Telecom of Illinois LLC
New Millennium Telecommunications, Inc.	Tonica Telephone Company
New Windsor Telephone Company	Transcend Multimedia, LLC
Nextlink Wireless, Inc.	Tri-City Regional Port District d/b/a River's Edge Telecommunications
Nexus Communications, Inc.	Trinsic Communications, Inc.
nii communications, Ltd.	TruComm Corporation
Norlight Telecommunications, Inc.	U.S. Fiber LLC
North County Communications Corporation	U.S. Gas Electric & Telecommunications Corp.
NOS Communications, Inc. d/b/a International Plus d/b/a 011 Communications	UCN, Inc.
NTS Services Corp.	Unite Private Networks-Illinois, LLC
NuVox Communications of Illinois, Inc.	United Communications Systems, Inc. d/b/a Call One
Odin Telephone Exchange, Inc. d/b/a Fairpoint Communications / Odin	US Signal Company, L.L.C. d/b/a RVP Fiber Company
Oneida Network Services, Inc.	US TelePacific Corp. d/b/a TelePacific Communications
Oneida Telephone Exchange, Inc.	US Xchange of Illinois, L.L.C. d/b/a One Communications II
OnFiber Carrier Services, Inc.	Vanco Direct USA, LLC
Pacific Centrex Services, Inc.	VCI Company d/b/a Vilaire Communications, Inc.
PaeTec Communications, Inc.	Verizon Avenue Corp.
Peak Communications, Inc.	Verizon North Inc.
Pelzer Communications Corporation	Verizon Select Services Inc.
PNG Telecommunications, Inc. d/b/a Powernet Global Communications d/b/a	Verizon South Inc.
Preferred Carrier Services, Inc.	Vertex Broadband, Corp. d/b/a AthenaTel d/b/a Reason to Switch d/b/a TownLink Communications
ProCom International, Ltd.	VinaKom, Inc. d/b/a VinaKom Communications
QuantumShift Communications, Inc.	Viola Home Telephone Company
Qwest Communications Corporation	Volo Communications of Illinois, Inc.
Qwest Interprise America, Inc.	Wabash Independent Networks, Inc.
RCN Telecom Services of Illinois, LLC	Wabash Telephone Cooperative, Inc.
Reliant Communications, Inc.	WilTel Communications, LLC
Reynolds Telephone Company	WilTel Local Network, LLC
RGT Utilities of California, Inc.	Woodhull Telephone Company
ROUTE 24 Computers, Inc.	Working Assets Funding Services (Inc.)
Royal Phone Company LLC	World-Link Solutions, Inc.
Sage Telecom, Inc.	XO Communications Services, Inc.
Sharon Telephone Company	Yates City Telephone Company d/b/a Fairpoint Communications / Yates City Telephone Company
Shawnee Telephone Company	Yipes Enterprise Services, Inc.
ShawneeLEC, Inc.	YMax Communications Corp.
ShawneeLink Corporation	Zone Telecom, Inc.
SNG Communications, L.L.C.	
Advanced Integrated Technologies Inc.	Dial-Around Telecom, Inc.
Affordable Voice Communications, Inc.	dPi Teleconnect, L.L.C.
Ascendtel, LLC	Expedient Carrier Services, LLC
BCN Telecom, Inc.	FairPoint Carrier Services, Inc.
BITWISE Communications, Inc.	France Telecom Corporate Solutions L.L.C.
BT Communications Sales LLC	GlobalEyes Telecommunications, Inc.
Buzz Telecom, Corporation	Globetel, Inc.
CAL Communications, Inc.	Grid 4 Communications, Inc.
Campus Communication Group, Inc.	IDT America, Corp.
CBB Carrier Services, Inc.	IlliCom Telecommunications, Inc.
CenturyTel Fiber Company II, LLC d/b/a LightCore CenturyTel Company	Infotelecom, LLC
City of Geneva	Inter-Tel NetSolutions, Inc.
Citynet Illinois, LLC	King City Telephone, LLC d/b/a Southern Illinois Communications
CloseCall America, Inc.	Lee's Communications, LLC d/b/a Talk & Go
CMC Telecom, Inc.	Levin Telecommunications, Corp.
Common Pointe Networks of Illinois, LLC	LH Telecom, Inc.
ComTech Solutions, L.L.C. d/b/a Integrated Connections	Loop Telecom, L.P.
Crosslink Long Distance Company	Madison Network Systems, Inc.
Cypress Communications Operating Company, LLC	Master Call Communications, Inc.

Table B1 - Certificated Local Exchange Carriers on 1/17/07 (Continued)

Mobilitie, LLC	Primus Telecommunications, Inc.
NetworkIP, L.L.C. d/b/a Elite Telecom	RocNet Holdings, LLC
New Access Communications, LLC	Supra Telecommunications and Information Systems, Inc.
New Edge Network, Inc. d/b/a New Edge Networks	Telecom Management, Inc. d/b/a SBA of America d/b/a Pioneer Telephone
NextG Networks of Illinois, Inc.	Telscape Communications, Inc.
Novacon Holdings LLC	Trans National Communications International, Inc.
Pac-West Telecomm, Inc.	Virtual Office Services, Inc. d/b/a Aspen Datacom
PersonalOffice, Inc.	Voice Spring, LLC
PhoneCo, L.P.	Winstar Communications, LLC
Platinumtel Communications, LLC	Worldwide Telecommunications Inc.

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

1-800-RECONEX, Inc. d/b/a Ustel	El Paso Telephone Company, The d/b/a Fairpoint Communications / The El Paso Telephone Company
AboveNet Communications, Inc. d/b/a AboveNet Media Networks	Electric Lightwave, LLC d/b/a Integra Telecom
Access One, Inc.	Elite Telnet, LLC
Access2Go, Inc.	Empire One Telecommunications, Inc.
ACN Communication Services, Inc.	Equivoice, L.L.C.
Adams Telephone Co-Operative	Ernest Communications, Inc.
Adams TelSystems, Inc.	Essex Telecom, Inc.
Aero Communications, LLC	EZ RECONNECT, LLC
Airdis, LLC d/b/a Airdis Telecom	First Communications, LLC
Airespring, Inc.	Flat Rock Communications, Inc.
Alhambra-Grantfork Telephone Company	Flat Rock Telephone Co-Op, Incorporated
ALLTEL Communications, Inc.	Frontier Communications - Midland, Inc.
American Fiber Network, Inc. d/b/a 'AFN'	Frontier Communications - Prairie, Inc.
Ameritech Advanced Data Services of Illinois, Inc. d/b/a AT&T Advanced Solutions	Frontier Communications - Schuyler, Inc.
AMI Communications, Inc.	Frontier Communications of DePue, Inc.
Apps Communications, Inc.	Frontier Communications of Illinois, Inc.
AT&T Communications of Illinois, Inc.	Frontier Communications of Lakeside, Inc.
B & S Telecom, Inc. d/b/a Quick Connect USA d/b/a Consumers Telephone Company	Frontier Communications of Mt. Pulaski, Inc.
Backbone Communications Inc.	Frontier Communications of Orion, Inc.
BellSouth Long Distance, Inc. d/b/a AT&T Long Distance Service	Gallatin River Communications L.L.C.
Bergen Telephone Company	GEH Technologies, LLC
BetterWorld Telecom, LLC	Geneseo Communications Services, Inc.
Big River Telephone Company, LLC	Geneseo Telephone Company
Birch Telecom of the Great Lakes, Inc.	Global Connection Inc. of America
BLC Management LLC d/b/a Angles Communication Solutions d/b/a Mexicall Solutions	Global Crossing Local Services, Inc.
Broadwing Communications, LLC	Global Crossing Telemanagement, Inc.
Budget Phone, Inc.	Global Internetworking, Inc.
Bullseye Telecom, Inc.	Global NAPs Illinois, Inc.
Camarato Distributing, Inc.	Global TelData II, LLC
Cambridge Telcom Services, Inc.	Globalcom Inc.
Cambridge Telephone Company	Grafton Technologies, Inc.
Cass Telephone Company	Grafton Telephone Company
CAT Communications International, Inc.	Grandview Mutual Telephone Company
Cbeyond Communications, LLC	Granite Telecommunications, LLC
CCG Communications LLC d/b/a Verosity Technical Partners	Great America Networks, Inc.
Charter Fiberlink-Illinois, LLC	Gridley Communications, Inc.
CIMCO Communications, Inc.	Gridley Telephone Co.
Cinergy Communications Company	Hamilton County Telephone Co-Op.
Citizens Telecommunications Company of Illinois d/b/a Frontier Citizens Communications of Illinois	Hanson Telecommunications, Inc.
City of Batavia	Harrisonville Telephone Company
City of Naperville	Henry County Telephone Company
City of Princeton	Home TeleNetworks, Inc.
City of Rochelle	Home Telephone Co.
City of Rock Falls	HTC Communications Co.
City of Springfield	IBFA Acquisition Company, LLC d/b/a Farm Bureau Connection
City of St. Charles	ICG Telecom Group, Inc.
Claricom Networks, LLC	I-Element, Inc.
Clear Rate Communications, Inc.	Illinois Bell Telephone Company
Cleartel Telecommunications, Inc. d/b/a Now Telecommunications	Illinois Consolidated Telephone Company
Comcast Phone of Illinois, LLC d/b/a Comcast Digital Phone	Illinois Telephone Corporation
CommPartners, LLC	Insight Phone of Illinois, LLC d/b/a Insight Phone
Computer Network Technology Corporation	Integrated Solutions, L.L.C.
Computer View, Inc.	Intrado Inc.
COMTECH 21, LLC	IQ Telecom, Inc.
Comtel Telecom Assets LP d/b/a Clear Choice Communications d/b/a Vartec Telecom	Kentucky Data Link, Inc. d/b/a Cinergy Networks
d/b/a Vartec Solutions d/b/a Excel Telecommunications	KMC Data LLC
Consolidated Communications Network Services, Inc.	LaHarpe Telephone Company, Inc.
Cordia Communications Corp.	Leaf River Telephone Company
Cost Plus Communications, LLC	Leonore Mutual Telephone Co., Inc.
Covad Communications Company	Level 3 Communications, L.L.C.
Covista, Inc.	Lightspeed Telecom, LLC
C-R Telephone Company d/b/a Fairpoint Communications / C-R Telephone Company	Lightyear Network Solutions, LLC
Crossville Telephone Company, The	Long Distance of Michigan, Inc., d/b/a LDMI Telecommunications
Data Net Systems, L.L.C.	Looking Glass Networks, Inc.
Delta Communications, LLC, d/b/a Clearwave Communications	Madison River Communications, LLC d/b/a Gallatin River Integrated Communications Solutions
Digital Network Access Communications, Inc. d/b/a DNA Communications	Madison Telephone Company
Diverse Communications, Inc.	Marion Telephone LLC
DLS Communication Services, Inc.	Marseilles Telephone Company, The
DSLnet Communications, LLC	Matrix Telecom, Inc. d/b/a Matrix Business Technologies
Easton Telecom Services, L.L.C.	MCC Telephony of Illinois, Inc.
Easy Call, Inc.	McDonough Telephone Cooperative, Inc.
EGIX Network Services, Inc.	MCI Communications Services, Inc. d/b/a Verizon Business Services
Egyptian Communication Services, Inc.	MCImetro Access Transmission Services LLC d/b/a Verizon Access Transmission Services
Egyptian Telephone Cooperative Association, Inc.	

Table B1 – Carriers that Responded to the ICC Competition Data Request (Continued)

McLeodUSA Telecommunications Services, Inc.	SOS Telecom, Inc.
McNabb Telephone Company	Spectrotel, Inc.
Metamora Telephone Company	Sprint Communications L.P. d/b/a Sprint Communications Company L.P.
Metropolitan Telecommunications of Illinois, Inc. d/b/a MetTel	Stelle Telephone Company
Mid-Century Telephone Cooperative, Inc.	Swetland Internet, Inc. d/b/a Swetland Communications
Midwest Telecom of America, Inc.	Talk America Inc.
Midwestern Telecommunications, Incorporated	TCG Chicago
Montrose Mutual Telephone Company	TCG Illinois
Moultrie Independent Telephone Company	TCG St. Louis
Moultrie InfoComm, Inc.	TDS Metrocom, LLC
Mpower Communications Corp. d/b/a Mpower Communications of Illinois	TelCove Operations, Inc.
MTCO Communications, Inc.	Telecourier Communications Corporation
Navigator Telecommunications, LLC.	Tele-Reconnect Inc.
Network PTS, Inc.	TelNet Worldwide-IL, LLC d/b/a Superior Spectrum Telephone and Data
Network US, Inc. d/b/a CA Affinity	Think 12 Corporation d/b/a Hello Depot
Neutral Tandem-Illinois, LLC	Time Warner Telecom of Illinois LLC
New Millennium Telecommunications, Inc.	Tonica Telephone Company
New Windsor Telephone Company	Transcend Multimedia, LLC
Nextlink Wireless, Inc.	Tri-City Regional Port District d/b/a River's Edge Telecommunications
Nexus Communications, Inc.	Trinsic Communications, Inc.
nii communications, Ltd.	TruComm Corporation
Norlight Telecommunications, Inc.	U.S. Fiber LLC
North County Communications Corporation	U.S. Gas Electric & Telecommunications Corp.
NOS Communications, Inc. d/b/a International Plus d/b/a 011 Communications	UCN, Inc.
NTS Services Corp.	Unite Private Networks-Illinois, LLC
NuVox Communications of Illinois, Inc.	United Communications Systems, Inc. d/b/a Call One
Odin Telephone Exchange, Inc. d/b/a Fairpoint Communications / Odin	US Signal Company, L.L.C. d/b/a RVP Fiber Company
Oneida Network Services, Inc.	US TelePacific Corp. d/b/a TelePacific Communications
Oneida Telephone Exchange, Inc.	US Xchange of Illinois, L.L.C. d/b/a One Communications II
OnFiber Carrier Services, Inc.	Vanco Direct USA, LLC
Pacific Centrex Services, Inc.	VCI Company d/b/a Vilaire Communications, Inc.
PaeTec Communications, Inc.	Verizon Avenue Corp.
Peak Communications, Inc.	Verizon North Inc.
Pelzer Communications Corporation	Verizon Select Services Inc.
PNG Telecommunications, Inc. d/b/a Powernet Global Communications d/b/a	Verizon South Inc.
Preferred Carrier Services, Inc.	Vertex Broadband, Corp. d/b/a AthenaTel d/b/a Reason to Switch d/b/a TownLink Communications
ProCom International, Ltd.	VinaKom, Inc. d/b/a VinaKom Communications
QuantumShift Communications, Inc.	Viola Home Telephone Company
Qwest Communications Corporation	Volo Communications of Illinois, Inc.
Qwest Interprise America, Inc.	Wabash Independent Networks, Inc.
RCN Telecom Services of Illinois, LLC	Wabash Telephone Cooperative, Inc.
Reliant Communications, Inc.	WiTel Communications, LLC
Reynolds Telephone Company	WiTel Local Network, LLC
RGT Utilities of California, Inc.	Woodhull Telephone Company
ROUTE 24 Computers, Inc.	Working Assets Funding Services (Inc.)
Royal Phone Company LLC	World-Link Solutions, Inc.
Sage Telecom, Inc.	XO Communications Services, Inc.
Sharon Telephone Company	Yates City Telephone Company d/b/a Fairpoint Communications / Yates City Telephone Company
Shawnee Telephone Company	Yipes Enterprise Services, Inc.
ShawneeLEC, Inc.	YMax Communications Corp.
ShawneeLink Corporation	Zone Telecom, Inc.
SNG Communications, L.L.C.	

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, 2006)**

LATA	LATA Name	All LECs	All LEC Lines	ILECs	ILEC Lines	CLECs	CLEC Lines	CLEC Lines as % of Total
358	CHICAGO ILLINOIS	77	5,193,721	8	4,288,223	69	905,498	17.4%
360	ROCKFORD ILLINOIS ¹	41	209,557	4	174,829	37	34,728	16.6%
362	CAIRO ILLINOIS	29	138,064	4	123,500	25	14,564	10.5%
364	STERLING ILLINOIS	36	103,076	5	97,403	31	5,673	5.5%
366	FORREST ILLINOIS	24	129,633	6	116,554	18	13,079	10.1%
368	PEORIA ILLINOIS	44	234,416	9	215,346	35	19,070	8.1%
370	CHAMPAIGN ILLINOIS ²	40	180,109	4	162,304	36	17,805	9.9%
374	SPRINGFIELD ILLINOIS	39	218,311	6	197,426	33	20,885	9.6%
376	QUINCY ILLINOIS	33	80,566	4	72,512	29	8,054	10.0%
520	ST LOUIS MISSOURI	53	384,187	10	330,084	43	54,103	14.1%
634	DAVENPORT IOWA	39	114,142	9	105,786	30	8,356	7.3%
976	MATTOON ILLINOIS	14	107,748	5	99,560	9	8188	7.6%
977	MACOMB ILLINOIS	20	64,117	8	63,456	12	661	1.0%
978	OLNEY ILLINOIS	18	64,066	6	61,298	12	2768	4.3%
	Statewide	136	7,221,713	45	6,108,281	91	1,113,432	15.4%

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 C2 - Residential Retail POTS Provision by LATA
(December 31, 2006)**

LATA	LATA Name	All LECs	All LEC Lines	ILECs	ILEC Lines	CLECs	CLEC Lines	CLEC Lines as % of Total
358	CHICAGO ILLINOIS	51	2,706,308	8	2,388,534	43	317,774	11.7%
360	ROCKFORD ILLINOIS ¹	28	132,153	4	118,986	24	13,167	10.0%
362	CAIRO ILLINOIS	20	94,249	4	86,663	16	7,586	8.0%
364	STERLING ILLINOIS	22	60,233	5	58,140	17	2,093	3.5%
366	FORREST ILLINOIS	17	79,146	6	74,253	11	4893	6.2%
368	PEORIA ILLINOIS	31	151,091	9	141,404	22	9,687	6.4%
370	CHAMPAIGN ILLINOIS ²	25	101,190	4	90,668	21	10,522	10.4%
374	SPRINGFIELD ILLINOIS	24	117,902	6	108,864	18	9,038	7.7%
376	QUINCY ILLINOIS	20	50,490	4	48,132	16	2,358	4.7%
520	ST LOUIS MISSOURI	39	252,134	10	213,063	29	39,071	15.5%
634	DAVENPORT IOWA	26	63,037	9	57,986	17	5,051	8.0%
976	MATTOON ILLINOIS	9	60,043	5	57,126	4	2917	4.9%
977	MACOMB ILLINOIS	12	39,279	8	39,071	4	208	0.5%
978	OLNEY ILLINOIS	13	46,492	6	45,050	7	1442	3.1%
	Statewide	107	3,953,747	45	3,527,940	62	425,807	10.8%

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.

Table C3 - Business Retail POTS Provision by LATA
(December 31, 2006)

LATA	LATA Name	All LECs	All LEC Lines	ILECs	ILEC Lines	CLECs	CLEC Lines	CLEC Lines as % of Total
358	CHICAGO ILLINOIS	61	2,487,413	8	1,899,689	53	587,724	23.6%
360	ROCKFORD ILLINOIS ¹	28	77,404	4	55,843	24	21,561	27.9%
362	CAIRO ILLINOIS	20	43,815	4	36,837	16	6,978	15.9%
364	STERLING ILLINOIS	29	42,843	5	39,263	24	3,580	8.4%
366	FORREST ILLINOIS	19	50,487	6	42,301	13	8,186	16.2%
368	PEORIA ILLINOIS	34	83,325	9	73,942	25	9,383	11.3%
370	CHAMPAIGN ILLINOIS ²	28	78,919	4	71,636	24	7,283	9.2%
374	SPRINGFIELD ILLINOIS	29	100,409	6	88,562	23	11,847	11.8%
376	QUINCY ILLINOIS	26	30,076	4	24,380	22	5,696	18.9%
520	ST LOUIS MISSOURI	39	132,053	10	117,021	29	15,032	11.4%
634	DAVENPORT IOWA	30	51,105	9	47,800	21	3,305	6.5%
976	MATTOON ILLINOIS	11	47,705	5	42,434	6	5271	11.0%
977	MACOMB ILLINOIS	17	24,838	8	24,385	9	453	1.8%
978	OLNEY ILLINOIS	15	17,574	6	16,248	9	1326	7.5%
	Statewide	119	3,267,966	45	2,580,341	74	687,625	21.0%

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 12/31/06	Residential Retail E-911 Listings as of 12/31/06	Estimated Residential Retail E-911 Listings not Reported as POTS Lines as of 12/31/06	Reported Residential Retail POTS Lines Plus Estimated Unreported E-911 Listings as of 12/31/06	Reported Residential Retail POTS Lines as of 12/31/01
358	CHICAGO ILLINOIS	2,706,308	3,042,452	336,144	3,042,452	3,645,807
360	ROCKFORD ILLINOIS ¹	132,153	152,621	20,468	152,621	161,890
364	STERLING ILLINOIS	60,233	81,163	20,930	81,163	89,546
368	PEORIA ILLINOIS	151,091	203,980	52,889	203,980	191,519
370	CHAMPAIGN ILLINOIS ²	101,190	119,735	18,545	119,735	135,155
374	SPRINGFIELD ILLINOIS	117,902	125,960	8,058	125,960	151,539
376	QUINCY ILLINOIS	50,490	40,963	0	50,490	63,784
520	ST LOUIS MISSOURI	252,134	273,530	21,396	273,530	313,543
634	DAVENPORT IOWA	63,037	82,221	19,184	82,221	92,784
362	CAIRO ILLINOIS	94,249	69,735	0		
366	FORREST ILLINOIS	79,146	151,976	72,830		
976	MATTOON ILLINOIS	60,043	61,703	1,660	393,699*	411,824*
977	MACOMB ILLINOIS	39,279	38,353	0		
978	OLNEY ILLINOIS	46,492	23,597	0		
	Statewide	3,953,747	4,467,989	572,104	4,525,851	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

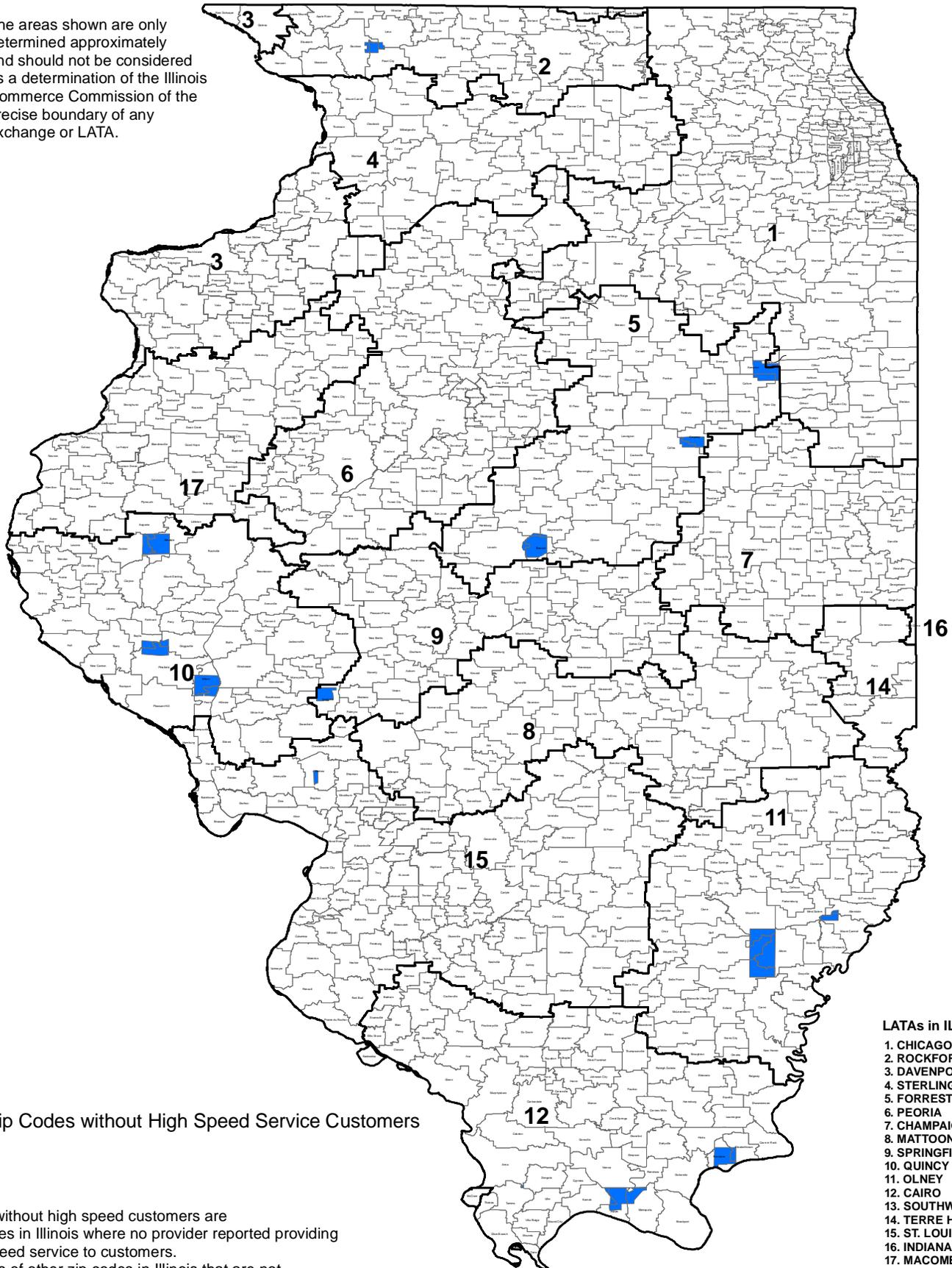
Figures D1 identifies areas with no reported high speed subscribers of any sort.

Figure D2 identifies areas with 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 6/30/06
(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.



 Zip Codes without High Speed Service Customers

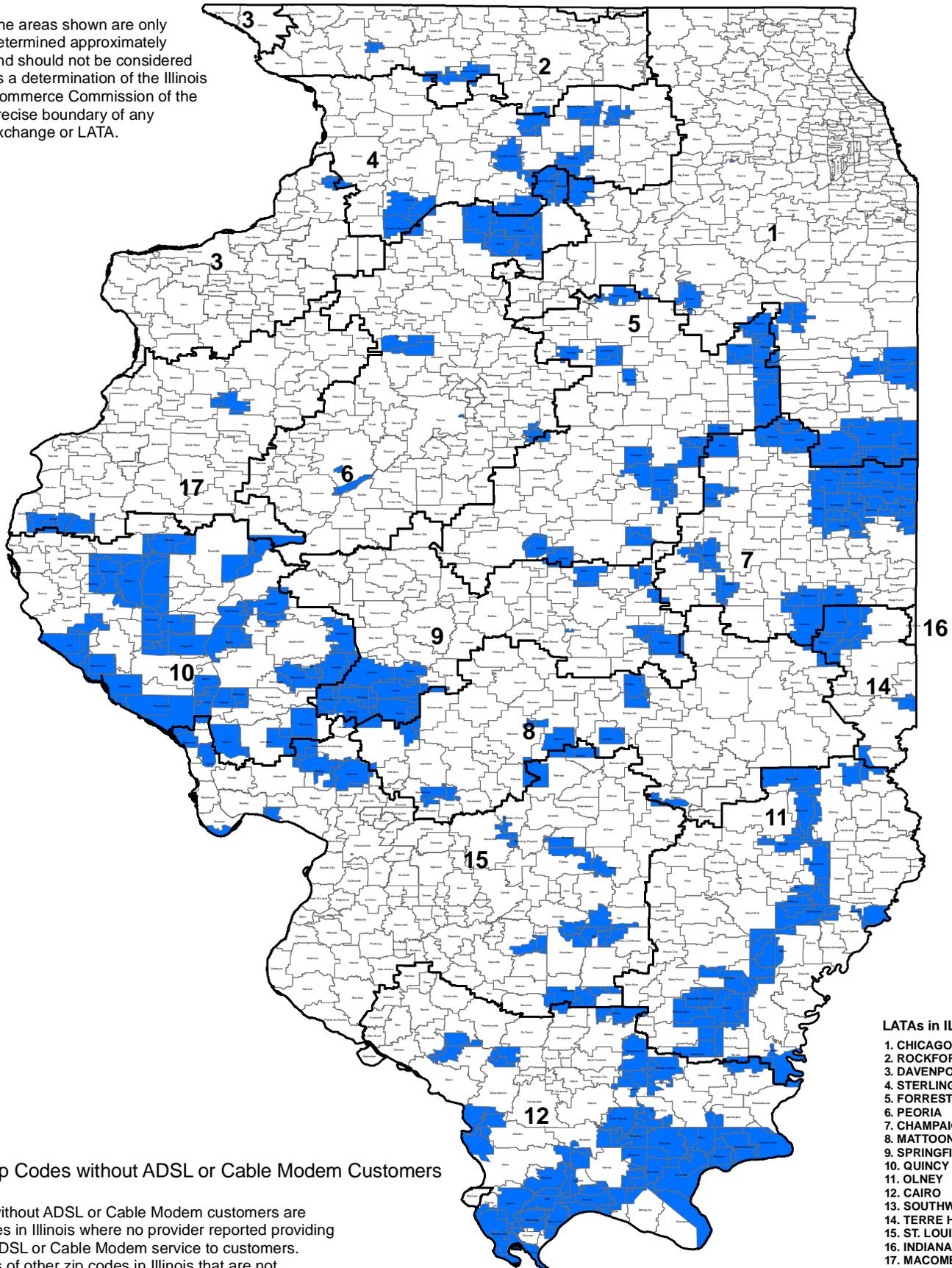
- LATAs in ILLINOIS**
1. CHICAGO
 2. ROCKFORD
 3. DAVENPORT, IA
 4. STERLING
 5. FORREST
 6. PEORIA
 7. CHAMPAIGN
 8. MATTOON
 9. SPRINGFIELD
 10. QUINCY
 11. OLNEY
 12. CAIRO
 13. SOUTHWEST WI
 14. TERRE HAUTE, IN
 15. ST. LOUIS, MO
 16. INDIANAPOLIS, IN
 17. MACOMB
 18. SOUTHEAST WI

Areas without high speed customers are zip codes in Illinois where no provider reported providing high speed service to customers. Portions of other zip codes in Illinois that are not highlighted might also include areas where no provider provides high speed service to customers.

**Figure D2: Areas without any Reported ADSL or Cable Modem Customers as of 6/30/06
(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.



 Zip Codes without ADSL or Cable Modem Customers

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.