

**SUMMARY REPORT OF THE ISP SURVEY**

Presented by

**New Networks Institute**

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## Executive Summary

Internet Service Providers (ISPs) are mostly comprised of a rare breed of entrepreneurs who, at their own expense, clearly saw the need to supply customers with the foundations of the Digital Age -- Internet and web service provision and everything from e-mail to the creation of web sites.

With an estimated 6,000 providers throughout the US, small and mid-sized ISPs represent almost half (46%) of all online customers (source: Washington Post), and it has been this group that has been the real innovators of our Digital Future, not the monopolies who supply local phone service, such as the Bell companies or GTE.

However, based on the findings of this survey, the local Bell Companies and GTE are causing serious harm to the Internet Providers and their customers. This is causing not only a loss of revenues to competitors, but is also stifling competition and the growth of America's Digital Future.

### Primary Findings:

- **SMALL ISPs Are Receiving Substandard Customer Services From The Local Phone Company.** Across the board, the ISPs rated their services as “sub-standard” in virtually all categories, and there was only 8% of ISPs who gave the Bell an overall passing grade (above 6.5 out of a possible 10). And though the highest scores were for the “friendliness of telephone representatives”, on a scale of one to ten, the survey respondents gave the Bells an overall average of just 3.7, a seriously failing grade.
- **There is a Litany of Problems Being Created by Bells** According to the respondents, 62% of ISPs claim that phonenumber problems happen frequently or continually, 57% state that trying to have orders fulfilled takes months, and this includes even get a straight answer about the installation or the price of service, while 46% believe that even when something is advertised, there is no guarantee that the ISP can order it. And of the phonenumber lines that are already installed, 46% state it can take days for repairs.
- **These Problems Are Not Isolated. There is a Clear Pattern of Abuse Throughout The Entire Bell System And GTE.** From Texas to California, New York to Florida, of the 50 states represented, the problems encountered are happening throughout the Bell System and GTE
- **DSL Deployment Is Being Stifled By The Bells** About 40% of the ISPs state that they offer DSL services or are planning to in the near future. However, there are a litany of problems facing the marketing of DSL and the interface with the Bell companies. For example,
  - 71% of ISPs have had lost orders by the local phone company
  - 59% have had their customers “slammed” by the Bell (meaning that their customer was changed over to the local Bell without their permission)
  - 63% of ISPs have had the Bell recommend their product over their current ISPs’ products.

- 53% have had their customers told they wouldn't have problems if they switched to the Bell company product.
- **ISPs That Are Using CLECs (Competitive Local Exchange Companies) Feel That The Competitors Deliver Better Services, But That They Are Also Hampered By The Bell Companies Who Supply The CLEC Access As Well.** Throughout the responses, those who use a CLEC gave the companies almost double the rating of their LEC counterparts. However, as most of the ISPs point out, the CLEC still has to interface with the Bell company and this still causes many problems.
- **The Majority Of Small ISPs In Secondary Markets Across America Do Not Have A Choice Of Providers, And Are Being Priced Out Of The Bell's DSL.** In many states, non-urban ISPs are still totally dependent on the local Bell to provide services and the majority point out that the Bells has either freed them out of the market by offering services below cost, or they are not giving the ISP adequate services. (NNI has filed a separate complaint with the New York Attorney Generals office demonstrating that Bell Atlantic (like the other Bells) are subsidizing their DSL services and offering the service below the costs to competitors.
- **The Majority Of ISPs Are NOT Receiving Adequate Help From Their Local Public Service Commissions To Stop Bell's Abuses, Even Though The Bells are Violating The Telecom Act of 96 And State Laws.** Almost 75% of ISPs have attempted to get help from their state Commissions regarding their problems with the local Bell. However, the majority, 63% of those who approached the Public Service Commission to get help got no results. **However, it should be noted that these violations cost the Internet providers both a loss of revenues, including the loss of customers, as well as the damaging of the company's reputation.**
- **Customers of the Internet Providers are Being Harmed by the Bells Actions.** When phonelines aren't working or the phone company doesn't show up for an installation, this has a direct impact on the customers who are using the ISPs' services. (NNI has filed a separate complaint with the New York Attorney Generals office about the Bells impacts on DSL customers who use an independent ISP.)

**Conclusion:** With 89% of ISPs believing (and documenting) that they are being harmed, NNI believes that the FCC and the states should immediately create a "code of standards and conduct" that protects Internet Providers and their customers from harm. This includes the enforcement of laws currently in place, as well as the payment of penalties and fines that compensates the ISP and their customers for the harm the Bells are creating with their sub-standard customer services and phone provisioning.

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## **The History And Reason For This Survey**

In 1998, New Networks Institute launched a pilot survey to determine the relationship between Internet Service Providers and their local phone provider-- the Bell companies and GTE. Based on the disturbing findings from this pilot, the USISPA (The United States Internet Service Provider Alliance) and CIX, Commercial Internet Exchange, added specific questions to the survey and it was relaunched fourth quarter, 1999.

## **Survey Methodology**

The survey was based on a random mailing from the USISPA to Internet Providers, November 1999, requesting them to fill out an online survey. Also, to increase response rates, the USISPA posted an invitation to online lists as well as state Internet Provider Associations.

This method helped to make the response process random, therefore representing an accurate sample of the entire industry. However, there are always caveats to any survey, including those that are "self-selecting", meaning that decision to take the time to fill out a survey is left up to respondents themselves.

Based on other interviews with other ISPs who did not complete the survey, as well some industry findings about the Bell's treatment of competitors, we believe that the survey mimics the overall Internet Service Provider industry's relationship with the Bell companies.

## **Survey Details**

Appendix 1 highlights the survey details, including number of respondents, size of the companies, states covered and representation of the Bell companies (and GTE).

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## 1.0 Overall Ratings of the Bell Phone Companies and Service Quality Issues

### 1.1 The Bells are Delivering Sub-Standard Customer Services

Across the board, the ISPs rated their services as “sub-standard” in virtually all categories, and only 8% of ISPs gave the Bell an overall passing grade (above 6.5) on a scale of one to ten. And though the highest scores rated the telephone representatives as “friendly”, the survey respondents gave the Bells an overall average of just 3.7, a seriously failing grade.

#### Summary of Ratings By ISPs for their Local Bell Company

(1 is lowest, 10 is highest)

Overall Rating	3.7
Cost Is Fair	3.0
Bills are easy to Understandable	3.2
Bills are Accurate	3.5
Easy to reach when problems occur	4.2
They do a good Job fixing problems	3.4
Friendly Customer Service and Sales reps.	5.7
Services Lived Up to Promises	3.6

Based on the survey, the primary findings of general customer services are clear. Across the board, ISPs responded that:

- Phonebills are unreadable
- Bills are rarely accurate
- The company rarely fixes problems in a “timely and reasonable” fashion and they are hard to reach.
- The Bells do not keep promises, especially on installation appointments and deadlines.

A NY state ISP who uses Bell Atlantic stated:

“Customer service and callbacks are non-existent and frequently the contact on the phone cannot provide the name of a rep who handles problems, orders or billing and then we never receive a callback. We still have not had a customer service rep assigned after nearly a year without one. . . Constantly shuffled to various different people when trying to get information or order status. Bell Atlantic just sucks.”

A Washington state ISP who uses US West stated:

“Lack of interest in resolving billing disputes; overall communication; cancellation of line(s) order with no apparent reason or communication; etc.”

Meanwhile, another ISP from Washington state added.

“...it is an endless cycle. NOT ONE installation in the past two plus years has been done correctly or on time. Not one. Out of at least 20 orders of various types.”

## 1.2 Service Quality Issues

This next set of questions asked about the specifics of service quality. Do lines go in and out of service? Does the local company fix the problems immediately or take months, and does the ISP experience line problems of various sorts? The exhibit below highlights the various problems encountered, and the ISP was asked to assign one of four choices.

- Never happened
- Happened a few times
- Happens frequently
- Continuous problems

Using this scorecard for the questions, we present the data as two sets of information. Column A gives the number of ISPs who found the problems as “never happened” or “happened a few times”, while Column B combines “happens frequently” or “continuous problems.” We’ve also ordered the material showing the most problematic areas at the top of the exhibit.

According to the respondents, 62% of ISPs claim that phonenumber problems happen frequently or continually, 57% state that trying to have orders fulfilled takes months, and this includes even getting a straight answer about the installation or the price of service, Meanwhile 46% believe that even when something is advertised, there is no guarantee that the ISP can order it. And of the lines that are already installed, 46% state it can take days for repairs.

### A Litany of Problems from the Bells

	<u>Column A</u>	<u>Column B</u>
	<u>Never/Few Times</u>	<u>Frequent/Continuous</u>
Line problems of numerous sorts	38%	<b>62%</b>
Trying to order services takes months	43%	<b>57%</b>
Can't get a straight answer about price or installation	44%	<b>56%</b>
Services are advertised but can't be ordered	54%	<b>46%</b>
It takes days for repairs.	54%	<b>46%</b>
They rarely return our calls.	63%	37%
Rates charged to you are higher than the tariffs	73%	27%
Phonelines go in and our of service for no apparent reason	74%	26%
Phonelines won't hunt	84%	16%

A Washington ISP states that they have missed installation and billing problems:

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“Serious missed due dates, service billings a nightmare. Billed for discontinued services, adjustments made then unmade without notice.”

In Minnesota, an ISP finds that US West’s bills are ‘always wrong’.

“Frame relay billing always wrong, Disconnects rarely processed completely. Disconnects not always removed from bill, Bill for new service starts months before circuit is up.”

A Texas ISP using SBC communication has similar problems with our other ISPs

“Billing irregularities, Unknown charges, Unknown/unexplained outages frequent”

Meanwhile, a Colorado ISP states that US West can’t supply adequate line quality for 56K modems, and calls just hang up for no reason.

- “Bad trunk quality, unable to connect with modems
- 56K modems connect as low as 16.8K
- Fast busy when customers call between Cos (Central Offices, which are part of the phone and data networks)
- Data calls dropped for ' No' apparent reason”

As one Texas ISP using GTE put it, it can take months just to get basic services that should take a week.

“Over 2 months for a new Channelized T1, finally installed 1 month after due date. Still waiting on 'EXPIDITED' install of fractional T1 to replace lines which go out of service because the GTE switch has a problem that they can not seem to correct. (ISDN LINES)” (EDITORS NOTE: Channelized T1 and Fractional T1 are basic network business services.)

Though the other problems mentioned, including “rates charges are higher than the tariffs”, or “phonelines go in an out of service for no reason”, are not “continuous problems”, virtually ALL ISPs experience these problems, though less frequently than the other problems mentioned.

## **2.0 Using a Competitive Local Exchange Company (CLEC)**

One of the primary changes brought on by the Telecom Act of 1996 has been the creation of the competitive local phone companies, known as CLECs. These companies offer a variety of services, but for the most part have focused on delivering data services that are sold to Internet Service Providers.

The Survey found that:

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**1/3 of ISPs are Using CLECs** -- Approximately 1/3 of the respondents are using a CLEC for their services, mostly focused on data and DSL services. However, over \_ of the ISPs do not have a CLEC available or view them as a worse solution, mainly because the CLEC still has to purchase service from the local Bell.

## 2.1 CLECs Are Rated As A Better Choice Over The Bells.

The ratings for CLECs, based on ISPs that use CLECs, are almost double compared to the Bells.

### CLEC Ratings (On a scale of 1 to 10)

CLEC Overall Rating	5.7
CLEC Cost Is Fair	6.9
CLEC Bills Understandable	6.0
CLEC Bills Accurate	4.8
CLEC Easy Access	5.4
CLEC Fixing Problems	4.8
CLEC Friendly	6.6
CLEC Kept Promises	5.5

However, there is a dark side to this story. As pointed out by numerous ISPs, the CLEC is beholden to the Bell to deliver services in most territories and so, in many cases, the CLEC's rating also reflects the complications created by the Bells.

A Kentucky ISP states that the problems they encounter with their CLEC could be BellSouth's fault.

"Our CLEC pricing is great but the service is horrible. We're not sure, however, if the CLEC is truly to blame or if the problems occurring are caused by the Incumbent (BellSouth)."

An ISP in Texas mentions that the CLEC is dependent on Southwestern Bell (SBC) and coordination between the two is "impossible."

"Better prices, harder working people, however, a CLEC must work with SBC to gain access to the network, and when SBC screws them, they become another layer of confusion. To coordinate both large companies into a cohesive troubleshooting team, in a crises, is impossible."

Two other ISPs stated that this dependence of the CLEC to the Bell holds the CLEC and the ISP "hostage."

An ISP in Kentucky using BellSouth states:

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"Most (95%) of CLEC work is resale from ILEC (Incumbent Local phone company), they (CLEC) are held hostage"

While in New Mexico, an ISP wrote:

"Since the CLEC depends on US West for many services, and since US West would like the CLEC's to go away, the CLEC in turn faces many US West problems."

And the majority of ISPs state that they have no alternative but to use their local monopoly phone company for all services.

A Washington state ISP states:

"There are no other choices at all! "

Another Washington state ISP:

"US West is the ONLY LEC here."

Or another ISP from Maine, using Bell Atlantic:

" There are no other choices, period."

Or yet another from Texas using GTE:

"There are NO CLEC CHOICES!"

In some cases, the ISP has found that the CLEC will have the same or worse problems in dealing with the Bell and so a CLEC just "adds a layer of abstraction and confusion."

As one ISP from California put it about Pac Bell:

"There are other choices but because the CLECs don't necessarily get any better service out of the ILEC than we do directly, going to a CLEC just adds a layer of abstraction and confusion. This is largely due to the ILECs inability to do things efficiently in the first place but it also functions nicely as monopoly reinforcing behavior so the ILEC is seen as having little incentive to provide quality service to the CLEC."

## 3.0 Digital Subscriber Line (DSL) Issues

About 40% of the ISPs state that they offer DSL services or are planning to in the near future.

### 3.1 The First Problem For ISPs: Just Getting ADSL from the Bell.

EDITOR NOTE: There are many flavors of DSL Service. ADSL (Asymmetric Digital Subscriber Line) is the most common sold by the Bells. It is essentially a one-directional service, thus asymmetric.)

The first problem for the ISP is just getting DSL. And as you can see from the quotes below, in many areas the Bells have either priced the competitor out of the market, has not deployed it in specific areas, and/or has misrepresented when it will be available in various areas -- if at all.

This first ISP from Washington using US West, explains how the Bell promised to deliver DSL to its ISP customers, then has made it 'uneconomical' to compete. Even more surprising, according to this ISP, a former US West employee states that the Bell is not paying for their own Internet service but is getting it subsidized. This is a clear example of monopoly abuse.

"Failed to offer DSL in our primary market area despite early promises to do so. We had a DSL connection and essentially NO customers for more than a year. I would not in good conscience advertise DSL when it was not available. More than a year later, after canceling our service and getting a full refund, US West is beginning to offer DSL in a limited area in our primary service area. Our experience with US West and DSL has been uniformly AWFUL. I currently do not offer DSL because the phone company (in my view) has made it deliberately uneconomical to compete in this arena. We have reports from a former US West employee that US West, by policy, is not making their internet arm pay their bills to US West, although they are being billed. She was told 'don't worry about it' and to 'ignore it' when she brought this to the attention of her supervisor. Part of her job, by the way (if I recall correctly), was collecting delinquent accounts."

But this is only one of the majority of ISPs who can't get DSL from the Bell.

An ISP using GTE states:

"Currently GTE has suspended all new ATM connection for DSL." (EDITOR NOTE: "ATM" is a network component vital to DSL services)

A Tennessee ISP using Sprint found that Sprint is only using their own product and won't sell it to the ISPs.

"Sprint says it will be a year before DSL is available in our area. That is a lie because they already have it!"

An ISP in Utah states:

“USWest promised Local DSL service by August 1998 and it's still not here and is no longer even forecasted in our area.”

An ISP in rural Texas using Southwestern Bell states:

“DSL not available.”

And an ISP in New Mexico states:

“US West lacks facilities throughout the 25% of the state that it services. We can rarely place an order that is not put on hold because the US West network is at capacity.”

### **3.2 Predatory Pricing By The Bell Company Is Another Inhibitor To ISPs Offering DSL**

In December, 1999, New Networks Institute filed a Complaint with the Attorney General’s office pertaining to the Bells predatory pricing of DSL. Based on data from two New York ISPs, Bwaynet and Panix, as well as using industry standards, we found that the Bell Atlantic’s wholesale pricing for competitive ISPs is below cost, and there is virtually no way an ISP can sell the product and be profitable. The Complaint can be read at: <http://newnetworks.com/baadslscrewisp.htm>

Another New York ISP talking about Bell Atlantic DSL pricing found that it was not competitively offered to ISPs for resale.

"We have not even tried to do anything with DSL because not only can Bell Atlantic not provide DSL to 80+% of the area, but their pricing keeps us from being able to be competitive. So we can't say anything else about DSL.”

This exact same theme was echoed by a Washington ISP who uses US West.

"US West is finally beginning to offer DSL in our service area (a very small part of it) we are unable to offer it. They have cherry picked and so diluted the market there is no economical way for us to enter the current or projected market and compete. US West and the other ILECs are SELLING BELOW COST. The words 'predatory pricing' keep echoing in my mind."

### **3.3 There are a Litany of Problems for ISPs Offering DSL**

This next exhibit highlights the responses for most of the DSL questions pertaining to the Bells’ treatment of ISPs and their customers. As the chart shows, there are a litany of problems facing the marketing of DSL and the interface with the Bell companies. On the average, about half of all ISPs who offer DSL have various problems.

For example,

- 71% of ISPs have had lost orders by the local phone company.
- 59% have had their customers “slammed” by the Bell (meaning that their customer was changed over to the local Bell without their permission).
- 63% of ISPs have had the Bell recommend their product over their current ISPs product.
- 53% have had their customer told they wouldn’t have problems if they switched to the Bell company product.

It should be noted that many of these problems are actually illegal acts done by the Bell against the Internet provider. For example, slamming is illegal, and making blatant anti-competitive statements about the Bell product over an ISP product while the customer is only ordering a second line are clear violations.

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## Responses to Questions Dealing with ISPs Deploying DSL

	Yes	No
55) We have documented evidence of our customers being given more rapid installation dates if they selected the phone company ISP instead of us:	24%	75%
56) Our DSL customers have experienced lost orders for their DSL lines by the local phone company:	71%	29%
57) Our DSL customers have been slammed in favor of the phone company-owned or Bell-owned ISP (uswest.net, ameritech.net, swbell.net, bellsouth.net, get.net, bellatlantic.net, pacbell.net, etc.) when DSL line service was finally installed:	59%	41%
58) Our DSL customers who were slammed experienced delays in getting this corrected.	43%	57%
59) We lost customers who decided to remain with the phone company after being slammed:	40%	60%
60) Our DSL customers have had local phone company representatives try to convince them to buy from or switch to the phone company ISP service when they called to place their DSL line order:	63%	37%
61) Our DSL customers encountered the following negative representatives when they called to place their DSL line order:		
<ul style="list-style-type: none"> <li>• “I can’t test your line end to end if you don’t subscribe to the Bell-owned ISP service.”</li> </ul>	26%	74%
<ul style="list-style-type: none"> <li>• “You wouldn’t have these problems if you used the Bell-owned ISP service.”</li> </ul>	53%	47%
<ul style="list-style-type: none"> <li>• “You will get faster speeds with the Bell-owned ISP service.”</li> </ul>	47%	53%
<ul style="list-style-type: none"> <li>• “You will get better support with the Bell-owned ISP service.”</li> </ul>	39%	61%
62) Our customers were told we were not on the list of DSL capable ISPs when in fact we were:	47%	53%
63) Our customers were told they could only qualify for free modems if they bought the phone company ISP service	47%	53%
64) Our customers must contact the phone company to find out if they are DSL loop qualified:	48%	52%
65) We can loop qualify our DSL customers ourselves:	64%	36%
66) Our customers were offered free DSL trials if they used the Bell-owned ISP service:	38%	63%

## 4.0 Harm to Internet Providers

While specific problems caused by the Bells may seem problematic to the running of an Internet service, the actual effects are seen in real financial losses, from extra staff time to fix the problems to actual loss of customers who leave, presumably because of these problems or the Bell's anti-competitive behaviors.

In the next question, 85% of all ISPs felt that that have lost business because of the Bells sub-standard customer services, or anti-competitive actions.

Question 68) The Baby Bells' impact on your business:

- We have lost business because of downed phonelines and busy signals.
- The Bells have taken business from us by suggesting their own services to our customers

An ISP in Missouri states of Southwestern Bell that they've cost them over one million dollars in problems.

“The service we have received has compromised our revenue so badly that we haven't been able to change to some other service. We've lost \$1 million in actual revenue not including any growth.”

And from the responses, the monopoly is illegally using its monopoly franchise to hurt its competitors.

One US West ISP stated that US West's ISP regularly up-slammed by the Bell company.

“Dial up customers complaining about modem connections have been told to change to USWest ISP and they will get better service and lower prices.”

Another ISP using a competitive CLEC, Covad, had the same problem.

“The Bell installer will talk up the Bell DSL service over the Covad service and gives unnecessary and confusing information to the end-user.”

As one New Mexico ISP put it

“US West uses monopoly to compete for Internet customers. The repair department tries to sell US West services to our customers. The New Mexico network lacks facilities for virtually every expansion that we attempt to initiate. Meanwhile, US West does everything in its power to woo the Legislature to support whatever it proposes.”

## 4.1 Effect on the ISP Customer due to Problems with the Local Bell

The Bells' action (or inactions) is a much more devastating problem to America's Digital Future, not just to the ISP is effected, but more so to the customer who ultimately suffers. In a related Complaint filed with the New York Attorney General Office of NY, with Internet providers Panix and Bwaynet, NNI documented that the problems surrounding DSL deployment directly effected the ISP's customers. To read the complaint go to: <http://www.newnetworks.com/paycompensation.htm>

For example, when the ISP (with the CLEC) made an appointment with Bell Atlantic, clearly 30% of the time, Bell Atlantic never showed up to do the installation... and that installation was at the customer's home or office. It was the customer who ended up waiting ALL day for a phone company that never showed. Similarly, when an ISP's phone service improperly interrupted, it is the customer who can't use their service, and it is the customer who is inconvenienced as well.

## 5.0 Taking Actions Against the Bells

One of the indicators that this industry is having serious, unresolved problems is the amount of companies that have had to file complaints with the Public Service Commissions (sometimes written as PUC or PSC) to protect their interests.

However, it is also clear from the data the Commissions have not been able to fix the various problems presented. The findings show that 74% of ISPs have attempted to get help from their state Commissions regarding their problems with the local Bell. And of those:

- The majority, 63% of those who approached the Public Service Commission for help got no results.
- 17% are currently waiting for a decision
- and only 25% received help from the PUC that resolved their problems.

It is also clear from the responses that the ISPs are small and independent and have limited resources to take legal actions. And according to most ISPs, the Bells use their extensive power to protect their monopoly from complaints.

## 5.1 The Problem Of Getting Justice For The ISP Is Unfortunately, Multifaceted.

This abysmal track record on the part of the Public Service Commissions to step up to the plate and help to fix the problems are multifaceted..

They are:

- The PUC Is Not Up To The Challenge Of Taking On The Bells.
- The ISP May Not Be The "Customer of Record"
- In Some Cases, The PSC Simply Doesn't Have Enough Staff.
- In Most Cases It Simply Isn't A Fair Fight.
- Even The Legal Issues Are Unclear To The Public Service Commissions.

## **5.2 The PUC Is Not Up To The Challenge Of Taking On The Bells.**

One ISP from Utah stated:

“When complaints are filed, USWest uses their power to get the complaints ignored or totally thrown out.”

One New York ISP found that the PSC was just worthless because they do not penalize the Bell for the problems.

“We’ve filed numerous complaints about service problems, from bad installs to over-billing on our phonebills. The PSC makes them come to meetings then nothing happens. They are worthless and have cost us thousands of dollars by their inaction.”

## **5.3 The ISP May Not Be The Customer of Record**

The ISP is often not “the customer of record”-- i.e.; if the ISP goes through a CLEC, then the CLEC is the customer of record, even if the service is provided by the Bell company and they are the ones who are causing the problems. This issue of customer of record simply insulates the Bell from either the ISP or even the irate end-user.

As one ISP from Kentucky spoke about BellSouth and their CLEC:

“We can't file a complaint against them since the service in question is delivered by the CLEC. So we filed against them, so they would get on BellSouth's case . . . but instead we got a hysterical fit from the local CLEC manager who said, I quote ‘you don't understand who and what you're dealing with. . .you should just leave it all alone!’.”

In New Mexico, the same exact problem exists.

“US West recently chose to ignore a request for service and then when I filed a complaint with the NM Public Regulatory Commission they said that I was not their customer MCI was and they could not talk to me. They refused to install the lines for me and without the copper they provide I could not provide a service.”

## **5.4 In Some Cases, The PSC Simply Doesn't Have Enough Staff.**

One ISP from Washington was told:

“The: PUC ["UTC" Utilities and Transportation Commission] told me, "take a number; we have more complaints in here than we have room for.”

Or as one ISP from New Mexico put it:

"In New Mexico the PRC has finally taken an interest in harnessing US West, but it does not have the manpower or the financial resources to do anything quickly."

**5.5 In Most Cases It Simply Isn't A Fair Fight.** The Bell companies have vast resources compared to the small ISP or the customer. One ISP from New York stated:

"We have told them of problems in the past, but never filed a formal complaint. We don't have the resources to pursue meglomaniacal ILECs (Incumbant Local Exchange Companies) who can put us out of business by hiring endless streams of lawyers who spew spin-doctored facts and irrelevant facts which serve only to muddy the waters. They can say anything they want..."

And one ISP fears retribution.

"When Complaints are made to state PUC, you end up in big trouble."

**5.6 Even The Legal Issues Are Unclear To The Public Service Commissions.**

One ISP from Missouri, Southwestern Bell stated:

"They told us that they couldn't help because the service we get from Bell is non-tariffed and that we should watch our complaints because Bell might vary well give us notice and shut us off because of it non-tariffed status."

As one ISP from Texas summed it up:

"Have not filed PUC complaint, but they are still pretty much useless."

One ISP from Washington summed it this way:

"We have gotten satisfaction on some items, waiting (more than a year) on others, and considered it a lost cause on the rest."

### 6.0 Taking Legal Action Against The Bells.

For the most part, the ISPs have not taken legal actions through the courts primarily because they can't afford it. However, the overwhelming majority feel that legal action is warranted.

- 50% of those polled have not taken legal actions against the Bells because they couldn't afford it.
- 89% of those surveyed felt that there was sufficient grounds to take legal action

As one ISP put it about taking a law suit:

“We can't afford to. We are not a big company. We believe they have intentionally caused us to have substandard service in the past, we are terrified of retribution.”

However, there are some who believe that they have to take action. This ISP who uses BellSouth stated: "We have a pending complaint ready to file. The question is do we want to spend thousands of dollars in legal fees, hours of our time giving depositions in a Federal court, and have to wait for 5 years for the case to be settled. The answer is probably yes.”

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## Appendix 1: Definitions and Abbreviations

<b>Bell Company</b>	In 1984, AT&T was broken up and seven large holding companies were created to control the original Bell phone companies. They were: <ul style="list-style-type: none"><li>• Ameritech</li><li>• Bell Atlantic</li><li>• BellSouth</li><li>• NYNEX</li><li>• Pacific Telesis</li><li>• SBC Communications (originally Southwestern Bell)</li><li>• US West</li></ul>
<b>Bandwidth</b>	Bandwidth is a term that is used to describe how much or how fast content can be received or sent. Think of it as a pipe carrying water. The larger the pipe, the more water it can deliver.
<b>CLEC</b>	<b>“Competitive Local Exchange Company”</b> is a local phone company that offers a competitive local phone service. This includes data and or voice services.
<b>CO</b>	“Central Office” is an aggregator of local phone lines in a neighborhood.
<b>DSL</b>	“Digital Subscriber Line” is a generic term for many types of services. For example, ADSL is the most common. Asymmetric DSL is a service that is most one-directional, i.e., from the outside world to the user is much faster than a customer sending information.
<b>ILEC or LEC</b>	An “Incumbent Local Exchange Company” is a term to describe any monopoly local phone company, including the Bells. However, there are over 1300+ non Bell local phone companies in America, accounting for approximately 20% of local phone services. GTE and Sprint are two of the largest LECs.
<b>ISP</b>	“Internet Service Provider” is a company that offers Internet service or web provisioning to ‘end-users’ (i.e., customers) and who maintains phone/data lines.
<b>Local Reseller</b>	A company that purchases local phone service at a discount and resells it to customers.
<b>Long Distance</b>	A Long Distance company sells long distance services, which is a phone service that crosses state lines. A call from New York to New Jersey is Long Distance.
<b>Network Switch</b>	When calls are transferred between Central Offices or connected to long distance or data services, they go through some sort of network switch, a device that routes calls.
<b>T1</b>	Pronounced “Tee One”, this is a standard business service that gives 24 lines of service in a bundle. However, this service can also be used as having the capacity of these 24 lines simultaneously. It can be sold as “fractional”, meaning that the customer buys a smaller percentage of the packaged lines.
<b>Toll Call</b>	A Toll Call is a phone call that stays within a geographic boundary, known as a “LATA”, which is similar to an ‘area code’, or In-state, which is a call that doesn’t cross state lines.

## Appendix 2 THE SURVEY DETAILS

**1) Total Respondents:** The survey garnered 84 useful and completed respondents.

**2) The Respondents were ALL SMALL INDEPENDENT ISPs.** The breakout: 67% of the respondents worked for small ISPs who have under ten staffers, 27% were under 50 staffers, (The remainder didn't answer the question.)

**3) States Covered:** Two ISPs use national networks that give them access to 48 states, continental US and approx. 25% offer service in multiple states. However, the most accurate assessment would be that the survey covered 34 states and most companies are only doing business in a specific state.

### States Covered

Tennessee	North Dakota	New Mexico
Oregon	New York	Utah
Washington	California	Montana
Nebraska	Kentucky	Minnesota
Wyoming	Colorado	Indiana
Maine	Oklahoma	Kentucky
Louisiana	Minnesota	Florida
Arizona	Massachusetts	Virginia
South Dakota	Georgia	Illinois
Nebraska	Massachusetts.	South Dakota
Michigan	Connecticut	New Jersey
Nevada		

Some ISPs have multiple states listed: One claims "California, Oregon, Washington, Nevada, Indiana, Illinois, Florida."

**4) RBOC and GTE Representation:** All Regional Bells are represented. However, the survey drew the most response from US West and SBC.

### RBOC REPRESENTATION, adding Multiple listings

US West	50
SBC	27
GTE	17
BellSouth	7
Bell Atlantic	7
Ameritech	5
Pac Bell	3

NOTE: 17 companies use GTE, but only 5 have them as the exclusive local phone company.

**5) Largest State Accounting:**

US West has the most states represented especially counting multiples. Texas had the largest response.

**Largest State Accounting**

23	Texas
12	New Mexico
11	Washington
7	Utah
4	Wyoming