

**DESCRIPTION AND JUSTIFICATION
ILLINOIS CONSOLIDATED TELEPHONE COMPANY (ICTC)**

**Transmittal No. 125, Filed December 29, 2004
Effective January 13, 2005**

Description

This filing introduces a new wholesale product, Video over Digital Subscriber Line Service (VoDSL), which is intended to be provided to Video Service Providers, or VSPs.

Illinois Consolidated Telephone Company (ICTC) has many small exchanges that have historically been unserved or underserved by the consumer video industry. ICTC is introducing a new wholesale video service to provide service to these customers.

Video over Digital Subscriber Line (VoDSL) Access Service is intended as a wholesale offering to Video Service Providers (VSPs) but may be purchased by any information service provider or carrier connected to their end user for the purposes of providing to that end user a retail service that includes video service as the primary offering. This service provides a throughput sufficient to transport video signals from the Company's serving wire center (SWC) to the designated end-user customer's premises using Digital Subscriber Line (DSL) technology. Due to facilities and bandwidth limitations, VoDSL service is only provided to VSPs who are providing video service; data ISPs will be offered the Company's wholesale DSL service at the same rate. The method of transporting the signal will be at the discretion of ICTC, which will use the optimum means available.

ICTC will provide the video service at a competitive rate of \$20.00 per subscriber in its exchanges. This rate is identical to the wholesale DSL rate of \$20.00 for data internet service. The Company will operate as a transport provider for video signals, with the VSP providing the retail content/service to end users.

Due to the transmission limitations of video signals, the Company requires ISP customers to co-locate within one of its VoDSL-capable SWCs, or at a mutually agreed upon geographically proximate location. Additionally, each provider of retail video service must provide assurance that it holds all government authorizations, if any, required to provide its services and that it will maintain these authorizations.

The Long Run Incremental Cost (LRIC) of the service has been developed and is filed as a confidential cost study with this filing. A Request for Confidential Treatment is being filed with this transmittal. The LRIC was developed in accordance with FCC requirements and can be viewed by authorized individuals upon signing the standard FCC nondisclosure agreement (Commission's Order (FCC 98-184) in GC Docket No. 96-55).

Justification

These changes will result in new service being made available to unserved or underserved communities within ICTC's serving area. This will provide customers with a competitive alternative to other video offerings, such as airwave TV, satellite TV or cable TV. This action adheres to the FCC Chairman's philosophy of encouraging facilities based competition, since VoDSL will require physical plant facilities for successful operation.