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BEFORE THE ARIZONA CORPORATION COMMISSION

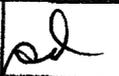
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Arizona Corporation Commission

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AZ-CORP COMMISSION
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MAY 16 2001

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IN THE MATTER OF MIDVALE TELEPHONE
EXCHANGE, INC.'S APPLICATION FOR
AUTHORITY TO INCREASE RATES AND FOR
DISBURSEMENT FROM THE ARIZONA USF

T-02532A-00-0512

**SUMMARY OF DIRECT TESTIMONY OF CURT HUTTSELL
FILED ON BEHALF OF CITIZENS COMMUNICATIONS COMPANY**

In accordance with the Hearing Officer's February 1, 2001 Procedural Order, intervenor Citizens Communications Company hereby files a brief, written summary of the direct testimony of Citizens' witness Curt Huttshell pre-filed on March 15, 2001.

PURPOSE OF TESTIMONY

Mr. Huttshell is Citizens' Director of State Government Affairs. The purpose of Mr. Huttshell's testimony is to oppose applicant Midvale Telephone Exchange's request for an order granting Extended Area Service (EAS) between Midvale's Cascabel exchange and Qwest's Benson and San Manuel exchanges. Citizens has an interest in Midvale's EAS proposal because Citizens will soon acquire the Benson exchange and the San Manuel exchange's Mammoth wire center from Qwest. Citizens also is concerned about Midvale's EAS proposal because the Commission has ordered Citizens and Qwest to implement optional two-way local calling between the San Manuel exchange and the Tucson metropolitan calling area.

1 **ILLEGAL EAS BRIDGING**

2 Mr. Huttzell's testimony establishes that Midvale's EAS request should be denied
3 for three reasons. One, Midvale's EAS request involves overlapping EAS areas in Cascabel and
4 invites illegal arbitrage through EAS bridging. Overlapping EAS areas encourage EAS bridging
5 that evades approved toll and access tariffs. Policing EAS bridging is difficult and costly.
6 Unfortunately, Citizens has faced illegal bridging in other states including a recent example in
7 Montana. Mr. Huttzell's testimony illustrates the dangers of potential EAS bridging from
8 Midvale's EAS request. Here, a bridger could establish himself in Cascabel and forward calls
9 from Benson to San Manuel and from San Manuel to Benson. Even further, Citizens and
10 Qwest's optional local calling from San Manuel to Tucson would allow an EAS bridger to
11 forward calls between Benson/Cascabel and Tucson.

12 **UNFAIR BURDENS ON CITIZENS' CUSTOMERS**

13 Two, Citizens' future customers in Benson and San Manuel will receive almost
14 no benefits from EAS service in Cascabel but may pay higher rates and charges as a result of
15 Midvale's EAS proposal. Citizens' future customers in Benson and Mammoth make and receive
16 too few calls per month from Cascabel to benefit from EAS. It is unfair to ask Citizens'
17 customers to bear higher rates supporting EAS routes that largely benefit just a few subscribers
18 in Cascabel. If EAS is approved in Cascabel, Citizens will suffer decreased toll and access
19 revenues and incur higher costs. That means Citizens' customers--even those outside of Benson
20 and Mammoth--may pay higher rates and charges if the Commission approves Midvale's
21 proposal because Citizens likely will seek a rate increase before the Commission.

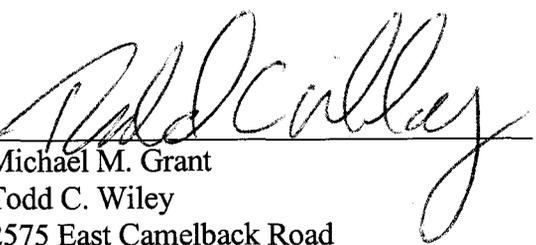
22 **COMMUNITY OF INTEREST ISSUES**

23 Third, Midvale has failed to demonstrate any "community of interest" justifying
24

1 EAS in Cascabel. Again, subscribers in Benson and Mammoth place too few calls to Cascabel
2 and receive too few for EAS to be of much benefit to them. Such infrequent calling between
3 Benson/San Manuel and Cascabel is not indicative of a community of interest. Mr. Huttshell
4 disagrees with testimony from Midvale's Mr. Williams that Cascabel subscribers are unduly
5 burdened in placing long-distance calls to Benson and San Manuel. Mr. Huttshell also disputes
6 testimony from Midvale's Dr. Reading that Benson and San Manuel have a strong community
7 of interest with Cascabel. Dr. Reading's testimony does not examine all of the necessary factors
8 to determine a community of interest. Finally, Citizens supports Qwest's testimony from Starla
9 Rook and her recommendations regarding EAS. Mr. Huttshell also will testify that Citizens
10 concurs in Staff's testimony and recommendations regarding EAS.

11 RESPECTFULLY SUBMITTED this 14 day of May, 2001.

12 GALLAGHER & KENNEDY, P.A.

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19 of the foregoing document filed
20 this 16th day of March, 2001, with:
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