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News From the Illinois Telecommunications Association
Representing The Telecommunications Industry in Illinois

Regulators Acknowledge Telecom is Competitive

State Law Update Needed

In a ruling this past summer, the Illinois Commerce Commission (ICC) acknowledged what consumers have already known – that there is vibrant competition in residential local phone service in the metropolitan Chicago market. With innovation and new technologies such as wireless, cable and Internet calling delivering the benefits of vibrant competition, it was a logical step for the ICC to relax regulation of local phone rates in the Chicago area.

Neighboring states and other large, industrial states have been more progressive in recognizing that local residential service is competitive. In California this past August, regulators recognized the competitive nature of local residential phone service and voted unanimously to significantly change the regulation of local phone services throughout the entire state. Illinois can't afford to be too far behind.

"In 2007, the Illinois General Assembly will be considering how to rewrite the state's telecommunications law to bring it up-to-date with the current environment," said Doug Dougherty, president of the Illinois Telecommunications Association. "We are confident that a review of the telecommunications' landscape will demonstrate to lawmakers that competition exists statewide in Illinois for consumers of telecommunications services.

"The state's telecommunications law should be modified to recognize that fact," Dougherty said. "At a minimum, Illinois lawmakers and regulators should use the ICC decision regarding AT&T's local rates in the Chicago area as a platform for establishing expedited determinations of competitiveness in other areas of the state."

Other issues that require policy changes by the General Assembly include the recognition that for traditional telephone companies to compete effectively with incumbent cable providers to offer consumers video service as well as voice and data, barriers to entry into local markets should be removed.

"With the recent passage of a statewide cable franchise bill in several states, including Indiana and California, it is clear that policymakers across the nation recognize the value of opening competition and providing alternatives to cable," said Dougherty. "At least nine states have passed laws helping to open the video market to competition. Illinois needs to follow suit."

These and other issues are likely to be considered in early 2007 when the General Assembly reconvenes. Illinois' current telecommunications law is scheduled to expire on June 30, 2007.

Community Leadership *Each issue of TeleState highlights how Illinois Telecommunications Association member companies and individual members invest in and give back to their communities. This issue celebrates the cooperative, industry-building approach of Bill Buchanan from McDonough Telephone Cooperative.*

McDonough Manager Builds Cooperative Effort

Back in Illinois after 10 years in Colorado, Bill Buchanan is still enjoying the benefits of a cooperative effort he helped initiate in the mid-1990s to enable customers throughout western Illinois to have access to new services and technologies. Before he left to work in Colorado, Buchanan and the managers of seven other small to mid-sized telecommunications companies organized Western Illinois Network Services (WINS).

Through WINS, customers of these eight companies covering an area from the Quad Cities to Macomb and the Mississippi River to Bishop Hill receive reasonably priced Internet service. By sharing the costs of hardware and software investment, the WINS companies are able to do more for their customers as a group than they could have individually.

Buchanan, currently the manager at McDonough Telephone Cooperative, returned to Illinois a year ago and found that the WINS board remained active and had spawned a new cooperative effort, Western Illinois Video (WIV). The same eight companies that participate in WINS are now offering their customers video service through WIV. Over the past two years, a growing number of the 13,000 customers served by the WIV companies have taken advantage of the video services offering.

"Bill is a key piece of both organizations," said Todd Irish, manager of LaHarpe Telephone Company and president of the WINS board of directors. "He was originally key to connecting us with an Iowa company that provided our Internet backbone. He's very knowledgeable in the field and has a lot of expertise. He's done it all."

With 100 percent of the companies offering DSL, Buchanan says the next step was to offer Internet and video service.

"It's beneficial when we work together as a group to share the costs of incorporating and updating new technologies," Buchanan said. "These companies have been consistently working together for 13 years."

The boards of WINS and WIV are composed of the managers of each of the eight companies, and Buchanan thinks it's "neat that there are cooperatives and privately owned companies involved, as well as small and medium-sized companies."

When the companies were looking to add video service, company employees and directors took the technology home to try it out and help work out the kinks. They tested it for 6 to 8 months before the companies were comfortable offering it to their customers.

That kind of teamwork exemplifies the spirit Buchanan and the other managers bring to their work. Buchanan's colleagues are glad to see him back in western Illinois after his 10 years in Colorado.

"When he came back, it was a big benefit to the group," said Irish. "He'd been out working in other parts of the country and he brought a fresh perspective back."

President's Letter

As 2006 comes to an end, I find myself looking back over the accomplishments of another year. For the association, the redevelopment of a downtown Springfield building to be used as our members headquarters and as rental property has added to our responsibilities while allowing us to become more of a positive presence in the community. It was the next logical step in the growth of the ITA, and one I know we will all be pleased with over the years to come.

Year-end activities also mean that the holidays are upon us. At this time of year, we all become a bit more charitable in our thinking and our actions. That applies not just to individuals, but also to companies.

A good example of charitable thinking and action is highlighted in the story in this issue about CORE Telecom and its commitment to support the ITA Foundation scholarship program. With the announcement of its intention to contribute to the foundation 1% of its sales to Illinois telecommunications providers, CORE Telecom reminds all of us that charity starts with a single, simple action. I know that member companies throughout the state are giving back to the communities they serve in a number of different ways. It's a good time of year to make note of our collective efforts and to celebrate the generosity of the telecommunications industry.

Looking forward to 2007, I know we will be busy working with the members of the General Assembly to convince them to update Illinois' out-of-date telecommunications law. Several other states throughout the nation have already recognized the importance of regulatory relief to encourage competition and new investments among telecommunications providers of all kinds. We have seen proof that this competition reduces prices for consumers and increase the availability of new technologies that consumers are demanding.

One year is ending and we focus on a new year beginning. We have a lot to be proud of and even more to look forward to.

Doug Dougherty

ITA Moves Into New Building

After a year of planning, architectural work and construction, the Illinois Telecommunications Association has moved into its new offices in Springfield. For the first time in its 101 years of existence, the ITA owns its own building. The rehabilitated office building is located at 312 S. Fourth St. in downtown Springfield, just blocks from the Capitol Building and the Illinois Commerce Commission.

"This past year has been an exciting one for the association as we embarked on a new chapter in our history," said board chairman, Kevin Rauh. "When it became clear that we needed a new office arrangement, the board weighed the pros and cons of renting and owning and decided it was time to take more control over our own circumstances. We're all pleased with the results."

The association offices occupy the first floor of the 4800 square foot Haenig Electric Building, a two-story brick structure that had been largely vacant for several years. The second floor is rented to public relations and lobbying firms.

"We did a complete historic restoration of the store front of this building," said project architect Dave Leonatti of Melotte-Morse-Leonatti, Ltd. "The building houses all new offices and is fully accessible with the installation of a new commercial elevator."

In keeping with the association's role as a leader in the telecommunications industry, the ITA has installed the latest in telecommunications technologies. Voice and data both travel over an Internet-based system, the Hosted IP Communications Service, and the building is also equipped with wireless access to the Internet.

People in the News

Mary Pat Regan, ITA Board member representing AT&T, successfully completed the Ironman Florida Triathlon the first weekend in November. Having participated in triathlons for only a year, Regan earned the designation "Ironman" by completing this particularly challenging course in less than 17 hours. To win this coveted designation, triathletes swim 2.4 miles, bike 112 miles and then run a full 26.2 mile marathon, all in less than 17 hours. Regan's time was 14 hours and 19 minutes. Congratulations to Mary Pat Regan on her outstanding accomplishment!

Doug Dougherty, president of the ITA, retired from the Rural Partners Board of Directors this fall. Dougherty has served that organization since its inception in 1989 and served as chairman of the Board of Directors from 1989-1998. Over the years Dougherty has helped to encourage partnerships that promote community and economic development in rural areas of Illinois. Thanks to Doug Dougherty for his leadership role!

CORE Telecom and ITA Foundation Partner on LTCC Scholarships

CORE Telecom Systems, an associate member of the Illinois Telecommunications Association (ITA), has announced that it will partner with the ITA Foundation to help provide additional scholarships at Lincoln Trail Community College in Robinson, Illinois for students pursuing training in telecommunications technology and services.

"As a family-owned company in business for eight years, CORE Telecom Systems is committed to the communities we serve," said Ben Boarman, sales manager for the company. "We want to support Illinois' telecommunications industry and provide a helping hand where we can actually make a difference in people's lives. One way we can do that is by assisting young people who need financial help to receive the training and education necessary to work in the telecommunications industry. We are excited about this partnership with the ITA, Lincoln Trail Community College and Illinois' next generation of telecommunications service technicians."

CORE Telecom Systems was founded eight years ago by Boarman's father, a former Lucent engineer and sales person. Using a blend of new technology and secondary solutions, CORE has proven to be a reliable, service-oriented provider of power, battery, access, and transmission solutions to telephone service providers. A Lucent Business Partner with over thirty years of industry experience, CORE offers everything from a single line card to a complete fiber transport, ADSL Modems, repair and installation services.

Beginning in 2007, CORE Telecom will donate to the ITA Foundation, 1% of all Illinois telecommunications provider sales. These funds will complement the funds already provided by the Foundation for full one-year scholarships for students entering Lincoln Trail's telecommunications training program.

"We are pleased and honored that one of our members would come forward and offer to partner with the ITA Foundation," said Doug Dougherty, president of the ITA and its Foundation. "We think this generous donation by CORE Telecom will enable us to underwrite at least one additional two-year scholarship. Together, we can make a difference for dedicated individuals who apply to Lincoln Trail and for the industry as a whole."

To date, the ITA Foundation has financed the education of 9 students in the Lincoln Trail telecommunications program. Each recipient receives a full one-year scholarship covering all tuition, fees and books.

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