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Ivan Seidenberg  
Chairman & CEO

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July 13, 2005

The Honorable Marc Spitzer  
Commissioner  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, AZ 85007-2996

Dear Commissioner Spitzer:

Thank you for your letter of June 29<sup>th</sup> regarding the *San Francisco Chronicle* article and other matters.

Let me respond to the letter by first stating that I respect your views as Commissioner for the Arizona Corporation Commission and recognize the responsibilities you have in regard to the public interest. As Verizon's CEO, I share that sense of responsibility to our customers whether they use our landline or wireless services.

The *San Francisco Chronicle* article that you reference reported my statements out of context. There were many things I said to the editorial board which made that context clear; unfortunately, they were not reflected in the *Chronicle* article. The quote was part of a detailed discussion with the *Chronicle's* Editorial Board about Verizon's \$4 billion national investment over the past few years to make the nation's best wireless network even better. The original purpose of wireless was to provide service to consumers when they were not at home or in the office, but moving about. Acknowledging that today the situation has changed and that customer expectations have grown, I pointed out our massive investment and strong efforts to meet this challenge. The fact is that, although wireless coverage is not ubiquitous for a number of reasons, we are always working to improve our network capabilities as well as our coverage.

Verizon Wireless is the premier and most successful wireless carrier in the industry, and this is because we place our customers first. This is not simply my view; it is what the consumers of wireless services have been saying for many years. Verizon Wireless has the lowest churn and greatest customer retention of any major wireless carrier. To quote *Consumer Reports* from the publication's 2005 survey of wireless customers, Verizon Wireless had the "highest levels of satisfaction in our customer survey." The survey of 17 major metropolitan areas around the nation, including Phoenix, Arizona, placed Verizon Wireless as highest rated in customer satisfaction, a conclusion that *Consumer Reports* surveys have found in each of the two previous years as well. As the enclosed list of recognitions demonstrates, Verizon Wireless is an excellent corporate citizen of Arizona. Moreover, Verizon Wireless is working in Arizona to support emergency officials who are fighting fires that threaten Arizonans and their property.

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We are the leading wireless carrier in Arizona because we invest in the state. Last year, Verizon Wireless invested over \$75 million to enhance its digital network in Arizona, and spent more than \$285 million overall in the last four years in the state. This investment enabled the company to update transmission sites and other technology to improve call quality, increase coverage areas, and deploy a variety of advanced wireless data services, including wireless data at broadband speed and multi-media messaging.

You are correct that Verizon Wireless opposes state efforts to regulate wireless services. The wireless industry operates in an intensely competitive environment on a nationwide basis. Congress had the foresight in 1993 to create a much different regulatory model for wireless, recognizing that traditional notions of state utility regulation should not apply. The results have been remarkable: coverage areas have increased, prices have declined, and innovations such as broadband access have proliferated. Thus, we feel strongly that state-by-state regulation of this very competitive national industry would not benefit consumers.

As for our pending merger with MCI, I believe strongly that this is the right move at the right time. This combination will best position our companies to provide customers the high quality service and range of options they increasingly demand from their communications services – whether those services are provided over wireline, wireless, cable, satellite, or some combination of technologies. Verizon and MCI are working with Arizona Commission staff to provide information for your review, and we look forward to a favorable determination.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Warren Siduskey".

cc: Timothy J. McCallion, President - Pacific Region

Enclosure

## Recognitions of Verizon Wireless in Arizona (2004-2005)

### **VZW Ranks Best in Arizona**

Readers of *Arizona Business Magazine* have named Verizon Wireless the top choice for "Wireless Communications" in the 2005 "Ranking Arizona Business: the Best of Arizona Business" survey. This is the second consecutive year the company has taken top honors in the annual reader opinion poll. Last year, Verizon Wireless invested more than \$75 million to enhance and expand our Arizona network. (Published February 2005)

### **Verizon Wireless Outshines the Competition in Phoenix**

When it comes to wireless service in the Valley of the Sun, readers of the *Phoenix Business Journal* found Verizon Wireless continues to shine brighter than the rest. For the second consecutive year, they named Verizon Wireless the top wireless provider in the Readers' Choice Awards. The paper notes that Verizon Wireless "is forever coming up with new ways to serve its base of growing business customers." (Published August 6, 2004)

### **Arizona's Advantage Award**

Verizon Wireless' expanded operations in Arizona have earned the company recognition from the state's Department of Commerce and Governor Janet Napolitano. At a recent ceremony at the state capitol, Verizon Wireless was presented with the Governor's 2005 Arizona Advantage Award for our contribution to the state's economic development. The \$20 million Regional Headquarters and Customer Service Center in Chandler has added more than 600 new, full-time customer service jobs to the local economy in the past six months. The new positions bring the number of employees working in the state to more than 1,600. (Spring 2005)

### **Desert Peaks Award**

As a founder member of the metro Phoenix Employers Against Domestic Violence (EADV), Verizon Wireless recently was honored with the Maricopa County Association of Governments' 2004 Desert Peaks Award in the category of Public-Private Partnerships. Verizon Wireless and other leading businesses involved with EADV were recognized for their efforts to address the issue of domestic violence as it affects the workplace. Last year, Verizon Wireless awarded more than \$32,000 in HopeLine grants to domestic violence agencies in Arizona, as well as donating 100 HopeLine wireless phones with one year of prepaid airtime to domestic violence agencies throughout the state. (Fall 2004)