

Highlights of the Telecommunications Act of 2001

In May of 2001, state legislators rewrote the Illinois Telecommunications Act to replace a 16-year-old law that expired in July of that year. The Illinois Telecommunications Act of 2001 affects the rates you pay and the service you get from your local phone company.

The big local phone companies led by Ameritech wanted to end most regulatory protection for consumers, a move that would have led to higher phone bills and worse service. CUB helped defeat the companies' efforts and successfully fought for a bill with stronger consumer protections. The new Telecommunications Act is summarized below.

Improved Quality of Phone Service

The law enacts new service quality standards for all companies providing local phone service in Illinois and allows the Illinois Commerce Commission (ICC) to penalize companies that fail to meet those standards. It also mandates, for the first time, compensation for customers who receive poor service. See the chart at the right for more details.

Phone Outages—Phone outages must be restored within 24 hours. When outages last more than 24 hours customers will get credits off their monthly line charge, depending on how long it takes to restore service. Customers who suffer outages lasting more than five days will have their entire monthly line charge waived, plus the option of receiving a \$20 per day credit or alternative phone service.

Service Installation—Phone companies must install service by the date requested by the customer. Customers whose service is not installed on time will get all or part of their installation fees waived. For extended delays, customers get their choice of a \$20 per day credit or alternative phone service.

Missed Service Appointments—Phone company technicians must meet service appointments with customers unless 24 hours advance notice is given. When appointments are not kept, and advance notice is not given, customers will get a \$50 credit for each missed appointment.

Reporting Requirements—All phone companies will be required to report their service quality data to the ICC for posting on its web site, allowing customers to compare the performance of different phone companies.

Flat Rate Pricing Options

The bill requires Ameritech to offer three different flat rate pricing plans, under which consumers pay the same amount each month for local service, regardless of how many phone calls they make. These packages would allow

Compensation for Repair Delays	
Delay in Repair	Credit owed customer
24-48 hours	A pro rata portion of one month's service charges.*
48-72 hours	One-third of one month's service charges.*
72-96 hours	Two-thirds of one month's service charges.*
96-120 hours	One month's service charges.*
More than 120 hours	One month's service charges*, plus customer's choice of \$20 per day or alternative telephone service.
Compensation for Installation Delays	
Delay in Installation	Credit owed customer
5-9 business days	50% of installation charge.
10 business days	100% of installation charge.
More than 10 business days	Same as above, plus customer choice of \$20 per day or alternative telephone service.
Compensation for Missed Appointments	
\$50 per missed service appointment.	

*Includes monthly line charge, federal access charge and any charges for optional services, such as Call Waiting and Call Forwarding.

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consumers to choose the calling plan that best suits their household needs and stop the “meter” from ticking on local calls. The prices for each package are set by the ICC at prices that are supposed to result in “savings for the average consumer.” See CUB’s publication, “Ameritech’s Special Calling Plans,” for more details. The three required packages are:

Budget Package—Customers can make all the local calls they want for one set monthly fee.

Flat Rate Package—Customers can make all the local calls they want, plus choose two of the following optional services for one fixed monthly price: Call Waiting, Call Forwarding, Three-way Calling, Caller ID, Call Tracing, Automatic Call Back, Repeat Dialing or Voice Mail.

Enhanced Flat Rate Package—Customers get two phone lines, unlimited local calling, unlimited local toll calls plus the choice of two of the optional services listed above for one fixed monthly price.

New Enforcement Powers for the ICC

The bill increases the penalties the ICC can levy against a phone company for violations of ICC rules or state law from a maximum of \$2,000 per violation to a percentage of the company’s gross annual revenues. In the case of Ameritech, the maximum fine would be about \$250,000 per violation and for Verizon approximately \$35,000 per violation.

Expansion of High-Speed Internet Service

Ameritech’s marketing of its high-speed Internet service, known as Digital Subscriber Line service or DSL, is better than its record of installing the service. In fact, the company at one point threatened to halt expansion of DSL in a rate-making dispute with the ICC. The bill requires large phone companies, such as Ameritech and Verizon, to offer high-speed service to 80 percent of their customers by the end of 2004, unless they can prove to the ICC they are unable to offer the service.

Real Competition for Local Phone Service

Ameritech says it supports competition, but actions speak louder than words. Time and again the company has thwarted its competitors’ efforts to gain access to the telephone network infrastructure necessary to offer local service. The bill, supported by Ameritech’s competitors, contains several provisions that will help open up the local phone market. It requires Ameritech to make its lines and other equipment available to competitors at wholesale prices regulated by the ICC. While competition for residential service won’t happen over night, the bill’s passage provides greater opportunities for new companies to compete with the big monopolies like Ameritech and Verizon.

Other Consumer Benefits

Streamlined Consumer Complaints—The bill creates a streamlined process for resolving consumer complaints against phone companies at the ICC. The bill allows customers with complaints to request an independent mediator to help resolve problems within 45 days. Phone companies are required to participate in the mediation process.

Digital Divide Funding—Ameritech will be required to pay \$30 million into two funds designed to provide Internet access and other advanced telecommunications services for low-income and rural areas which currently have little access to those services.

Slamming Rules—The bill enacts new rules and enforcement tools to protect consumers against slamming, cramming and jamming. The ICC will be allowed to revoke the licenses of companies caught engaging in these illegal practices.

Assistance for Low-income Phone Users—An estimated \$45 million in federal funds available to assist low-income phone users in Illinois goes unused because consumers are unaware of the program, known as Lifeline. The bill streamlines the Lifeline enrollment process, making it easier for customers to get assistance in paying their phone bills.