CC Dkt. 98-141

CITY INNOVATION

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Federal Communications Commission
Office of Secretary

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April 20, 1999

Ms. Jackie Hayes
Common Carrier Bureau
Office of the Bureau Chief
Federal Communications Commission
445 12th Street S.W., Fifth Floor
Washington, D.C. 20554

Re: Ameritech/SBC Merger Application

Dear Ms. Hayes:

In follow-up of Illinois-related communications to you from Don Samuelson and material he has provided to the Federal Communications Commission concerning the proposed Ameritech/SBC merger now before the Illinois Commerce Commission, through the intervening party, Neighborhood Learning Networks, please find enclosed information prepared by community development organization members of the Bridging the Digital Divide Campaign, and communicated to you by City Innovation in our "information-sharing" and "network-building" roles:

* Community Statement on Bridging the Digital Divide and its goal of bringing broadband access to all residents and all neighborhoods by 2001, and statements prepared by the Community Workshop on Economic Development, Center for Neighborhood Technology and City Innovation on April 7.

* Press release for an event scheduled on April 7 at which time attorneys from California and Ohio presented background on SBC/Ameritech funding of community telecommunication technology initiatives; resulting press coverage and Chicago area stories in the week of April 5 to 12. These news articles included coverage of the Bridging the Digital Divide events, and computer-related capacity building for non-profit organizations, an Illinois State Legislature proposal to link cultural institutions, schools, colleges and libraries, and stories about FCC chair's letters to Ameritech and SBC.

NATIONAL STEERING COMMITTEE: Otto A. Silha, Chairman • The Honorable Lamar Alexander
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* Materials illustrating the importance and productivity of telecommunication-related investments in economically distressed inner city and inner ring suburbs and the role of telecommunication-related data and Local Area Telecommunication Networks in City Region (250-500,000 residents) for asset mapping, including workforce asset mapping. Materials include copies of Crescent Corridor network-building publication for leaders of communities, businesses, environmental groups, educational institutions and public bodies (note summer 1997 issue's front page story on telecommunications and economic development forum held at Chicago State University in the center of older industrial Far South Chicago in an area of abandoned steel and chemical facilities and with several planned business-education-industrial parks based on cooperation among community development and business associations, City of Chicago and Federal and state environmental reinvestment supports), sample Human Resource Network workforce asset sharing materials, and Geographic Information System activities, which are linked through telecommunication networks tied to university and other systems, or community development user groups linked in "City Regions."

Bridging the Digital Divide Campaign members from across Illinois, comprising community development groups, non-profit organizations, educational institutions and business-community partnerships planning groups, will be participating in four days of oral arguments to be presented to the Illinois Commerce Commission scheduled for April 29 - 30 and May 3 - 4.

Members also seek to participate in any FCC public comment activities concerning proposed Ameritech/SBC and Bell Atlantic/GTE mergers through any remote site audio and video links. Our April 7 event was conducted at IIT-Kent Law School which has video conferencing facilities. Consortia of Chicago area universities have the capacity for similar conferencing.

In response to the call by the FCC for recommendations to clarify frameworks and measurements to improve local service and provide the benefits of lowered costs, I call your attention to the materials of City Innovation in the March 30 draft outline of Remedies in the Ameritech/SBC merger, presented for discussion in Chicago.

I believe the FCC, in its ground rules for either the merger of Baby Bells or their affiliation with integrated telecommunications companies (local wire, long distance, cable, cellular, other airwave transmission, broadcasting, entertainment content, data services and Internet services), can benefit consumers, local economies and national telecommunications systems by:

1. Requiring all Regional Bell companies to present top priority plans about how they will provide marketing outreach, comfort-building, information kiosk and other market-responsive activities to introduce broadband access to all neighborhoods, businesses, schools and community institutions as soon as possible, as a part of public convenience and necessity.

2. (a) Clarifying an expectation that there should be at least 6 major competitors for comprehensive telecommunications service in every community (perhaps 2 competitors through local phone lines now being upgraded to broadband lines, 2 through cable, and 2 through point-to-point or satellite airwave transmission, and all backed-up by cellular service), and by (b) assisting in annually measuring results, in terms of telecommunications usage by customers

(and return on investments) in communities of 5,000, 15,000, 65,000 and 250,000 residents, the community planning areas designated by U.S. Census for annual survey activity. The FCC could tremendously assist all companies, and all levels of government in understanding the impact of telecommunications on local areas (for all forms of telecommunications) and in understanding what can be done over a period of years to improve telecommunication service.

Thus, through FCC coordination of collection of telecommunication usage and related data in comparable formats from all carriers and its distribution in total, absolute, aggregated or sampled forms as appropriate to all levels of companies, public agencies (whether regulatory or public service providing), regional community institutions (such as universities serving 250,000 to 500,000 enrollment areas), our telecommunications system would have a longitudinal base from which to understand and compare state-by-state, region by region and community by community, the best means to provide vital life-supporting connections for all residents, to build our economic productivity through building information-accessing and computer-related skills as second nature for all, and to provide connections to low cost links to broadband information resources as a part of everyday life for all.

Even if a particular kind of telecommunications service is not "regulated" at a particular state or local level, information about it is important for public officials, companies and community institutions, in making the best decisions possible about other aspects of local telecommunications and local development. For example, FCC could tremendously assist local planning by assuring telecommunication-related data in the form of "telecommunication infrastructure and usage maps," based on areas of 5,000 - 65,000 or community sizes, based "local utility planning areas." Such maps might assist in coordinating telecommunications with other utility planning, such as electricity, natural gas, water, sewage and transportation infrastructure. A local alderman (in Chicago, representing about 55,000 residents), state representatives or county commissioners (representing about 250,000 - 350,000 persons) would be able to address a forum at a local state university, community college or other community institution about improving telecommunications services. To make such discussion practical and real, there is tremendous benefit in having electronically displayed maps which illustrate current infrastructure and services, and help all persons understand the parameters of practical action available. Residents and experts alike become "much more intelligent" by using and getting feedback about such complex data as it is applied in local planning.

3. Resolving issues about the regulatory framework and timetable for installation of broad band line service, and community planning partnerships to expedite linkages in low and middle income communities.

Major frustrations are felt in Illinois by regulators, public officials and others who ask the question "what will this merger do to improve service and reduce costs" to middle and lower income customers? One answer lies in extending broad band line access, now being marketed and pilot tested in upper middle income areas, to all communities, growing volume of traffic and reducing costs per month for service. There need to be ways to provide investment incentives for Ameritech (and others) to move full speed ahead, while providing opportunities

for other local phone companies to link with such major investments down the line, with appropriate compensation for risk-related and front end investments by broadband pioneers.

These issues need to be resolved or else Illinois will be left behind in broadband installation. This is most important for middle and low income communities. The FCC can require all telecommunication carriers to work through a "community planning" framework, especially for new broadband or other major infrastructure. For example, in middle and lower income areas, multi-utility planning groups involving community development groups, schools and telecommunication and other utility providers can plan line routes to link with major community users (such as schools, libraries, universities, cultural institutions, public housing bodies, major social services and community development institutions) along with business and industrial parks and major residential developments. The success of broad band access will come not just from direct linkages in the first few years but with the aggregation of individual customers through Local Area Telecommunication Networks composed of partnerships to deliver new products and services to local markets they know well.

The Bridging the Digital Divide campaign seeks the benefits of low-cost and convenient telecommunications links for the bottom third of telecommunication consumers for linkage with vital phone connections, to enable all persons to learn information accessing and computer related skills which are key parts of workforce needs today and tomorrow. As economic pressures rise to remove telecommunications from regulation, we seek practical means to bring the benefits of competition directed towards the largest markets (businesses and households paying over $200 per month for telecommunications-related services) to all neighborhoods, to achieve the public convenience of phone links among all residents and economic competitiveness of American communities which must compete with other parts of the world,

In recent years, even basic telephone connectivity has slipped in neighborhoods in Illinois. For example, creative broadband installation in Chicago could include major areas of economically hard-hit South and West Sides, and South Cook County which include linking major universities and businesses, a mix of income residences and small businesses, and including installations in redeveloped publicly supported housing developments (in which there may be high quality communications in a learning center open in evenings and on weekends, even if many residents themselves may not be able to afford full access at this time).

FCC leadership can set a framework to guarantee that major social costs are not shifted from telecommunication carriers to taxpayers and telecommunication-related training costs are not shifted to private employers and schools. Much of this can be done by overseeing cooperation, cost-sharing and data-sharing among all carriers, working with local communities to creatively meet the market needs of all phone and telecommunication consumers.

Sincerely yours,

Layton E. Olson