



The Communicator

A Monthly Telecom Update from RAM Communications

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New Laws in Illinois . . .

Many of you already know the state government in Springfield passed new telecom laws affecting residential phone service. There has been a tremendous amount of legal activity taking place ever since. As always, we want to present all the facts for the benefit of all our readers.

Two laws were passed by the state legislature several weeks ago. SB 885 deals with the wholesale rates SBC Ameritech charges other carriers to use their network. Up until now, the Illinois Commerce Commission has forced SBC to keep wholesale rates at levels competitors could afford and still stay competitive in the market place. SBC's political operatives, Bill Daley and Carrie Hightman, claim these rates put SBC at a price disadvantage. Therefore, SBC could not compete in the market place with other carriers. (We will address this claim later in this article.) The General Assembly passed a new law which doubles the wholesale rates SBC can charge competitors for network facility. The new law goes into affect on June 9. (SB 885 only affects local, residential phone service. Business-class service is still being debated in the courts and in Springfield.) In both cases, AT&T, MCI and consumer advocacy groups have filed injunctions in federal court. There are several reasons for this. First and foremost, the law violates federal mandates addressed in the original 1996 Telecommunications Act. In the original law, incumbent local exchange carriers or, ILEC's, cannot charge competitive carriers rates above market price. In doing so, SBC's actions are anti-competitive according to federal law. In this case, the original law supersedes any new measure taken by the state of Illinois. This will be one of several points competitive carriers will make in federal court. The other concern voiced by consumer groups deals with potential price hikes. The Telecom Act of 1996 is far from perfect but it has forced all phone companies to charge competitive rates to consumers including SBC Ameritech. The new law will essentially double rates across the board for residential consumers. It seems the General Assembly in Springfield could have done a little more homework before passing SB 885.

In fact, several Illinois Senators, including Dave Sullivan, are now revisiting the issue. In last weeks issue of *Craine's Chicago Business*, Senator Sullivan commented, "This was pushed through the legislature so quickly that no one had time to fully debate the impact of this legislation." (continued on column 2)

A new measure is being presented in Springfield to stop the rate hikes from going into affect. According to Senator Sullivan, there is enough support for his bill's passing in Springfield.

During the same week SB 885 passed, the General Assembly passed a motion to allow SBC long distance rights in Illinois. The ironic point is the previous law, SB 885, will make it almost impossible for SBC to get federal approval for long distance. Per the 1996 Telecom Act, the FCC is the final judge in allowing ILEC's to sell long distance in their regions. The Telecom Act stipulates that in order for an ILEC to have long distance privileges, there must be evidence the ILEC has given competitors reasonable access to network infrastructure. In short, the FCC will not look kindly upon SBC doubling wholesale rates, even if the Illinois Assembly didn't pay attention to the matter.

Is anyone tired yet? Does this all sound like one big soap opera? Well, in a way, the whole industry is a big soap opera. Unfortunately, all the phone companies, not just SBC, have taken advantage of ignorant legislators and consumers. So here are some more facts. The 1996 Telecommunications Act has allowed entrepreneurs access to telecommunications opportunities they would have never had otherwise. IP devices, DSL, VPN and integrated access services were all developed by companies spawned after 1996. Consumers have saved billions of dollars in costs since the Baby Bells had to compete as businesses and not as entitled utility companies. These are some of the benefits. (continued on page 2, column 1)

ACRONYM CORNER

**What do all those crazy terms stand for?
What do they mean? Here are a few more worth memorizing:**

- ILEC Incumbent Local Exchange Carrier - original Bell Phone Company that controls the original phone network
- ICC Illinois Commerce Commission - the state governing body in charge of regulating telecom services here in Illinois
- FCC Federal Commerce Commission - federal regulatory agency in charge of enforcing all federal communication laws including the 1996 Telecommunications Act

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(New Laws in Illinois, continued)

There have been plenty of downsides too. Perhaps it's been unfair and unreasonable to expect SBC Ameritech to change so quickly. The competitive carriers have realized a few things too. It is difficult serving the general public in a new venture. Consider this: the telecommunications industry, as we know it, is barely seven years old; carriers have come and gone and quality-of-service has gone down in many cases.

RAM is disappointed with recent events in Springfield. We're not surprised by SBC's actions. We're disappointed because we feel SBC can compete on its own merits without having to rewrite laws in its favor. SBC is huge. SBC has the people and resources to provide better service now. Good service is a philosophy. A company cannot pass a mandate and force consumers to choose its products. After all, each of you, our customers, have to compete in your own businesses and on your own merits. Small businesses cannot rewrite laws in an effort to wipe out its competitors. Why should SBC be allowed to do the same thing? If a business is not providing products or services its clients need or want, that business will cease to exist. We realize part of RAM's existence is due to the fact telephone companies don't necessarily care about their customers. (If this weren't true, no one would have to stay on hold with their phone company.) By the same token, we have to provide our clients good service, or else, we will cease to exist.

All phone companies need to compete on their own merits. This goes for the competitive carriers too. The 1996 Telecom Act also provided the expectation competitive phone companies would one day utilize their own networks, free of any connection with the ILEC's. Carriers such as Allegiance, Focal, Paetec and XO, have network facilities in place. However, they all depend upon SBC for the last quarter mile connection to customers. Paetec is currently experimenting with wireless, 'last mile' connections to customers. If Paetec can build a reliable solution, then they will offer truly independent phone service – a first among competitors in the industry.

RAM would like opinion on the new laws. RAM can provide information on local legislators and phone company executives. Your voice counts. In the final analysis, all phone companies should listen to business customers. Your bill payments help feed their kids. Businesses have a large impact on local and state revenues as well. State and local telecom taxes are outrageous for business customers. State senators should listen to small businesses as well as SBC.

Cell Phone Recycling

For those of you who may be stuck with old cell phones and accessories, stop by your nearest Verizon Wireless Store. Verizon has set up recycling stations at every store in Chicagoland. You may have to deal with a store rep trying to sell his wares but you'll have the comfort of taking part in a good recycling effort.

Who's My Long Distance Carrier?

Try the 700 Test

Does your business get frustrated with random phone bills from companies you've never even heard of? Is your account's payable manager throwing bills on your desk in frustration? We have a few suggestions before you dive into that pile of bills head first.

Long distance services have always been the most confusing and frustrating vendors for businesses to handle. Between the brand names and resellers, there are hundreds of long distance companies around the country. Take a few minutes to review all your phone bills. Does your company use Ameritech for local service? Are there other phone company charges on your Ameritech bill? There shouldn't be! If there are other charges from AT&T or MCI for example, your company is probably paying retail rates for long distance phone calls. In the business, we call this "LEC billing". Always make sure your Ameritech bills have local phone charges and nothing else!

Once you have determined who your long distance carrier should be, it's time to make some test calls. Find every phone number in your office. Make a list. (If RAM has already created an inventory list for you, use it as your checklist.) Dial 700-555-4141 and listen for a recording. The recording will tell you which long distance company is assigned to that particular phone number. Using the 700 test is a fast, easy way to determine what carriers are providing service. If the 700 test reveals a company you don't want then call RAM. We will help you correct the problem.

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