



BEFORE THE ARIZONA CORPORATION

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JEFF HATCH-MILLER, Chairman
MARC SPITZER
WILLIAM A. MUNDELL
MIKE GLEASON
KRISTIN K. MAYES

AZ CORP COMMISSION
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IN THE MATTER OF THE PETITION
OF VERIZON CALIFORNIA, INC. FOR
COMPETITIVE CLASSIFICATION OF
PROPOSED NATIONAL DIRECTORY
ASSISTANCE AND CUSTOMER NAME
AND ADDRESS SERVICE.

DOCKET NO. T-01846B-06- T-01846B-06-0282

PETITION FOR COMPETITIVE
CLASSIFICATION OF PROPOSED
NATIONAL DIRECTORY
ASSISTANCE AND CUSTOMER
NAME AND ADDRESS SERVICE

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Verizon California, Inc. ("Verizon") petitions the Arizona Corporation Commission ("Commission" or "ACC") for an order classifying Verizon's National Directory Assistance ("NDA") and Customer Name and Address ("CNA") service (together "NDA/CNA") as competitive. In support of this Petition and pursuant to Arizona Administrative Code ("A.A.C.") R14-2-1108, Verizon states:

1. Verizon is incorporated under the laws of the State of California, and licensed to do business in Arizona.

2. Verizon is a public service corporation within the meaning of Article XV, Section 2 of the Arizona Constitution.

3. Verizon provides Network Access Line Service, Special Access Service, Wide Area Telephone Service, Directory Listing Service, and other telecommunications services within its service territory in the State of Arizona, subject to regulation by the Commission.

4. In Decision No. 59124, the Commission adopted the "Competitive Telecommunications Rules" (A.A.C. R14-2-1101 through A.A.C. R14-2-1115). The purpose of the Rules is to establish a framework for creating a competitive telecommunications environment, while making the regulatory process, particularly rate

1 change, more efficient. See Decision No. 59124.

2 5. Under A.A.C. R14-2-1108(A) Verizon may petition the Commission to
3 classify its NDA/CNA service as competitive. However, in order to attain such a
4 classification, Verizon must demonstrate that: A) the Commission has previously
5 classified NDA/CNA service in the relevant market as competitive; or B) market
6 conditions exist making Verizon's NDA/CNA service competitive. See A.A.C. R14-2-
7 1108(C), (B).

8 A. In Decision No. 60545, the Commission determined that US West's NDA
9 service was a competitive service under A.A.C. R14-2-1108. See Decision No. 60545
10 (Docket No. E-1051-97-369). The Commission also issued similar decisions for Electric
11 Lightwave, Inc. and TCG. See Decision No. 59982 (Docket No. U-3054-95-503); see
12 also Decision No. 59874 (Docket No. U-3016-95-372). In addition, Sprint, AT&T and
13 MCI filed and received Commission approval for their directory assistance service as part
14 of their long distance tariffs. See Decision No. 59445 (AT&T, Docket No. U-2428-95-
15 338); Decision No. 59446 (MCI, Docket No. U-2431-95-337); and Decision No. 59584
16 (Sprint, Docket No. U-2432-95-378).

17 B. As further evidence of NDA/CNA's competitive place in the marketplace
18 and pursuant to A.A.C. R14-2-1108(B), Verizon submits the following:

19 i. **A description of the general economic conditions that exist which make**
20 **the relevant market for NDA/CNA one that is competitive.**

21 NDA/CNA augments local directory assistance, allowing customers to retrieve
22 telephone numbers, names, and addresses outside the local calling area. Numerous
23 interexchange carriers and wireless providers offer similar services throughout Arizona at
24 competitive prices. Additionally, various internet search engines, such as
25 switchboard.com and yellow.com, provide NDA/CNA service.

26 ii. **The number of alternative providers of NDA/CNA.**

27 Sprint and Cox each offer NDA in Arizona, while Qwest provides NDA/CNA
28 service. In addition to those providers, wireless carriers, such as T-Mobile, Cingular,

1 Sprint and Verizon Wireless, offer comprehensive NDA/CNA s service. The wireless
2 NDA/CNA programs allow customers to retrieve phone numbers, names or addresses.
3 Sprint charges \$1.25 for this service, T-Mobile and Verizon Wireless \$1.49, and Cingular
4 \$1.50. As noted above, internet search engines also offer NDA/CNA, and, presumably, so
5 do various resellers. Verizon's proposed NDA/CNA offering is similar to its competitors,
6 allowing customers to request as many as two numbers or two names and addresses for
7 \$0.95 per call.

8 **iii. The estimated market share held by each alternative provider of**
9 **NDA/CNA.**

10 Verizon is unable to account for the market share held by each alternative provider.

11 **iv. The names and addresses of any alternative providers of NDA/CNA**
12 **service that are also affiliates of Verizon.**

13 Verizon Wireless, Inc., an affiliate of Verizon, offers NDA/CNA service in
14 Arizona. Verizon Wireless' address is:

15 Verizon Wireless, Inc.
16 180 Washington Valley Road
17 Bedminster, NJ 07921

18 **v. The ability of alternative providers to make functionally equivalent or**
19 **substitute services readily available at competitive rates, terms, and conditions.**

20 Substitute services can and do exist, as indicated by the presence of alternative
21 providers in the marketplace. Moreover, internet search engines provide a viable
22 alternative by offering NDA/CNA service.

23 **vi. Other indicators of market power, which may include growth and shifts**
24 **in market share, ease of entry and exit, and any affiliation between and among**
25 **alternative providers of the services.**

26 Sprint, Cox, and Qwest all provide NDA or NDA/CNA services and are all well-
27 known telecommunications service providers in Arizona, each having significant market
28 power. Additionally, the ubiquity of wireless providers, as well as the comprehensive

1 nature of their directory assistance services, has enabled wireless companies to garner a
2 significant presence in the marketplace. Although interexchange companies and their
3 affiliates may coexist in Arizona, the presence of other providers offering similar services
4 dilutes the impact on the market.

5 6. Pursuant to A.A.C. R14-2-1108(A), Verizon is required to provide notice of
6 this application to its customers and each regulated telecommunications company serving
7 the same geographic area or providing NDA/CNA service. Verizon will provide notice to
8 its customers through bill inserts. Additionally, Verizon will notify telecommunications
9 companies that serve the same geographic area or provide the same services by publishing
10 notice of this application in a newspaper of general circulation in the same area. Verizon
11 will file proof of that publication in this docket and provide Staff with copies of both the
12 bill insert and the published notice.

13 7. All correspondence, pleadings, orders, and other material filed in this docket
14 should be sent to:

15 Kimberly A. Grouse
16 Kristoffer P. Kiefer
17 Snell & Wilmer L.L.P.
18 One Arizona Center
19 400 E. Van Buren St.
20 Phoenix, AZ 85004

21 And

22 Asia M. Powell
23 Verizon California, Inc.
24 112 Lakeview Rd.
25 Thousand Oaks, CA 91362

26 WHEREFORE, Verizon submits that classifying its NDA/CNA service as
27 competitive is within the public interest under Article XV of the Arizona Constitution and
28 the Competitive Telecommunications Rules. Therefore, Verizon respectfully requests that
the Commission grant this request to classify its NDA/CNA service as competitive.

1 RESPECTFULLY SUBMITTED this 26th day of April, 2006.

2
3 SNELL & WILMER L.L.P.

4 

5 Kimberly Grouse
6 Kristoffer P. Kiefer
7 Snell & Wilmer L.L.P.
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9 400 E. Van Buren St.
10 Phoenix, AZ 85004
11 Attorneys for Verizon California, Inc.

12 Original and 13 copies of the foregoing
13 hand-delivered for filing this 26th day
14 of April, 2006 to:

15 Docket Control
16 Arizona Corporation Commission
17 1200 West Washington
18 Phoenix, AZ 85007

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