



0000083924

ORIGINAL

BEFORE THE ARIZONA CORPORATION COMMISSION  
AZ CORP COMMISSION

CARL J. KUNASEK  
Chairman

JAMES M. IRVIN  
Commissioner

WILLIAM A. MUNDELL  
Commissioner

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Arizona Corporation Commission

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IN THE MATTER OF PLAN TO IMPLEMENT )  
TOLL CARRIER PRESUBSCRIPTION )  
SYSTEM BASED ON STATE RATHER THAN )  
LATA BOUNDARIES )

DOCKET NO. RT-0000J-99-0095

AT&T'S REPLY COMMENTS

AT&T Communications of the Mountain States, Inc. ("AT&T") files its reply comments in response to the comments of U S WEST Communications, Inc. ("U S WEST") in the above-captioned proceeding. In addition to the infirmities of the Commission's Order identified in AT&T's Initial Comments, U S WEST now seeks to revise the Commission's order to implement it in a self-serving and anticompetitive manner.<sup>1</sup> U S WEST's proposal should be rejected.

After arguing repeatedly for the elimination of *all* LATA boundaries in Arizona to promote competition in the intrastate interLATA toll market, and after having obtained an order from the Arizona Commission Corporation giving U S WEST all it asked for, U S WEST, after "fully considering the implications" of what it asked for, has changed its mind. U S WEST Comments at 1. It now seeks to change the Commission's order to its benefit by simply eliminating the LATA boundary between LATA 666 (Phoenix) and

<sup>1</sup> AT&T maintains that the FCC has exclusive jurisdiction over LATA boundaries and the Commission's Order that attempts to remove the LATA boundaries in Arizona is unlawful. AT&T is not retreating from this position. See AT&T's Initial Comments.

LATA 668 (Tucson).

The Commission's Decision No. 61696 purportedly eliminates all LATA boundaries in Arizona. Pursuant to this Order, all intrastate calls would be presubscribed (or PIC'd) to a carrier and all interstate calls would be presubscribed to a carrier. The same carrier could be PIC'd for intrastate and interstate calls. Apparently, U S WEST finally realizes that it cannot be presumed that all customers PIC'd to U S WEST for intraLATA toll calls would or should be automatically PIC'd to U S WEST on an intrastate basis. Some method would have to be adopted to determine a customer's carrier of choice for intrastate toll calls and interstate toll calls. Also, existing customer PIC freezes elected on an interLATA/intrastate basis would no longer be relevant under an intrastate/interstate methodology. Customers would have to submit new PIC freezes. Since U S WEST is the dominant intraLATA carrier and has PIC freezes that benefit it to the detriment of competitors, it does not want to upset its advantageous position. Under U S WEST's view of competition, competition is good only if it benefits U S WEST. Hence, its proposal to only eliminate the LATA boundary between LATA 666 (Phoenix) and LATA 668 (Tucson).

Under U S WEST's proposal, "[c]ustomers' interLATA PICs should stay the same, as should their LATA PICs (*although designated intraLATA carriers would carry traffic in the newly-enlarged Phoenix-Tucson LATA*). Likewise, consumers' PIC freezes need not be changed." U S WEST Comments at 4. In other words, U S WEST would be able to carry voice and data traffic between Tucson and Phoenix and would automatically extend any intraLATA PIC freezes it has from a customer to the new service it could

carry between the Phoenix and Tucson LATA, thus, denying those customers the opportunity to make a carrier choice.

Moreover, under U S WEST's proposal, U S WEST would not have to serve the rural exchanges outside its service territory. Thus, only customers completing calls between the Phoenix-Tucson LATA will obtain the "benefit" of this LATA elimination. If all LATA boundaries were removed and U S WEST was selected as a customer's intrastate toll carrier, U S WEST would have to provide a customer's toll traffic throughout the entire state of Arizona, not just in its service territory. U S WEST simply wants to cherry-pick high-use, urban customers, leaving the high-cost, rural customers to be served by the other interexchange carriers.<sup>2</sup>

U S WEST is not being magnanimous. Its proposal is self-serving and anti-competitive. U S WEST only wants to be able to carry voice and data traffic between Phoenix and Tucson. It has no desire to provide toll service to the entire state of Arizona.

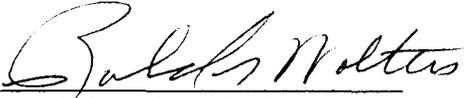
The Commission should reject U S WEST's proposal. U S WEST's proposal further demonstrates why U S WEST should not be permitted to provide in-region interLATA services until it has met the requirements of Section 271 of the Telecommunications Act of 1996.

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<sup>2</sup> This is confirmed by, and consistent with, the recent sale of U S WEST's rural exchanges.

RESPECTFULLY SUBMITTED this 5<sup>th</sup> day of August, 1999.

AT&T COMMUNICATIONS OF  
THE MOUNTAIN STATES, INC.

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## CERTIFICATE OF SERVICE

I hereby certify that the original and 10 copies of the AT&T's Reply Comments regarding Docket No. RT-00000J-99-0095, were sent via overnight delivery this 5th day of August, 1999, to:

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