

Modernizing the Illinois Telecommunications Act

A Rationale for Renewal

by the

Illinois Business Roundtable



The Illinois Business RoundTable

April 2010

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About the Illinois Business Roundtable

Formed in 1989, the Illinois Business Roundtable (IBRT) is a voluntary, non-profit, non-partisan association of senior executives from Illinois' leading businesses that makes recommendations and takes action on critical public policy issues facing the state. Dedicated to unifying, strengthening, and advancing employer voices, the IBRT is focused on promoting a positive business environment that will enhance economic growth and job creation. IBRT applies the knowledge, creativity and leadership resources of its members to address complex problems impacting both the current and future economic, educational and social vitality of Illinois. Working with other statewide and regional business associations, the IBRT provides an important voice to issues impacting tax and fiscal policy, education, the environment, civil justice reform, and economic growth.

Modernizing the Illinois Telecommunications Act

Executive Summary

Technological advances of the last decade transformed phone communication practically as much as the Internet itself. While wireless phone ownership and usage was still something of a novelty to many people 10 years ago, today it's an absolute necessity among nearly all people. Indeed, as wireless phones more fully integrate with email and Internet-based applications, Illinoisans depend even more heavily on them.

Yet, despite such dramatic change in telecommunications, the basic terms of the Illinois Telecommunications Act stand just as they did in 2001. The time is now for Illinois lawmakers to modernize Illinois telecommunications law to ensure that consumers continue to enjoy competitive prices and services while at the same time fueling the creation of new jobs.

The current regulatory framework is simply not economically sustainable. A telecommunications service provider is responsible for maintaining its entire landline network, regardless of whether customers actually utilize that entire network. So as the number of customers using traditional landline service continues to drop, those customers who continue to rely on the traditional service must, proportionately, support a greater share of the network. In other words, even as customers flee traditional landline service in favor of wireless service, the burden of supporting the landline network increases for those customers who stay with that traditional service.

The Illinois Business Roundtable believes that the scheduled update of the Telecommunications Act provides policy makers with an opportunity to renew this state's once enviable position as the nation's most vibrant telecommunications market. Such modernization would help drive far-reaching investments in an industry that clearly has broad impact on every other sector of Illinois' economy.

An updated telecommunications law should reflect two basic and commonsense principles:

- Recognize and accommodate the technological and competitive changes that have occurred and optimize the benefits of ongoing change by leveling the playing field and reducing the costs associated with regulatory requirements that both no longer serve a useful purpose and that act as impediments to investment.
- Create certainty in the Illinois regulatory environment in a manner that will encourage new private investment in advanced broadband infrastructure investment.

The Economic Growth Task Force of the Illinois Business Roundtable offers these recommendations based on a review of the Act to determine whether the Act, amended most recently in 2001, continues to provide a framework for innovation and efficiency in the provision of services to the consumer and the attraction of investment in communications infrastructure that the public demands.

As stated in the existing law, “the competitive offering of all telecommunications services will increase innovation and efficiency in the provision of telecommunications services and may lead to reduced prices for consumers, increased investment in communications infrastructure, the creation of new jobs, and the attraction of new businesses to Illinois” (1).

The scope of the Task Force review included: 1) changes in the telecommunications markets since the 2001 revisions; 2) changes in technologies that have driven significant expansions in communications services and pricing through unregulated companies; and 3) telecommunications policy changes in neighboring states – updates that attracted increased investment in technology infrastructure and jobs.

After completing this review on behalf of the state’s business community, the Illinois Business Roundtable recommends that the General Assembly modernize the current Telecommunications Act for the following reasons:

- Over the past decade, technology innovation and intense competition in telecommunications markets have produced significantly changed conditions compared with 2001.
- Illinois consumers, both business and personal, have migrated in huge numbers from traditional regulated wireline technologies and services to non-regulated wireless and Internet-based technologies and services. Investment and consumers have both migrated to non-regulated companies and technologies.
- Most states have modernized their regulatory policies both in recognition of and to promote changed conditions and to stimulate marked increases in telecommunications infrastructure investment and the resulting job retention and growth.
- In Illinois, however, the 2001 Act is focused almost exclusively on the traditional “regulated” telephone company and has become obsolete in that it is predicated on directing disproportionate resources to regulated services and older technologies that are of lower value and experiencing ever-diminishing consumer demand.

The Universal Telephone Service Protection Law of 1985 (more commonly known as the Telecommunications Act) governs the regulation of telephone companies in Illinois. It is scheduled to sunset on July 1, 2010. For the law not to expire, the Legislature must either modernize the current law or pass a law to extend the sunset date to another year, as was done both last year and in 2007 (2).

Introduction

The Economic Growth Task Force of the Illinois Business Roundtable is charged with recommending specific actions that improve Illinois' economic climate and attractiveness to existing business, new business, new investment, and new jobs. As Illinois enters 2010, the state's woeful economic condition is the dominant issue.

Since the beginning of the current recession in December 2007, Illinois has lost more than 358,000 jobs. Illinois' rate of job loss over the past 12 months has exceeded that of our neighboring states and of the nation as a whole, with more than 286,000 jobs lost (3). Illinois' unemployment rate grew in October 2009 to 11%, the highest rate since August 1983 (4).

The state's fiscal condition has been shaken by this downturn. Illinois' year-to-date general funds receipts show a drop in total state resources of \$841 million or 9.3%. Personal income tax revenues are down 9.1%; corporate income taxes are down 23%; sales taxes are down 12.9%; and public utility taxes are down 12.6%. The Commission on Government Forecasting and Accountability states flatly that "it will be some time before improvements in receipts can be expected" (5).

In part because of the revenue decline noted above, and in larger part because of a series of poor fiscal choices over the past decade, the role that the state of Illinois can play in developing a fiscal response to our current downturn (targeted tax cuts or spending increases) is very limited. There simply is no quick fix or neat political wrapping to apply to the current picture.

As a result, we believe private investment by both consumers and business will lead Illinois and this country out of the current economic malaise. To the degree that state tax and spending policy influences investment decisions, the state can play a positive (rather than negative) role by getting its fiscal house in order. The experience of the last seven years is not encouraging.

We recommend that Illinois undertake a comprehensive review of the current overall economic policies and regulatory frameworks with the goal of encouraging investment and reducing regulatory costs and uncertainty.

The economic costs of inefficiencies and uncertainty imposed by unnecessary regulation are often overlooked but can be substantial. A study recently released in California of the overall costs of state regulations to business, quantified the regulatory burden at \$493 billion—nearly five times California's general funds budget—resulting in employment loss of 3.8 million jobs, which is a 10th of California's population (6).

An initial opportunity to launch this overall regulatory review in Illinois exists with the scheduled sunset of the Universal Telephone Service Protection Law of 1985.

Given the current economic downturn, the significant role that telecommunication and information technology has played in driving innovation across all industry sectors in Illinois, significant regulatory reform initiatives in a number of states, and the need to attract investment to Illinois, particularly in emergent technologies, we recommend a robust review and modernization of the Telecommunications Act.

An Overview of Telecommunications Regulation in Illinois

Modern telecommunications regulation came to Illinois in 1985. Just three years before, an agreement between the United States Department of Justice and AT&T was reached to settle an anti-trust suit filed against AT&T in 1974. In this agreement, finalized through a Modification of Final Judgment (MFJ) in 1984, AT&T agreed to divest itself of its local telephone operations.

From this agreement, AT&T retained its long-distance telephone, manufacturing, and research and development operations. As part of this agreement, the Federal Communications Commission mandated that all telephone subscribers choose a long-distance provider. This was designed to bring full competition to the long-distance telephone market. On January 1, 1984 the Bell System ceased to exist. In its place, seven Regional Bell Operating Companies were created to provide the local telephone services.

Illinois passed the Universal Telephone Service Protection Law of 1985 to establish a framework for providing “**adequate, efficient, reliable, environmentally safe and least cost public utility services...**” (7). The 1985 Illinois law, with its encouragement of competition and recognition that rapid technological change in telecommunications required a more flexible regulatory framework, became a model for the country and established Illinois as the leader in state telecommunications policy.

Further Federal Involvement leads to additional state changes...

The net effect of the 1984 federal court ruling was that U.S. District Judge Harold Green became the central figure in telecommunications regulation and policy, rather than the Federal Communications Commission through Congress. Congress would recapture its policy and regulatory prerogatives with the passage of the Federal Telecommunications Act of 1996 (8). The stated purpose of this Act was “To promote competition and reduce regulation in order to secure lower prices and higher quality services for American telecommunications consumers and encourage the rapid deployment of new telecommunications technologies” (9). It sought to extend competition in local telephone and cable television service and imposed a broad range of duties on incumbent local phone companies to open their networks to competitors.

In both 1997 and 2001, Illinois modified the 1985 Act to reflect the changes at the federal level. The 2001 changes sought to enhance competition in the local markets by prohibiting certain practices by local exchange companies that delayed or denied access to their networks (10). Further, recognizing the huge technological change that the telecommunications industry had experienced since 1985, the Legislature established a sunset provision that required the state to either renew or re-write the act in 2005. However, the sunset date has simply been extended and, essentially, the Legislature has taken no major substantive action since 2001.

Clearly, both state and federal policy have recognized the public benefit of telecom regulatory frameworks that are flexible, encourage competition, and promote innovation.

There can be no doubt that Illinois consumers have access to a broader range of affordable telecom technology and quality services than they could have imagined just a decade ago when the law was last updated. One primary question that we pursue below is the extent to which innovation, investment and consumer choices as shown in the marketplace are attributable to our current statute and regulatory framework. First, let's review what's happened to the market since 2001.

Market Changes since 2001

A commitment to competitive markets underscores both federal and Illinois laws governing telecommunications. The findings and purposes clauses of both laws, as well as the debate in the legislative halls, underscore the sentiments of the legislators at the time: market choices hold far more sway over investment, innovation and quality service than does government regulation. The market has shifted dramatically in both expected and unexpected ways.

On the wired side of the telecommunications industry:

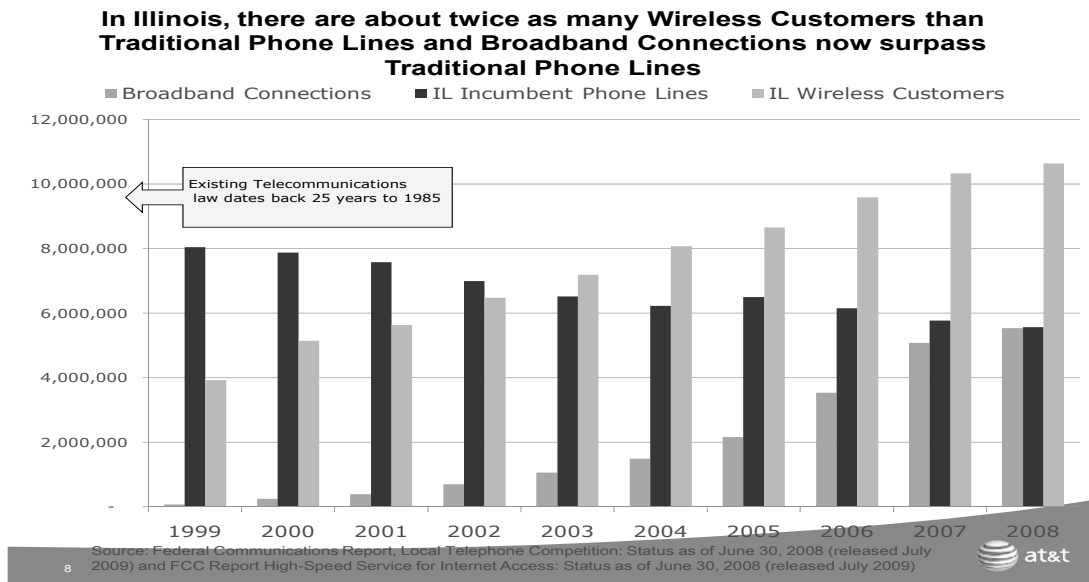
- **Precipitous 30% overall drop in wirelines in Illinois.** In 2000, there were 7,875,563 traditional phone lines in Illinois. By 2008, that number had dropped to 5,562,408 ⁽¹¹⁾.
- **Household consumers are using alternatives to the traditional landline company.** For example in 2000, 91% of Illinois households in the AT&T service area had landline service from the company. In 2009 that figure was 49%. Many households have gone wireless or are using landline service provided by cable television companies and other competitive local service providers and are using voice over internet protocol (VOIP). The rate of change is accelerating ⁽¹²⁾.
- **Wireline usage is down.** AT&T local calls annually per wireline have dropped from over 3,000 per line to less than 1,500 per line—a drop of over 51% ⁽¹³⁾.
- **Telephone calls have gone digital.** AT&T's switched-access minutes in Illinois have dropped from just 32 billion minutes in 2000 to 12 billion—a 63% drop ⁽¹⁴⁾.

On the wireless side of the telecommunications industry:

- **Explosive growth.** Since 2000 nationally, wireless subscribers have increased from 97 million to 277 million in 2009; wireless minutes used have jumped from 195 billion in 2000 to 2.23 trillion in 2009. Text messages have jumped from zero in 2000 to 1.36 trillion in 2009 ⁽¹⁵⁾.
- **Broadband connections equal the number of wired phone lines.** Broadband connections grew from 242,239 in 2000 to 5,537,923 in 2009 ⁽¹⁶⁾.
- **Wireless subscriptions nearly double the number of wired phone lines.** Wireless subscriptions grew from 5,143,767 in 2000 to 10,633,730 in 2009, an average of one for nearly every resident of Illinois ⁽¹⁷⁾.

Bottom Line: In 1999, Illinois had twice as many wired phone lines as broadband and wireless combined. In less than a decade, Illinois has nearly three times as many broadband and wireless connections as wired phone lines.

As is illustrated in this chart representing AT&T subscribers, the number of traditional phone lines plummeted from 8.04 million in 1999 to 5.56 million in 2008. Because AT&T is responsible for maintaining the entire traditional phone line system, regardless of whether it's fully utilized, this expense is therefore borne by 30 percent fewer subscribers. These remaining subscribers are saddled with a much larger burden, proportionately, in supporting the technology that others are fleeing from.



On the positive side, competition, innovation, investment and growth have occurred in the relative absence of regulation. Even for the regulated companies covered by the Illinois Commerce Commission, competition has emerged. That competition, however, has largely arisen from unregulated companies providing local service through newer technologies.

On the negative side, the hemorrhage in market share of the traditional wired service has to be cause for concern. A regulatory regime that continues to direct significant private resources to maintain technologies that consumers have and are abandoning in droves, must be reviewed.

The emergence of a new technological platform that allows multiple services to flow freely from it has demolished the technological silos of the 1980s and 1990s that were the rationale for state and federal regulation just a decade ago. Indeed, the market has spoken irreversibly. A new forward-looking regulatory paradigm is needed.

What follows is a brief review of the technologies and applications since 2001 that have driven the market changes noted above.

Technological changes since 2001

The market changes noted above are directly connected to the evolution of both the Internet and the cell phone. In just the past 30 years, wireless technology has changed the phone—and wireless data has changed the Internet. For the telephone, the big technological changes have come roughly every 10 years.

- In 1979, the first fully automated cellular phone network was launched in Tokyo, Japan. This first generation (1G) analog network was launched in the USA in Chicago in 1983. As new cells were added, new technologies were developed to allow calls to move between cells.
- The second generation cellular (2G) technology was digital and launched in Finland in 1991. This technology ultimately led to the first full Internet service on mobile phones in Japan in 1999.
- The third generation cellular technology (3G) is a wideband mobile communication technology launched in 2001 in Japan. It was launched in the U.S. in 2003. 3G allows the simultaneous use of both speech and data services and higher data downlink rates, achieving greater network capacity through improved spectral efficiency. This technology has integrated the Internet with the cell phone, bringing to the cell phone extraordinary innovations and applications.
- A new generation technology platform (4G) is emerging. Multiple billions of dollars have already been invested in developing this new platform. It is expected to be launched in 2010/2011. This technology will allow voice, data, and multi-media applications for cell phone users on an “anytime, anywhere” basis. Anticipating the 4G release, a U.S. Cellular official recently stated that in 2010 “...we expect that smartphones will replace laptops for many people.”⁽¹⁸⁾

Today, the cell phone is ubiquitous. Americans’ love affair with both the cell phone and the Internet is being fulfilled in the merger of the two. The technological advances above, coupled with innovative cell phone applications, have driven annual global cell phone handset sales since 2001 from an estimated 450-500 million units to 1.2 billion units 2008⁽¹⁹⁾. The sale of smart phones that transmit voice and data over cellular networks has grown from just 1.7% of the cell phone market in 2003 to 21% in 2009. The smart phone is estimated to take 37% of the cell phone market by 2013⁽²⁰⁾.

The Pew Research Center has been studying American usage of the Internet for the past decade. A survey conducted in April 2009 showed that 56% of adult Americans have accessed the Internet by wireless means, with 32% using a cell phone, up from 24% in December 2007. It further found that on a typical day, 19% of Americans use the Internet

on a mobile device, up from 11% in December 2007. **Notably, this same study showed that the digital divide that characterized Internet access at the start of the decade is being closed with the use of mobile devices. For example, African Americans represent the most active demographic user group, and usage is growing at the fastest pace** (21).

Of particular interest from this study, Pew found that fully 50% of mobile users say it's very important to have mobile internet access to be able to stay in touch with others; 46% say mobile access is very important for getting online information on the go; and 17% say mobile access is very important to post online content while away from home or work (22).

Cell phones today have far more computing power and memory than the average PC had in 1999 (23). The convergence of Internet user interests as documented by Pew (24), with the development of websites and cell phone applications this past decade, have driven the exploding demand for mobile broadband connections, and marginalized the impact of outdated state regulation of land line telephony.

Data from January 2009 help illustrate the significant market penetration of the Internet. While there has certainly been considerable growth in the figures below, consider the following examples of Internet user interests documented by the Pew studies that are now interchangeably accessed by computer or cell phone:

- 89% of Internet users read/send messages. This was one of the earliest applications adapted for the cell phone. Social networking sites, however, have emerged since 2001 and are well suited for mobile devices.
 - Facebook was started in February 2004 and had 68.5 million unique monthly visitors in January 2009;
 - My Space, was launched in August 2003 and had 58.5 million unique visitors in January 2009;
 - Twitter, was launched in March 2006 and logged nearly 6 million unique visitors by January 2009 (25).
- 88% of Internet users access Internet search engines. Google, incorporated in September 1998, runs hundreds of thousands of servers that “process” about one petabyte of user-generated data every hour It conducts hundreds of millions of searches every day (26).
- 80% of Internet users access it for research purposes. Wikipedia was launched in January 2001 and attracts roughly 65 million visitors per month and has 85,000 active contributors working on over 14 million articles in 260 languages (27).
- 62% of Internet users watch videos. YouTube was created in 2005 to display a wide variety of user generated video content. Its first video was uploaded in April 2005—by July 2006 more than 65,000 new videos were being uploaded every day and visitors to the site were watching more than 100 million videos per day (28). More than 6.3 billion videos were viewed in January 2009 (29).
- 49% of Internet users read classified ads. Craigslist was incorporated in 1999. Today this site generates 80 million new classified ads and more than 20 billion

page views per month, with 49.4 million unique monthly visitors. It garners over 1 million new job postings per month (30).

Cell phones are serving consumer interests and meeting consumer needs. Apple's iPhone was first launched in June 2007. In February 2008, iPhone allowed third-party developers to create applications for their phone to be distributed through the iPhone App Store. Since the App Store opened in July 2008, more than 132,000 applications have been made available to iPhone users (31).

Applications consume wireless frequency. The spectrum of wireless frequencies is finite. Resources have and must continue to flow to the technologies that maximize the spectrum and build future capacity. The development of the 4th Generation long-term evolution and ultra mobile broadband technology does not come cheap.

In 2009, Ohio considered the following testimony when modernizing its telecommunications law:

“Local phone companies are responsible for maintaining the network on behalf of Internet, wireless, content, and VOIP providers. The network is expected to be 100% reliable, safe and secure, but only local phone companies bear any accountability for its integrity.

“Local phone service has historically covered the cost to maintain the network. But with a decline of 43% of local phone lines, funds are disappearing. As a result, phone companies will not be able to maintain the network for wireless and Internet use, much less invest in upgrades and increased bandwidth.” (32).

In 2010, Illinois finds itself in the same spot as Ohio. Significant investment is required. In the midst of the current recession, will we choose to invest our efforts in creating a forward-looking regulatory structure, or will we choose to remain shackled by regulation serving the previous generation's technologies?

Technologies, applications, and consumer attitudes are driving the market while regulation lags behind and diverts and deters investment. Consumers want to be connected to the Internet and the telephone is the means of doing so. The following section examines the broader impacts of telecommunications and information systems technology advances on the economy.

Impact on Employment, Investment, and Commerce

Given the current recession, Illinois needs to grow new jobs and attract the investment and innovation that help create those jobs. But jobs cannot, by themselves, be the foundation for tomorrow's economy.

If current trends continue, by the end of this 2010 Illinois will shed more than 150,000 additional jobs. At its peak in November 2000, Illinois employed more than 6 million

persons in non-farm positions. By November 2008, Illinois had nearly clawed its way back to the 2000 peak when the current recession hit (33). Yet as this state has added and shed jobs over the past decade, Illinois has seen significant changes in employment levels by industry sector. These can be seen from the chart below:

Industry Title	September 2001	September 2009	2001-2009 Difference	2001-2009 % change
Total Nonfarm	6,006,100	5,676,100	-330,000	-5.5%
Total Private	5,158,000	4,823,700	-334,300	-6.5%
Natural Resources and Mining	10,200	10,400	200	2.0%
Construction	292,800	235,100	-57,700	-19.7%
Manufacturing	803,300	576,500	-226,800	-28.2%
Trade, Transportation, and Utilities	1,221,600	1,145,800	-75,800	-6.2%
Information	145,700	106,500	-39,200	-26.9%
Financial Activities	402,000	369,700	-32,300	-8.0%
Professional and Business Services	824,400	799,200	-25,200	-3.1%
Educational and Health Services	702,400	792,100	89,700	12.8%
Leisure and Hospitality	504,000	531,300	27,300	5.4%
Other Services	251,600	257,100	5,500	2.2%
Government	848,100	852,400	4,300	0.5%

Source: Illinois Department of Employment Security, Economic Information and Analysis (34)

Much has been written about the loss of manufacturing jobs and the growth in our service sector. Alarming, however, the figures also show that the state has shed nearly as many jobs, proportionately, in the information sector during this period as has been lost in manufacturing, with nearly one-third coming from the telecommunications sub-sector.

But employment levels show only a piece of the overall economic picture. From 2001 to 2009 (most recent figures), private sector employment declined 6.5%. From 2000 to 2008 (most recent figures), private sector gross state product grew 36%, or \$152 billion. Indeed, in the two sectors most ravaged from employment data, manufacturing and information sectors grew 14% and 30% respectively in gross state product, as seen by the chart below:

Illinois Gross State Product: \$=Billions				
	2000	2008	\$ Inc	% Inc
Total Private	\$420.2B	\$572.4B	152.3	36%
Manufacturing	69,	78.8	9.8	14%
Information	17.8	23.1	4.3	30%

Source: Bureau of Economic Analysis, US Department of Commerce (35)

Illinois' gross state product has grown even as our employment levels have declined. Fewer workers are producing more. Productivity improvements have kept Illinois in the

game on the world scene. Investments in technology have driven improvements in productivity.

In 2005 the United States Chamber of Commerce catalogued the impacts of technology on the major sectors of the U.S. economy. The following statement prefaced each sector analysis (36):

“Telecommunications is the central nervous system of the American economy. It has revolutionized virtually every aspect of our lives and every industry, from education and health care to banking and finance. Between 1995 and 2004, advances in telecommunications and information technology were responsible for as much as 75% of the U.S. labor productivity gains. To remain competitive in the world, the United States must have the most advanced telecommunications technologies and services.”

While the figures from this 2005 study are somewhat dated, they show how technology had even at that time changed every major industry in the U.S. The complete report is accessible at www.teleconsensus.com. The following are four examples from the study:

BANKING: According to a 2005 report by Booz Allen, the number of worldwide customers using the Internet to do their banking has skyrocketed from 34 million in 2004 to 122 million in 2005 as broadband access has increased. As a result, banks will see a 10-fold savings in transactional costs, which they can pass along to consumers as improved services. According to Wells Fargo, online banking can reduce the amount of time that the typical customers spends each month paying bills from three or four hours to 15 minutes.

HEALTHCARE: A December 2005 report by the New Millennium Research Council determined that broadband deployment would help provide better health care for 70 million elderly and disabled citizens. Over a 25-year period, health care benefits of broadband deployment result in savings of \$927 billion and could add as much as \$847 billion in additional economic productivity.

TELECOMMUNICATIONS: Over a 5-year period, modernizing the nation’s telecommunications laws has the potential to create more than 8,500 new jobs in Illinois and 212,000 jobs nationally; create \$58 billion of new capital investment in the telecommunications industry; generate \$113 billion in new revenues from taxes on increased economic activity; and preserve funding for universal service, which ensures affordable basic telephone service for all Americans and Internet access in the nation’s schools and libraries.

TRANSPORTATION: Wireless satellite systems have significantly reduced losses for U.S. trucking companies by tracking and monitoring the movement of their fleets in real time. Energy efficiency improvements and lower relative fuel use has significant environmental benefits as well. American trucking companies that use global communications management systems could realize as much as

60% increase in overall revenues. According to a 2005 Network World Report, 63% of all U.S. airline tickets were purchased through the Internet in 2005. Delta Airlines will utilize radio frequency identification technology to tag and identify luggage in 2006, saving more than \$100 million by reducing the number of lost or misplaced bags.

More recent information released by the U.S. Census Bureau in May 2009, found that manufacturers and merchant wholesalers accounted for 93% of the business to business E-Commerce in 2007. E-Commerce accounted for fully 35% of total manufacturing shipments, up nearly \$400 billion over 2006. Over 21% of wholesale sales in 2007 (\$1.226 Trillion) was attributed to E-Commerce ⁽³⁷⁾.

State Actions

“New technologies have been driving competition in the telecommunications markets, destabilizing the old regulatory framework...Unequal regulation imposes costs on some carriers and not others, distorts the market, and undermines our commitment to universal service.” ⁽³⁸⁾.

Significant telecommunications regulatory modernization has taken place in a number of states across the country since Illinois last modernized its regulatory framework in 2001. In the Midwest, these states include Kentucky, Missouri, Iowa, Indiana, Ohio, and Michigan.

While each state had unique political and economic factors driving their modernization efforts, the overall driving force in each case was the tremendous technological and market forces at work in their states.

The overall response has been to devise more flexible regulatory frameworks that level the playing field for the regulated companies, allowing them to maintain universal service, while at the same time encouraging increased investments in newer technology.

Below is some of the documented experience stemming from these actions ⁽³⁹⁾:

State	Indiana	Michigan	Florida	Texas
Year	2006	2006	2006	2005
Household Wireline Cost	-13.6%	-27.7%	-24%	-23.6%
Deployed High Speed lines	+90.2%	+85.5%	+68.2%	+91.3%
Telecom Jobs created	2000	400	450	248
Capital Investment	\$1 billion	\$2 billion	\$4 billion	\$6 billion

According to the companies impacted, telecom regulatory modernization led directly to reduced consumer costs, significant additional deployment of high speed Internet lines through increased capital investment, as well as increased jobs in the telecommunications sector...all at virtually no costs to the states themselves.

Regulatory Modernization in Illinois

This paper does not purport to provide a recommended set of specific changes to the Illinois Telecommunications Act. Rather, the intent is to call attention to the need for modernization of that law in accord with basic principles now widely accepted across many states as favorable for consumer choice in prices and services and for job creating investment in telecommunications and the business that rely on high quality services. Illinois policymakers, regulators and other stakeholders should engage in a focused discussion of required changes and in doing take advantage of the experiences of other state in modernizing their own regulatory frameworks.

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