

verification consistent with R14-2-1905.” This rule appears to require a Telecommunications Company to comply with the R14-2-1905 verification procedures in *removing* a customer’s preferred carrier freeze. This requirement conflicts with the federal requirement applicable to the same process. The federal regulation on point provides as follows:

(e) *Procedures for lifting preferred carrier freezes.* All local exchange carriers who offer preferred carrier freezes must, at a minimum, offer subscribers the following procedures for lifting a preferred carrier freeze:

(1) A local exchange carrier administering a preferred carriers freeze must accept a subscriber’s written or electronically signed authorization stating his or her intent to lift a preferred carrier freeze; and

(2) A local exchange carrier administering a preferred carrier freeze must accept a subscriber’s oral authorization stating her or his intent to lift a preferred carrier freeze and must offer a mechanism that allows a submitting carrier to conduct a three-way conference call with the carrier administering the freeze and the subscriber in order to lift a freeze.

47 C.F.R. 64.1190(e)(2) (emphasis added). Under federal law a customer may call her local service provider and lift a primary interexchange carrier freeze without any type of verification. Rule 14-2-1909(D), in contrast, does not allow a customer to remove a freeze through oral authorization alone. The Arizona rule does not give a consumer greater advantage or benefit over the federal rule. To the contrary, the Arizona rule gives the consumer less authority and is in direct conflict with a right conveyed to customers under the federal regulations governing preferred carrier freezes. To the extent R14-2-1909(D) conflicts with federal law, the Commission should reconsider and amend this portion of the rule thereby allowing consumers more freedom and enabling carriers to efficiently comply with both Arizona and federal PIC freeze removal requirements.

2. Absolution and Reimbursement Under R14-2-1907

Rule 14-2-1907 creates an absolution and reimbursement system that conflicts with the processes set forth in federal regulations. Specifically, R14-2-1907(C)(2) provides that a Telecommunication Company responsible for an unauthorized change must “[a]bsolve the Subscriber of all charges incurred during the first 90 days of service provided by the Unauthorized Carrier if the Subscriber has not paid charges to the Unauthorized Carrier.” This same provision is incorporated into the “Notice of Subscriber Rights.” (R14-2-1908(B)(5)). Under federal law, a customer who has not paid the Unauthorized Carrier is absolved of the unauthorized charges for *30 days*. 47 C.F.R. 64.1160 (emphasis added). For national carriers, administering different credit or absolution periods in every state is time-consuming and expensive. Consumers ultimately shoulder these costs. AT&T understands that the 90 day absolution period is drawn directly from A.R.S. 44-1572(C). That extended absolution period is, however, regardless of its genesis, contrary to 47 C.F.R. 64.1160. AT&T seeks reconsideration of Rule 1907 and the absolution and reimbursement system created by that rule.

3. Five Business Days is Insufficient Time to Produce a Verification

Rule 1907(C) gives carriers just five business days to verify that a change was authorized by producing a written authorization, a letter of agency (written or electronic) or a third party verification. Set forth in full, sub-part (C) provides:

- C. If a Telecommunications Company has been notified that an Unauthorized Change has occurred and the Telecommunications Company cannot verify within 5 business days that the change was authorized pursuant to R14-2-1905, the Unauthorized Carrier shall:
 - 1. Pay all charges to the original Telecommunications Company associated with returning the Subscriber to the original Telecommunications Company as promptly as reasonable business practices will permit, but no

later than 30 business days from the date of the Unauthorized Carrier's failure to confirm authorization of the change;

2. Absolve the Subscriber of all charges incurred during the first 90 days of service provided by the Unauthorized Carrier if a Subscriber has not paid charges to the Unauthorized Carrier;
3. Forward relevant billing information to the original Telecommunications Carrier within 15 business days of a Subscriber's notification. The original Telecommunications Company may not bill the Subscriber for unauthorized service charges during the first 90 days of the Unauthorized Carrier's service but may thereafter bill the Subscriber at the original Telecommunications Company's rates;
4. Refund to the original Telecommunications Company, 150% of any Unauthorized Carrier's charges that a Subscriber paid to the Unauthorized Carrier. The original Telecommunications Company shall apply the credit of 150% to the Subscriber's authorized charges.

AT&T submits that it is not reasonable to require a Carrier to produce proof of verification within five business days. Verifications are obtained through a variety of different sources including third parties, written letters of agency, and Internet LOAs. It may take more than five business days to: (a) route the Commission's request to the person responsible for finding the verification; (b) gather all facts necessary to identify the verification; (c) extract the verification or LOA from an electronic or hard-copy database; and (d) return it to the Commission representative. If just one person in this investigatory-chain is not in the office, out unexpectedly, or sick, the five-day deadline may be impossible to meet. Similarly, if a file is in storage off-site, timing becomes a problem. Five days simply does not generally allow sufficient time to investigate, find, and produce a verification.

Historically, the Commission has required parties against whom a complaint has been lodged to respond to the Commission representative within five working days as to the status of the utility's investigation of the complaint. This is a reasonable requirement.

Also, it is reasonable for the Commission to impose a deadline for producing the verification. AT&T asks that the Commission reconsider 1907(C) and amend the first sentence as follows:

If a Telecommunications Company has been notified that an Unauthorized Change has occurred ~~and~~ the Telecommunications Company shall respond to the Commission representative within 5 working days as to the status of the Company investigation of the Unauthorized Change. If the Telecommunications Company cannot verify within 5 15 business days that the change was authorized pursuant to R14-2-1905, the Unauthorized Carrier shall: . . .

4. Marketing Script Submission

AT&T seeks reconsideration of rules 14-2-1914 and 14-2-1202 which require all Telecommunications Companies to submit to the Commission “all sales and marketing scripts used by its (or its agent’s) sales or customer service workers.” Under these rules, scripts must be submitted to the Commission whether or not the Commission has received a complaint alleging wrongdoing or consumer confusion. AT&T opposes this requirement because it unnecessarily increases – without any evidentiary support that this requirement will further the public interest – the cost of providing service in Arizona. Telecommunications companies today have limited resources and extraordinarily tight budgets. Given this climate, it will be difficult to dedicate employees in each AT&T business unit to the task of gathering scripts, ferreting out variations in scripts, arranging for submission of the scripts under seal, monitoring the scripts going forward for any material change, and filing periodic updates when material changes are made. The dollars used to manage this work could be better spent on improving processes and the services and products AT&T offers to customers.

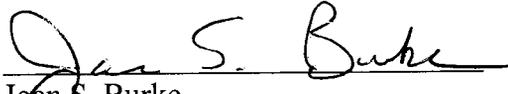
Similarly, Commission resources are limited. Implicit in the script submission requirement is the understanding that Staff will receive, organize, review and arrange storage for large volumes of scripts. If these scripts are not reviewed by Staff, then submission of the scripts is a useless gesture and the regulatory burden creates no corresponding consumer benefit. Greater consumer benefit could be derived by funneling Commission Staff resources into measuring, reporting, and investigating alleged incidents of slamming or cramming in Arizona.

As mentioned in prior comments, AT&T is willing to submit to the Commission, under seal, all relevant marketing scripts in the course of a complaint proceeding.

For these business reasons, and for any relevant and applicable legal basis, AT&T respectfully seeks reconsideration of rules 14-2-1914 and 14-2-1202.

Submitted this 2nd day of January 2003.

AT&T COMMUNICATIONS OF THE
MOUNTAIN STATES, INC.



Joan S. Burke
OSBORN MALEDON, P.A.
2929 North Central, Suite 2100
Phoenix, Arizona 85012
Telephone: (602) 640-9356
Facsimile: (602) 640-6074
E-mail: jsburke@omlaw.com

and

Richard S. Wolters
1875 Lawrence Street, Suite 1575
Denver, Colorado 80202
Telephone: (303) 298-6741
Facsimile: (303) 298-6301

CERTIFICATE OF SERVICE

I hereby certify that the original and 13 copies of AT&T's Application for Rehearing of Decision No. 65452, were hand delivered on this 2nd day of January, 2003, to:

Arizona Corporation Commission
Docket Control - Utilities Division
1200 West Washington Street
Phoenix, AZ 85007

and a true and correct copy was sent via United States Mail, postage prepaid, on this 2nd day of January, 2003, to:

Qwest Corporation
1801 California Street, #5100
Denver, Colorado 80202

Andrew O. Isar
TRI
4319 92nd Avenue, N.W.
Gig Harbor, Washington 98335

Maureen Arnold
U S WEST Communications, Inc.
3033 N. Third Street, Room 1010
Phoenix, Arizona 85012

Bradley Carroll
Cox Arizona Telcom, L.L.C.
20401 N. 29th Avenue, Suite 100
Phoenix, Arizona 85027

Michael M. Grant
Gallagher & Kennedy
2575 East Camelback Road
Phoenix, Arizona 85016-9225

Richard M. Rindler
Morton J. Posner
Swider & Berlin
3000 K Street, N.W., Suite 300
Washington, DC 20007

Timothy Berg
Fennemore Craig
3003 N. Central Ave., Suite 2600
Phoenix, Arizona 85016

Michael W. Patten
Roshka Heyman & DeWulf
400 East Van Buren, Suite 800
Phoenix, Arizona 85004

Mark Dioguardi
Tiffany and Bosco PA
500 Dial Tower
1850 N. Central Avenue
Phoenix, Arizona 85004

Charles Kallenbach
American Communications
Services, Inc.
131 National Business Parkway
Annapolis Junction, Maryland 20701

Nigel Bates
Electric Lightwave, Inc.
4400 NE 77th Avenue
Vancouver, Washington 98662

Jeffrey W. Crockett
Snell & Wilmer
One Arizona Center
Phoenix, Arizona 85004-0001

Joyce Hundley
United States Department of Justice
Antitrust Division
1401 H Street NW, Suite 8000
Washington, DC 20530

Mark P. Trincherro
Davis Wright Tremaine LLP
1300 S.W. Fifth Avenue, Suite 2300
Portland, Oregon 97201

Jon Loehman
Managing Director-Regulatory
SBC Telecom, Inc.
5800 Northwest Parkway
Suite 135, Room 1.S.40
San Antonio, Texas 78249

Daniel Waggoner
Davis Wright Tremaine
2600 Century Square
1501 Fourth Avenue
Seattle, Washington 98101-1688

Douglas Hsiao
Jim Scheltema
Blumenfeld & Cohen
1625 Massachusetts Ave. N.W., Suite 300
Washington, DC 20036

Karen L. Clauson
Thomas F. Dixon
MCI Telecommunications Corp.
707 17th Street, #3900
Denver, Colorado 80202

Darren S. Weingard
Stephen H. Kukta
Sprint Communications Co. L.P.
1850 Gateway Drive, 7th Floor
San Mateo, California 94404-2467

Thomas H. Campbell
Lewis & Roca
40 North Central Avenue
Phoenix, Arizona 85007

Scott S. Wakefield
RUCO
1110 W. Washington, Suite 220
Phoenix, Arizona 85004

Gregory Hoffman
795 Folsom Street, Room 2159
San Francisco, CA 94107-1243

Lyndall Nipps
Director, Regulatory
Allegiance Telecom, Inc.
845 Camino Sure
Palm Springs, California 92262

M. Andrew Andrade
5261 S. Quebec Street, Suite 150
Greenwood Village, Colorado 80111

Raymond S. Heyman
Randall H. Warner
Roshka Heyman & DeWulf
400 East Van Buren, Suite 800
Phoenix, Arizona 85004

Todd C. Wiley
Gallagher & Kennedy
2575 E. Camelback Road
Phoenix, Arizona 85016-9225

Diane Bacon, Legislative Director
Communications Workers of America
5818 North 7th Street, Suite 206
Phoenix, Arizona 85014-5811

Laura Izon
Covad Communications Co.
4250 Burton Street
Santa Clara, California 95054

Mark N. Rogers
Excell Agent Services, L.L.C.
2175 W. 14th Street
Tempe, Arizona 85281

Al Sterman
Arizona Consumers Council
2849 E. 8th Street
Tucson, Arizona 85716

Robert S. Tanner
3311 3rd Street N
Arlington, Virginia 22201-1711

Brian Thomas
Time Warner Telecom, Inc.
520 S.W. 6th Avenue, Suite 300
Portland, Oregon 97204

Jon Poston
ACTS
6733 E. Dale Lane
Cave Creek, Arizona 85331-6561

Steven W. Cheifetz
Robert J. Metli
Cheifetz & Iannitelli, P.C.
3238 N. 16th Street
Phoenix, AZ 85016


421856