Caution Urged on Telephone Rate Bill; Rural Illinoisans Depend on Fair Wholesale Rates for Choice

Contributed by Jason Wright
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For Immediate Release

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Because of the principles of the Telecommunications Act of 1996, competition in local telephone service is starting to take shape in Illinois. Maintaining fair wholesale rates is key to giving local competition the toe-hold it needs to stand on its own. Altering that processor and arbitrarily increasing wholesale rates would have a terrible effect on competition.

There is no question phone rates would increase as a result of this legislation.

The Federal Communications Commission just completed a review of the role wholesale rates play in fostering local telecommunications. It concluded "UNEs" (Unbundled Network Elements) or wholesale rates are a key tool for establishing a competitive environment. Frontiers of Freedom strongly agrees with the FCC on this issue and urges Illinois policy makers not to move to undermine the success these wholesale rates have enjoyed in Illinois.

Wholesale rates are far too important to be set legislatively, particularly in a state where nearly 270,000 rural consumers depend on competition provided through leased lines (SBC FCC Ex Parte, October 30, 2002).

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