

The Results of the Nationwide 4th Annual ISP Survey

EXECUTIVE SUMMARY AND FINDINGS

This survey represents ISPs offering services in 31 states and nationally. The ISPs who responded are currently using 32 different CLECs. (See Appendix One for methodology and more details.)

Rating the Bells' Performance

- **4.1** (On a scale of 1 to 10) is the **“Overall” Rating** for the Bell companies -a failing grade.

Overall Service	4.1
Ordering	3.6
Installation	3.7
Post Installation	4.0

Ordering the service seems to be the most problematic, with the Bell companies receiving only a 3.6 out of 10.

Offering DSL

- **62% of Respondents Offer ADSL or DSL**
 - 40% offer DSL only through a CLEC
 - 30% through a Bell or ILEC
 - 30% offer both
- **40% Do Not Offer DSL** – the largest reason --- The price from the Bell company is ‘predatory’.
 - **At least 30%** of ISPs stopped offering DSL because it was not profitable.

One Texas ISP wrote:

“We tried reselling Bell DSL but stopped because SBC pricing guarantees no one, even an efficient and profitable ISP such as XXX, can make money reselling DSL. Then there is the ordering process, which is a guaranteed time waster for your staff and insures that if we made any profit reselling DSL, you then lose it through the ILEC's laborious ordering process. We dropped DSL in May as just about ALL ISPs.”

How Many Orders Have Problems?

On average, **one third (32.3%) of all orders have problems**, with the majority, (63%) reporting 40% or more of all orders have something that blocks the order from going through or the customer receiving service. (This is for either DSL and ADSL using a competitor or using a Bell company's "line-sharing".)

On ISP wrote:

"Constant billing errors. Every order we put through we have some problem with, even the ordering system is a 50/50 chance that it will work when you need it to. Service techs tell our customers stories to make trouble with our new clients or to steal them away."

Service is "Not OK".

Overall, 67% think service is "Not OK", or it is "Terrible". No ISP is happy about their service.

Service Ratings by the ISPs of Their Local Bell Company's Service

Service is Great	0%
Service is OK	32%
Service Isn't OK	29%
Service is Terrible	38%
	100%

Who's At Fault When Problems Occur?

When an ISP uses a CLEC, survey respondents state that 80% of all problems are caused by the Bell companies, while the CLEC is responsible 10% of the time. 10% of the blame can't be determined. (rounded)

- 80% Bell Companies
- 10% CLECs
- 10% I don't know

Top Issues of the ISPs --- Fair Competition, Fair Pricing, Workable Service

It is clear from the responses that the most pressing issues for ISPs is to just have open and equal access to the networks, as promised by the Telecom Act, the prices to competitors be "fair and reasonable" and the problems with service ordering and installation be cleared up immediately. In fact, these basic rights of

the ISPs accounted for 78% of the top issues. The other concerns, such as opening the cable networks to ISPs, or technical issues, were down the list of items that the ISPs most care about.

On the issue of installation problems, one Texas ISP wrote:

“Response to specific problems and issues and resolution of those issues is unacceptable.”

One Nationwide ISP states:

“BELL has cost us more business than we have ever gained via our relationship with them. We have moved toward taking all our clients from BELL because of the way they continue to do business. Our problems have been so large we have invested many hours and dollars in complaints with the Public Service Commissions and other agents that it is just not good business to deal with them anymore, All the rules of the game clearly benefit the LEC and not US or the consumers.”

Top Issues of ISPs

Access Fair competition	28%
Predatory pricing	27%
Problems with Service	23%
Cable networks open	5%
Regulation	4%
Support	3%
Customer Retention	3%
Wireless	2%
Technical	2%
Taxes	1%
	100%

Source: New Networks Institute, Nov. 2002