

EXCEPTION
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AZ CORP COMMISSION
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December 5, 2005

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VIA HAND DELIVERY

Chairman Jeff Hatch-Miller
Commissioner William Mundell
Commissioner Marc Spitzer
Commissioner Mike Gleason
Commissioner Mayes
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

RE: In the Matter of the Joint Notice of Intent of Verizon Communications, Inc. and MCI, Inc., on Behalf of Its Regulated Subsidiaries
Docket Nos.: T-01846B-05-0279; T-03258A-05-0279; T-03475A-05-0279;
T-03289A-05-0279; T-0319A-05-0279; T-03574A-05-0279;
T-02431A-05-0279; T-03197A-05-0279; T-02533A-05-0279;
T-03394A-05-0279; T-03291A-05-0279

Dear Commissioners:

The Recommended Opinion and Order ("RO&O") proposes that the Commission condition its approval of the transaction between Verizon Communications Inc. ("Verizon") and MCI, Inc. ("MCI") on their agreement to participate in mandatory binding arbitration before the Commission of residential consumer billing disputes for all telecommunications services, including wireless and Voice over Internet Protocol (the "Arbitration Program"). Verizon and MCI understand that the Commissioners are concerned about residential consumer protection issues, and would like to accommodate those concerns in the context of the transaction. We believe this can be done if the proposed condition were changed to make clear that it applies only to the surviving merged entity's Arizona *certificated* affiliates. Under Verizon and MCI's proposal, the Arbitration Program would include wireless services resold by certificated affiliates.

December 5, 2005

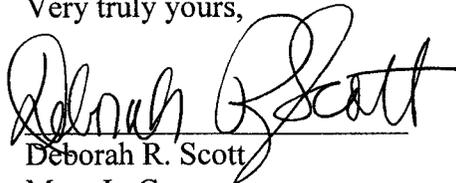
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The clarification proposed by Verizon and MCI could be accomplished using the language now in the RO&O simply by inserting the word "certificated" in line 17 of page 23 and by substituting the word "certificated" for the word "controlled" on line 20 of page 23, line 28 of page 23, and line 3 of page 24. This is shown below:

- IT IS FURTHER ORDERED that all Arizona residential consumers of telecommunications services should have the opportunity to arbitrate disputes over billing and unauthorized charges before the Commission. The surviving merged entity, as well as its **certificated** affiliated companies, shall be required to participate in a binding arbitration program administered by the Commission's Consumer Services Division. The Arbitration Program will apply to all Arizona residential customers of the surviving merged entity and its **certificated** affiliates that offer telecommunications services, including but not limited to wireline, wireless, and VOIP telephony.
- IT IS FURTHER ORDERED that the Arbitration Program shall be administered by the Commission's Consumer Services Division, and shall embrace Arizona residential customer disputes related solely to billing and unauthorized charges. The Arbitration Program shall expressly include wireline, wireless, and/or VOIP services offered by the surviving merged entity's **certificated** affiliates.
- IT IS FURTHER ORDERED that in deciding disputes between any of the surviving merged entity's **certificated** affiliates and its customers pursuant to the Arbitration Program established by this Decision, the Commission shall forego imposing any monetary sanction, except restitution in any form, including billing credits, against any participant in the Arbitration Program.

Verizon and MCI hopes this resolves the Commission's concerns.

Very truly yours,



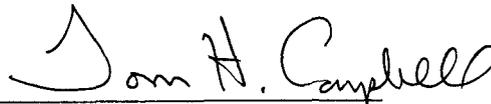
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