

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

ICTC TARIFF FCC No. 2

TRANSMITTAL No. 128, MAY 27, 2005

DESCRIPTION

The competitive landscape for broadband services has been and is changing rapidly. Illinois Consolidated Telephone Company (ICTC) customers are requesting faster broadband service at a lower cost and with no or minimal obligations. This tariff filing proposes to satisfy this request by doing the following:

- (1) Eliminating all speed limitations on ADSL service and reducing the number of service options to one
- (2) Clarifying the description, terms and conditions for ADSL service to divide those concerned with the end-user customer from those of the Internet Service Provider (ISP)
- (3) Reducing the nonrecurring installation charge to \$0.00.

Along with these changes, the list of technical references has been corrected to replace documents that were current in the 1980's with the most recent technical references, along with expanding the document list to cover the new ADSL service.

The rate to payphone providers for Flexible Automatic Number Identification (Flex ANI) was reduced to \$0.00 in 2001. ICTC reduced the rate at that time, but, through oversight, failed to correct the tariff. This is being done in this Transmittal. No customers have been billed the Flex ANI rate since 2001.

Customers are demanding higher ADSL speeds at lower costs with no long-term commitments. The Company is responding to these demands, by eliminating all but one ADSL option, retaining its current low ADSL monthly rate, reducing the installation nonrecurring charge to zero, and simplifying the tariff provisions for ADSL service.

Furthermore, the Company is opening up the speeds carried over its ADSL service to the maximum possible speeds based on the technical specifications of the installed equipment and the condition and geography of the facilities and equipment available. The Company will provide the best available speeds, both upstream (to the serving wire center) and downstream (from the serving wire center to the customer) in an "open pipe" mode. Loop length limitations still remain for some customers who do not meet the technical specifications of the ADSL equipment. With this change, only one variation of ADSL will be available -- the "open pipe" ADSL. Signals in both directions will meet a minimum guaranteed speed of 128 Kbps. Current ADSL technical standards offer a maximum of 6 Mbps downstream and 640 Kbps upstream, according to the International Engineering Consortium. The Company expects that service will approach these technically available speeds, except where distance reduces the maximum speeds. Future technical standards (VDSL, SHDSL, etc.) will increase this and be provided to the Company's customers as soon as customer demand requires and the equipment installation can occur. The

No customer will experience any diminution of service and customers who currently obtain service based on various speeds, will be able to obtain the same functionality that is currently provided. There will be no impact on customer premises equipment currently being used.

Company plans to have no rate increase when the new faster speeds are introduced; it plans, instead, to retain the current rate.

The most significant limitation on the throughput speed will be imposed by the application provider (normally an ISP – internet service provider).

No cost support is required since there are no changes in monthly rates and the reduction in installation charges is recovered within the first 6 months.

JUSTIFICATION

The Federal Communications Commission has identified a goal of increasing the broadband penetration in the country. This filing intends to do exactly that for the Company's exchanges.

This tariff change responds to our customers' desires for higher speeds, lower prices and no commitments on ICTC's ADSL service. All of these issues are being addressed in the changes being proposed. Additionally, the Company is eliminating the nonrecurring charges for installing ADSL service. No customer will experience any diminution of service and customers who currently obtain service based on various speeds, will be able to obtain the same functionality that is currently provided. There will be no impact on customer premises equipment currently being used.

The Flexible ANI rate reduction reflects historical FCC action to authorize this charge for a finite time period to recover the initial cost of installing the Flex ANI equipment and service, then reducing the charge to zero. The time to discontinue the rate was in 2001. ICTC complied with the FCC's Order in that no customers have been billed the Flex ANI rate since 2001. However, through an oversight, the tariff was never corrected.