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BEFORE THE ARIZONA CORPORATI

IN THE MATTER OF THE INVESTIGATION)	
INTO THE BILLING PRACTICES OF)	DOCKET NO.:
TELECOMMUNICATION PROVIDERS IN)	T-00000D-04-0582
ARIZONA.)	
IN THE MATTER OF DISSEMINATION OF)	DOCKET NO.:
INDIVIDUAL CUSTOMER PROPRIETARY)	RT-00000J-02-0066
NETWORK INFORMATION BY)	
TELECOMMUNICATIONS CARRIERS.)	PUBLIC COMMENT
_____)	SPECIAL OPEN MEETING

At: Green Valley, Arizona

Date: March 17, 2005

Filed: MAR 31 2005

REPORTER'S TRANSCRIPT OF PROCEEDINGS

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Prepared for: By: COLETTE E. ROSS
Certified Court Reporter
Certificate No. 50658

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ORIGINAL



1 BE IT REMEMBERED that the above-entitled and
2 numbered matter came on to be heard before the Arizona
3 Corporation Commission, at the Green Valley Library,
4 601 North La Canada, Green Valley, Arizona, commencing at
5 10:01 a.m. on the 17th of March, 2005.

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BEFORE: MARC SPITZER, Acting Chairman
8 WILLIAM A. MUNDELL, Commissioner
9 KRISTIN K. MAYES, Commissioner

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COLETTE E. ROSS
Certified Court Reporter
Certificate No. 50658

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1 ACTING CHMN. SPITZER: This is the special open
2 meeting, March 17, of the Arizona Corporation Commission.
3 Good morning. I am Marc Spitzer. The chairman of the
4 commission, Jeff Hatch-Miller, is on Commission business
5 in Washington, D.C. But with me to my left is
6 Commissioner Mundell, to my right Commissioner Kris Mayes.
7 And we are very pleased to be here in Green Valley this
8 morning.

9 We are going to take up two matters and we are
10 going to handle them separately. The first is what we
11 call truth in billing. And it is an overall look at the
12 telephone companies' billing practices, wire line phones,
13 wireless phones, local calls, long distance calls. We are
14 interested in hearing public comment on the billing
15 practices of telecommunications companies in the state of
16 Arizona. We are very concerned that the customers are not
17 getting a fair deal because the charges are not being
18 properly disclosed.

19 Now, we understand there are an awful lot of
20 taxes. And many of those are beyond, most of those are
21 beyond the power of this Commission. In fact, some are
22 federally imposed going back to the Spanish-American War.
23 But a lot of people don't understand why their phone bill,
24 which is set by the Commission for basic wire line
25 service, \$13.18, ends up being \$25.

1 Now, you have got the taxes and other fees that
2 government mandates. But the problem that Commissioner
3 Mundell started work on and now we have joined is the
4 subset of charges that are called regulatory fees or other
5 charges that are simply additions to the companies' bottom
6 lines, without any governmental oversight, without the
7 approval of government.

8 These are not taxes levied by government. They
9 are additional charges proposed by the carriers. And it
10 simply adds to their profit. And it is very frustrating
11 to customers. They think they have signed a deal for \$5 a
12 month or 5 cents a minute, and these charges add up a
13 substantial amount to those bills. It is very unfair, it
14 is misleading and in some cases rise to the level, in my
15 judgment, of fraud.

16 So the purpose of item 1 today, truth in billing,
17 is to deal with the billing practices of
18 telecommunications practices.

19 I now invite my friend Commissioner Mundell for
20 his opening comments.

21 COM. MUNDELL: Thank you, Commissioner Spitzer.

22 For those of you that don't know what the Arizona
23 Corporation Commission is, it is a very unique entity in
24 the state of Arizona. The Commission is in the state
25 constitution. We are one of only seven states where the

1 Corporation Commission is constitutionally enacted as
2 opposed to being passed by a statute by the legislature.
3 And we are one of only 13 states where the Commissioners
4 are elected by the people of the state.

5 We run statewide just like the governor or the
6 Attorney General. And the people of Arizona decide who
7 are the Commissioners. In other states, and I know a lot
8 of people moved here from other states, I am originally
9 from Illinois, in other states, in California the
10 commission is called the Public Utilities Commission.
11 Some other states it is called the Public Service
12 Commission. In Illinois, as I said where I am originally
13 from, it is the Commerce Commission. And we regulate all
14 the major utilities in the state of Arizona, monopolies.

15 And our founding, the framers of our state
16 constitution in 1910, 1911 when they were debating the
17 state constitution, were concerned at that time about the
18 power of monopolies. And those monopolies back then were
19 the railroads and the oil companies. It is just sort of
20 ironic, considering the cost of price of gasoline, which
21 we have no regulation over. Let me make that clear, we
22 have no regulation over the price of gasoline for your
23 vehicles.

24 That is the historical perspective of the
25 Commission. And during the territorial days, the

1 Corporation Commission was called the Railroad Commission.

2 Having said that, the reason we are here today is
3 that we are a statewide office. And we believe that it is
4 important to get out of Phoenix, where our offices are,
5 and go around through the state of Arizona to communities
6 like Green Valley that are impacted by our decisions. We
7 don't just sit in our offices in Phoenix and listen to the
8 lawyers and lobbyists from the utilities, but we get out
9 of our offices and learn things. And that's what we hope
10 to do today.

11 Specifically we are concerned about the charges
12 that are being added to telephone bills, both for
13 cellphones and for wired telephone service and the charges
14 that are being added that are used to generate revenue.
15 And their names are being just made up by some of the
16 phone companies just making up names for these charges and
17 implying that they are mandating by some level of
18 government, whether it is the federal government, federal
19 taxes, the federal government, state government, county
20 government, or the FCC, which is our counterpart in
21 Washington, Federal Communications Commission, or the
22 Arizona Corporation Commission. And in a lot of
23 instances, as I said, they are just made up names to
24 generate additional revenue.

25 Now, we all believe in competition. But we

1 believe as Teddy Roosevelt said, an honest competition.
2 We want the companies to tell people this is what it is
3 going to cost to have your telephone service, 29.95 --
4 let's just use that as an example, I just made that figure
5 up -- and then when you get your first bill, it is \$50.
6 We want people to know the bottom line when they walk in
7 to make a purchase, and don't mislead the public. We want
8 to be, you all, and myself for that matter, we get phone
9 bills and have cellphones, we want an honest explanation
10 so consumers can make an informed decision.

11 That's why we are here today, to listen to your
12 concerns and any issues you have. And hopefully we can
13 answer some of your questions.

14 Thank you, Commissioner Spitzer.

15 ACTING CHMN. SPITZER: Thank you. Now recognize
16 my friend Commissioner Kris Mayes.

17 COM. MAYES: Thank you, Mr. Chairman. It is --
18 whoops. Sorry. Mess with your name there.

19 It is a great joy to be here. As Commissioner
20 Mundell said or alluded to, being able to get out of
21 Phoenix is the best part of our job, especially for me,
22 since I am from Prescott, Arizona and I enjoy getting
23 around the state.

24 I know that there are a number of people who are
25 here because this issue of the rise of these surcharges

1 and fees first came to your attention when you got a
2 notice in the mail from Qwest Corporation that they were
3 adding a \$2.99 fee to your bills. And I started getting a
4 lot of e-mails and phone calls about that issue as well.

5 I can't at this point talk too much about that
6 particular issue because it is now in front of us. Our
7 Staff has brought an order to show cause to the Commission
8 about that issue and we will be addressing it in the
9 future. But I know that has been a sort of tremendous
10 concern for a lot of people who felt like they were not
11 put on notice that they were going to be charged a \$2.99
12 fee by their long distance provider.

13 And I will say that it now appears that that
14 company may not be the only one doing this. I, in fact,
15 the other day went to my mailbox and opened it up, and I
16 had a little postcard from my long distance carrier
17 announcing that they were raising their regulatory
18 assessment fee from \$1.25 to \$1.75. And the regulatory
19 assessment fee was, the fine print, when you read the fine
20 print, it was for the company's -- it was to enable the
21 company to deal with regulatory bodies like this one and
22 to pay their property taxes.

23 That fee, as far as I know, has never been
24 approved by the Corporation Commission, has never been a
25 part of that long distance carrier's rates. And certainly

1 the increase in the fee was never approved by the
2 Corporation Commission. And I think the concern that the
3 Commissioners have with these added charges is twofold.
4 One, they are misleading and deceptive. No regulatory
5 body has approved these charges. And, two, they are
6 simply a method by which these companies are raising
7 revenues. They are cash cows for the companies, and they
8 are a way to get around the normal ratemaking process.

9 Normally a company has to come into the
10 Corporation Commission and ask for a rate increase. And
11 then, during the whole process, people like you get to
12 come in and voice your opinion. When they add these
13 charges to your bills without going through the normal
14 tariff process, there is no opportunity for you to have
15 input. And I think that is the real source of concern.

16 I will add that earlier, I think it was this
17 week, maybe last week, the FCC decided to wade into this
18 issue. And I am concerned about that. I think it is a
19 good thing that the FCC wanted to address the issue of
20 deceptive billing practices. My concern is that they have
21 essentially preempted the states. So we are going to have
22 to go back to our attorneys and ask them whether or not we
23 actually have authority at this stage to do anything about
24 these companies that are adding these fees and surcharges.
25 I certainly hope so.

1 I think the states are where the action is. I
2 think we, you know, we hear these complaints and these
3 concerns from you and we are the proper, I think, place,
4 the proper entity to address these issues.

5 You know, as it stands now, we are looking at a
6 situation where the FCC may have to be the place where you
7 go with your concerns, 50 states all going to the FCC.
8 And I don't think that makes sense.

9 So, anyway, we are very much looking forward to
10 hearing your comments and listening to you today. Thank
11 you.

12 ACTING CHMN. SPITZER: Thank you. And, Adam, we
13 have slips outside, speaker slips.

14 MR. KENNY: I have got them right here.

15 ACTING CHMN. SPITZER: Okay. We will take the
16 slips and then we will enter into the public comment
17 phase. And we will just take the slips in order and go
18 through these issues.

19 And I think, as was pointed out, there is some
20 confusion, in fact quite a bit of confusion, because we
21 have the federal government that has certain regulatory
22 powers and authority and then the state Corporation
23 Commission which has certain regulatory authorities, and
24 the traditional line of demarcation has been local
25 exchange service. For most folks it can be, it is Qwest;

1 however, you can choose alternative local service. You
2 can get it from Cox in Pima County in many locations.
3 There is a company called Vantage, that sells local. AT&T
4 and MCI were selling "the neighborhood," was I think the
5 logo for MCI. They were selling local even though they
6 are a long distance company.

7 The long distance service is regulated by the
8 federal government. Local exchange service is regulated
9 by the state service. Wireless, which Commissioner Mayes
10 was talking about, and we now have more minutes of use in
11 the state of Arizona, wireless than wire line, so wireless
12 is increasing, that is regulated largely by the federal
13 government.

14 It is our view, though, that misleading billing
15 is actionable by the Commission, that the Commission
16 should be able to pursue those. And later, after we get
17 to public comment, we will talk about the wireless bill in
18 the state legislature. So we are going to need your help.
19 But we will, as we get public comment, from time to time
20 we may address these very confusing federal, state
21 jurisdictions because a lot of people buy one phone
22 package that covers everything.

23 And so it is really confusing to customers what
24 we have authority over, what the federal government has
25 authority over. And this is a good, it could be a good

1 education process for us to hear the issues that you are
2 concerned about and we can also impart some knowledge
3 about the regulatory structure.

4 So we will start with V. Davis. If you could
5 come forward, identify yourself for the record, sir. We
6 have a court reporter here who is transcribing everything
7 that is said and put into the public record. So if you
8 could speak slowly for her.

9 MR. DAVIS: My name is Virgil Davis.

10 ACTING CHMN. SPITZER: Do you want this
11 microphone?

12 MR. DAVIS: Sure, you bet. My name is Virgil
13 Davis. And I have, I guess, a question of confusion on my
14 part.

15 As I would understand it, in this case the ACC's
16 role would be critical if I were dealing with a single
17 local phone company or a single wireless company. But my
18 perception is that, in the case of wireless, I have
19 multiple companies to choose from, and so I don't, I don't
20 perceive the role of the ACC other than, if it were for an
21 issue of, we will call it, truth in labeling relative to
22 bill presentation or something. And the fact that the
23 cable companies are now offering local phone service also
24 means that I have more than a single choice for my local
25 wire line service.

1 And so, again, I guess some clarification would
2 be beneficial to me as to why those companies then would
3 have to seek permission for their rate structure since
4 there is now competition, much like if I went to buy a
5 car. I assume the prices that are set by the car
6 companies are regulated more by competition than a single
7 government organization. So it is kind of a comment
8 question.

9 ACTING CHMN. SPITZER: Commissioner Mundell will
10 answer that.

11 COM. MUNDELL: That was a great question and
12 gives us a chance to clarify our authority and our
13 position.

14 For wireless providers you are entirely correct.
15 And as I said in my opening remarks, I said we believe in
16 competition, but we want honest competition.

17 We are not talking about setting the rates for
18 wireless. We don't have that authority. We don't want
19 that authority because there is competition out there.

20 The same thing about length of contracts for wireless
21 providers, service area, et cetera. But we are really
22 talking about the truth in billing and being honest and up
23 front with customers when you go into a wireless provider
24 and say, hey, I want to sign up with you guys, how much is
25 it going to cost. And my example, they tell you it is

1 going to be 29.95, then when you get your first bill it is
2 \$50. We think that is the area that we are concerned
3 about. And we are looking into that.

4 And we also have what is called cramming and
5 slamming. Cramming occurs with wireless providers where
6 charges are added to your bill without your permission.
7 Again, that is sort of a consumer fraud issue that we want
8 to look at.

9 But to be clear, we are not talking about setting
10 rates for wireless providers. We don't have the authority
11 and we don't want that authority. We are not talking
12 about the length of contract you sign. We are not talking
13 about service area, how many minutes you get and where
14 your telephone service, where your wireless provides
15 service. But we do think, when you go in and you are told
16 you are going to have a service area of a certain area for
17 your wireless and they show you the map, that's where you
18 ought to have the service, and you ought to have good
19 service in that area. And we believe that that's what
20 should be on the front end.

21 So I hope I have answered your question, and if
22 one of the other Commissioners wants to elaborate any
23 more, but we agree, there is competition in the wireless
24 arena. And that is different than when you only have a
25 choice of one provider with a wired line. And we do set

1 rates for wire service, to be clear about that, for Qwest.
2 And on your bill we set the \$13.18 on your bill for wired
3 service.

4 ACTING CHMN. SPITZER: We have a shamrock on this
5 speaker slip. Mary Simmie. Simmie?

6 MS. SIMMIE: Simmie, please.

7 ACTING CHMN. SPITZER: Thank you.

8 MS. SIMMIE: My name is Mary Simmie. Maybe this
9 is a bit premature. After you hear everybody and consider
10 some of the issues, what is the next step for you people?

11 COM. MAYES: That also is a terrific question. A
12 couple of things are going on. This is, I think, our last
13 meeting on this issue. We have held meetings all across
14 the state and I think this is our last one on the truth
15 and billing docket. A couple different things could
16 happen.

17 Primarily, as a Commission, we could go back and
18 vote to initiate a rulemaking process on truth in billing,
19 which is essentially how we govern these companies. So we
20 could, and that is a lengthy process. It takes, you know,
21 upwards six months to a year to go through a rulemaking
22 process. And those rules could, for instance, say, you
23 know, prohibit telephone companies from adding surcharges
24 and fees and calling them governmental assessment fees,
25 those kinds of things, to prohibit misleading and

1 deceptive practices like that.

2 On the other hand, we have an ongoing case
3 involving the Qwest \$2.99 fee itself. And our Staff has
4 presented the Commission with a request for an order to
5 show cause, which essentially this Commission would have
6 to vote on and then we would go forward from there. And
7 that order to show cause says Qwest would have to prove
8 why it didn't have a duty to come to the Corporation
9 Commission for permission to add the \$2.99 fee to their
10 long distance program after they had told everybody that,
11 you know, there would be no monthly recurring charges.

12 And then I think, under that order to show cause,
13 the Staff also calls for the money to be paid back and a
14 few other things. But that hasn't happened yet. That is
15 also sort of prospective and I don't know how the
16 Commissioners would vote on that. We don't prejudge those
17 matters.

18 ACTING CHMN. SPITZER: Thank you. And we are
19 kind of a complex body. We wear a number of different
20 hats and serve a lot of different functions.

21 We have an office that takes corporate filings,
22 LLCs, in Tucson and in Phoenix. We deal with securities
23 regulation, where we enforce violations of the Arizona
24 Securities Act. And we are acting as a law enforcement
25 body in the rulemaking process. The two items agendaed

1 for today we are promulgating rules under the Arizona
2 Administrative Code that are part of the regulations that
3 govern business transactions.

4 In an order to show cause, we sit like judges.
5 So we are exercising a judicial function. And that's why
6 we don't comment on pending cases that are in front of us,
7 because that would be violative of the judicial code of
8 conduct. And we don't prejudge cases, just as if you run
9 into a superior court judge in Pima County, you are not
10 going to say how are you going to rule on the DUI case two
11 weeks from now. The judge will say show up in two weeks
12 and you will see how we vote, if he is that polite.
13 That's the reason Commissioner Mayes was discussing the
14 order to show cause is a judicial proceeding.

15 Today we have a court reporter who is
16 transcribing your comments that will be part of our
17 rulemaking process. And when we vote on the rules, we
18 will take into account the comments that you have made
19 this morning. So that is part of that process.

20 Dorothy Byergo.

21 MR. KENNY: Yes, sir. My name is Arthur Kenny.
22 My wife's name is Dorothy.

23 ACTING CHMN. SPITZER: Can you --

24 MR. KENNY: And her name is on the bill.

25 ACTING CHMN. SPITZER: Okay.

1 MR. KENNY: And our issue has nothing to do with
2 your two subjects but a third subject, which is service,
3 which was in the newspaper article. And it is an issue of
4 nonperformance in that we lost our toll free number as a
5 result of wanting to save money by approaching Cox
6 Communications and paying \$99 a month for all three
7 services, TV, computer and telephone. They said we could
8 save using our same telephone numbers. Well, they lost
9 our toll free number.

10 I am here today. I presented you with papers in
11 writing. I would like an answer in writing when, among
12 all the myriad issues that you have, within some period of
13 time, which you will have to tell me, as to what our legal
14 recourse is. Thank you very much.

15 COM. MUNDELL: Could I ask a question? I don't
16 know, I haven't had a chance to read your documents, maybe
17 it is contained in your documents, sir.

18 MR. KENNY: It is.

19 COM. MUNDELL: So you had a toll free number with
20 Qwest?

21 MR. KENNY: Yes, sir.

22 COM. MUNDELL: And then you switched to Cox?

23 MR. KENNY: Yes, sir.

24 COM. MUNDELL: And then, when you switched to
25 Cox --

1 MR. KENNY: They lost it. As a matter of fact,
2 there was all kinds of problems in addition to that, but
3 relative to service.

4 We have a fax machine. And when people called
5 in, if a call came in, there was a fax hum on every
6 incoming call. So people hung up. And the toll free
7 number quit working on January 11th. We had a whole
8 month, half a month that all of our clients couldn't
9 contact us.

10 So Dorothy has got, spent a lot of money on --
11 well, you read that thing when the, when the wind settles
12 down tomorrow or the next day. You will find everything
13 out.

14 COM. MUNDELL: Okay. We will look into that --

15 MR. KENNY: Yes, sir.

16 COM. MUNDELL: -- and get, we will get back with,
17 our office will get back to you.

18 This is a good example why it is important for us
19 to get out of our offices in Phoenix, as I said earlier,

20 not just listen to the lobbyists and lawyers from the
21 companies that come in to see us on a frequent basis. We
22 get out of our offices in Phoenix and we hear these kinds
23 of problems that we never know about. So we will look
24 into it and investigate it and get back with you.

25 MR. KENNY: I want this dumb question. How many

1 weeks will it take for an answer?

2 ACTING CHMN. SPITZER: Here is what we will do.

3 MR. KENNY: Yes, sir.

4 ACTING CHMN. SPITZER: We will forward this to
5 our consumer services department who fields consumer
6 complaints.

7 MR. KENNY: Yes, sir.

8 ACTING CHMN. SPITZER: And there is a gentleman
9 nattily dressed who is in our Tucson office in the back.
10 And you or anyone else who has a consumer issue today or
11 you can contact us by phone in Tucson --

12 MR. KENNY: I have the fax number in Tucson
13 already.

14 ACTING CHMN. SPITZER: -- or over the internet in
15 Phoenix or Tucson. And there is an 800 number, the
16 internet if you have any complaint on phones or any
17 regulated utility, you may communicate with the
18 Corporation Commission. We will treat this as a consumer
19 complaint.

20 Our division will act on it. The length of time
21 depends on what are the facts, the complexity of the case,
22 the degree to which the company cooperates or doesn't
23 cooperate. So it is impossible to say how long it will
24 take.

25 MR. KENNY: I want to take them to court because

1 Dorothy spent a lot of money on all this stuff, get the
2 money back.

3 ACTING CHMN. SPITZER: Okay. Obviously you
4 may -- there are individuals from Cox who are present
5 today -- you may communicate with them if you wish or you
6 may not if you choose not to. You can always have the
7 remedy as a private citizen to exercise your rights in
8 court. However, the consumer division and this Commission
9 represents the consumers of the state of Arizona, and we
10 will pursue your matter regardless of whether you hire an
11 attorney or take the case to court or not.

12 MR. KENNY: Pro se.

13 ACTING CHMN. SPITZER: That's all at your option.
14 But we will treat this as a complaint. And it will get
15 treated, and we take these very seriously.

16 MR. KENNY: Cox being a big corporation has not
17 answered any of the letters that have been written.

18 COM. MAYES: Well, they will now.

19 MR. KENNY: Thank you. Who is here from Cox?

20 ACTING CHMN. SPITZER: Sir, if you could take it
21 outside because he have other people who want to speak.

22 COM. MAYES: But I think that proves our point of
23 federal preemption. You have a situation here where you
24 have three Commissioners who just heard the complaint and
25 I think we can be fairly assured it is going to be

1 addressed. There it goes, it is going to be addressed.
2 So I think the point is that, you know, these complaints
3 are best and most ably addressed at the state level.

4 ACTING CHMN. SPITZER: Thank you, Commissioner.
5 David L-I-N -- is that K?

6 MR. LINK: L-I-N-K just like in missing.

7 I am not sure that my complaint even belongs here
8 or can be treated by you but it is with AT&T. And I
9 cancelled my -- I had two services, local service with the
10 local telephone company, and AT&T was my long distance
11 service. And I cancelled the AT&T service in November of
12 this year, effective November the 20th. However, I
13 continued to receive AT&T bills.

14 And I sent the last, the bill from last month, I
15 sent it by, well, by -- what does the post office call it?
16 Anyway, it required a signature back from AT&T to make
17 sure that they received it and so on. And then this month
18 I received another bill from AT&T. There are no telephone
19 ~~calls on my bill, only the services, the extra things that~~
20 AT&T charges. So they are continuing to send me bills
21 with no calls on them and I don't know how to cut it off.

22 COM. MUNDELL: Well, leave it -- that's why we
23 are here. Leave it here and I will take care of it.

24 ACTING CHMN. SPITZER: Commissioner Mayes is the
25 AT&T guru.

1 COM. MAYES: Actually they are the long distance
2 company that sent me the postcard. We will take care of
3 that.

4 You know, it is interesting that you raise this
5 issue because I think several other people at other public
6 comment sessions around the state raised the very same
7 issues.

8 Commissioner Mundell, don't you remember?

9 COM. MUNDELL: Yes. They did.

10 COM. MAYES: People were having trouble, you
11 know, getting the company to cut off the service and they
12 were receiving bills month after month after month. So
13 maybe that's something we really need to broach with these
14 companies, you know, industry wide, why that is happening.

15 But we will take care of that situation and find
16 out what is going on. My guess is, my sense of it is that
17 it has become such a competitive industry that they are so
18 reluctant to relinquish any customer, they will do
19 ~~anything to keep you, including continuing to bill you,~~
20 which is kind of counterintuitive and they are just making
21 you mad. But that's my guess. We will take care of that.

22 MR. LINK: The biggest problem I have is, if I
23 don't pay the bills, can they at some time report that to
24 the services, the credit services and so on and cause
25 problem with my credit?

1 COM. MAYES: I think, Commissioner Mundell, I
2 think the answer is no, but...

3 COM. MUNDELL: Well, that gives us an opportunity
4 to segue into our legislation that Commissioner Spitzer
5 talked about earlier.

6 Remember when I talked about cramming and
7 slamming? And cramming is when they add charges to your
8 bill without your permission. That sounds like cramming
9 to me. They are charging you something that you are not
10 getting. So that's a broad definition of cramming, adding
11 charges to your bill without your permission.

12 We passed cramming and slamming rules for wired
13 telephone providers and they were approved by the Attorney
14 General, which for wired service would prevent a company,
15 while you were disputing the bill, from turning you over
16 to a collection agency for collection, turning you over as
17 a bad credit to, you know, Equifax, or used to be TRW, so
18 it messes up your credit. They were prevented from doing
19 that. And we had an informal process to decide whether
20 the company was right or the customer was right.

21 For wireless service, we took the position we had
22 the authority over wireless service also for the cramming
23 rules. The wireless companies sued us in court. And,
24 also, the Attorney General determined that we did not have
25 jurisdiction over wireless cramming.

1 Having said that, we have our consumer services
2 person here who was introduced earlier from our Tucson
3 office. My Staff person is here. If you have copies of
4 your bill, we can take it from you now and we will look
5 into it.

6 What I tell people is, even if we don't have the
7 actual jurisdiction or authority, we will use the bully
8 pulpit to solve the problem.

9 It is the same thing with Qwest -- I mean Cox.
10 We don't regulate Cox. We were preempted by the federal
11 government. We, meaning all the states, when I say we,
12 all the state commissions, were preempted by the federal
13 government. We don't set the price that Cox charges for
14 your cable service and all the services. We have no
15 jurisdiction over that.

16 But to answer your question specifically, we will
17 solve the problem for you. But I can't guarantee you --
18 if we get it on the front end, that's why I want to take
19 care of it immediately, if we get it on the front end,
20 they are not going to send you over and mess up your
21 credit or try and start collection. But the way the law
22 stands right now for wireless, we don't have authority.

23 That was a long answer to your question but it is
24 a difficult issue and I want to make sure I explain. I
25 hope I explained it adequately. If I didn't, one of the

1 other Commissioners will supplement it for me.

2 MR. LINK: Tell me again who was here that I need
3 to talk to.

4 ACTING CHMN. SPITZER: Mr. Lopez in the back will
5 take your complaint. And it sounds like it is, like it is
6 a wired service even though it is long distance.

7 MR. LINK: It is wired long distance.

8 ACTING CHMN. SPITZER: And it is a billing matter
9 that arguably is under the cramming so it is under our
10 rules that are now effective. They have the force of law.
11 I discussed the rulemaking process. So you will have a
12 remedy, we believe, and we will investigate it. And the
13 company has a right to respond. But if they don't have a
14 case --

15 What typically happens is these are mistakes.
16 Some companies are better than others in terms of customer
17 service. You know, I would like to think in a free market
18 the companies with lousy customer service would start
19 losing customers and the companies with good customer
20 service would gain customers.

21 What we are trying to do -- some of my friends in
22 the industry don't believe this; we are not anticompany,
23 we are not against the carriers -- we want them, my
24 colleagues already said, we want them to compete fairly
25 and go to you and compete for your business based on

1 quality of service and the price. And the consumers get
2 to make a choice, just like cars. But, you know, we don't
3 have this type of issue where you are getting bills from
4 Ford when you didn't buy a Ford. Okay? That doesn't
5 happen. We want them to be more like a regular industry.
6 And we have a legacy of a hundred years of monopoly. And
7 we are moving into competition. So it is hard on a lot of
8 people and it is confusing. The good news is you probably
9 have a remedy, but somebody who has got the identical
10 problem with wireless does not, and that's a shame.

11 COM. MUNDELL: Right.

12 ACTING CHMN. SPITZER: Donald McCubbin.

13 MR. MCCUBBIN: My name is Donald McCubbin. And
14 once and for all I would like to know what the federal
15 universal service fund at 10.7 percent is. And somehow or
16 other that 67 cents doesn't meet up with anything up here
17 at the top; in other words, 10.7 percent of what?

18 And then it says this fund helps keep local phone
19 rates affordable for all Americans. How does 67 cents

20 added to my bill help me to afford the phone service?
21 That's one question.

22 The second question is: I am not hard of hearing
23 or speech impaired but I am paying 14 cents, 1.1 percent
24 and it comes out to 14 cents. I don't know what that is.

25 ACTING CHMN. SPITZER: I can explain that.

1 MR. McCUBBIN: That is an equipment charge the
2 phone company has to have. But why do they have to put
3 that on the bill? Why don't they add it into their
4 service?

5 And the last one is federal access charge. This
6 charge, and the key word is allowed by the FCC, covers
7 part of the cost for providing access to and maintenance
8 of the local network. I don't understand that. That's
9 very vague to me. And I mean \$6.30 is a huge charge for
10 an allowance. That's it.

11 ACTING CHMN. SPITZER: Those are excellent
12 questions. And I will try and give -- they are all very
13 good questions, none of which I knew before I came to the
14 Commission, the answer. And it is -- try and bear with
15 me. I will try to keep it simple because they are very
16 good and it is important we all understand the answer.
17 And some of the results you might not like. It would take
18 an act of Congress to change. And that's important. And
19 Congress does occasionally change the law of
20 telecommunications.

21 Alexander Graham Bell invented the telephone.
22 And it was considered a natural monopoly for a hundred
23 years. There was only one company, AT&T, that provided
24 local and long distance service.

25 The universal service fund was created in the

1 1970s, I believe, or maybe earlier, but the major
2 universal service charge dates to the old monopoly when
3 there was one company, AT&T, local and long distance, and
4 no competition. And the government, the federal
5 government set their rates for the long distance and
6 charges.

7 And for you to call, I remember, to call my mom
8 from law school to Philadelphia was \$2 a minute, or very
9 high, high fees. And the local service was fairly
10 inexpensive. And long distance subsidized local. Local
11 was kept low by the state regulators. The federal
12 government kept long distance artificially high. So there
13 was a subsidy in the system.

14 Rural citizens didn't have phone service. And
15 the federal government passed rural electrification. Some
16 of you may remember that in the 1930s, and that was a
17 subsidy. And it was a subsidy, and government said it was
18 a subsidy. So people that lived in the cities would
19 subsidize rural electric because otherwise those people,
20 the cost of running wires was so expensive in remote
21 communities they couldn't afford it.

22 The government decided, and we can agree or
23 disagree, in the 1970s to propose the universal charge to
24 provide phone service to high cost areas like the Navajo
25 Reservation, where never in a million years would they get

1 phone service, farm areas, rural communities, just like
2 rural electrification. So it was a charge that all phone
3 people, all phone customers pay to provide phone service
4 for rural America. And it was decided that, because phone
5 service was a monopoly and because it was essential, you
6 can't live without a telephone, you can't live without
7 electricity, that that subsidy was appropriate.

8 Some people criticize it. Some people want it
9 lower. Some people want it higher. But that's the theory
10 of universal service. It is to provide phone service to
11 people. Just like on your electricity bill, you are
12 providing, you are providing wire lines out to rural
13 communities that otherwise wouldn't have it.

14 The hard of hearing is a part of federal and also
15 state. You need special phones for people that are deaf.
16 And my father was deaf. He has two plastic eardrums, but
17 he could not hear for a long time. And we had a special
18 phone. And those phones require specific relays. You
19 ~~have to pay for them. If you are hard of hearing, you pay~~
20 for them yourself out of your own pocket. But in order
21 for the signal to be transferred, there have to be special
22 facilities to be made in the switch stations of the phone
23 companies. And what the phone companies do is to create
24 these to provide phone service for people that are hard of
25 hearing, or I think there are other impairments too that

1 are part of this. That's where that charge comes from.

2 So the government decided, just like with the
3 rural people, that to provide phone service to people that
4 otherwise wouldn't have it. And remember, the deaf people
5 are paying for their own phones. This is for the relay
6 stations within the central offices of the companies.
7 That's what that charge is for.

8 Some people don't think it should be. I voted on
9 it in the legislature. And I think the Arizona portion is
10 1 or 2 cents per month. And I thought it was a fair and
11 reasonable accommodation. And it is the only way people
12 that are hard of hearing will ever get phones. So I
13 supported that when I was in the legislature.

14 The third item was the access charges. The
15 access charges were created, as you pointed out, by the
16 FCC. And this dates to the breakup of AT&T.

17 In 1983 the federal government broke up AT&T. It
18 was actually an order of the District Court in Washington,
19 D.C. And AT&T was divested. AT&T kept the long distance,
20 and they created what were called the Baby Bells, which I
21 think there were originally seven or eight and now there
22 is -- how many are there now?

23 COM. MUNDELL: Four.

24 ACTING CHMN. SPITZER: Four, with all the mergers
25 there are four.

1 And, oddly enough, SBC, which is the biggest of
2 the Baby Bells, or the next to the biggest, is proposing
3 to buy AT&T. So the child is buying, is killing the
4 parent. It is kind of an Oedipus thing.

5 The access charges -- remember I said that the
6 long distance were really very high, and the local was
7 subsidized -- the access fee is a way of, it is a way of
8 reversing that subsidy, so the local phone is going up and
9 the long distance fees have come down. So if you look
10 around, long distance, which used to be two bucks a minute
11 for certain calls peak, is now, if you have got a
12 cellphone it is free, for a lot of places it is 5 cents,
13 6 cents, 4 cents, 3 cents. The long distance have come
14 down and the local have gone up.

15 Now people -- there are winners and losers --
16 people that make zero long distance calls pay more.
17 People that make a lot of long distance calls have seen
18 great reductions in their bills.

19 ~~But that whole issue of the access fee, and it is~~
20 for -- AT&T now is only a long distance company. AT&T
21 needs to interconnect with local phone switches, with
22 Qwest in Arizona, with Verizon in New York State, with SBC
23 in Dallas, with Bell South in Atlanta. It costs the local
24 company money to interconnect. So the access fee was set
25 to recover the costs of connecting the local company,

1 connecting calls.

2 So if you have a relative in New York State, they
3 are on a local phone in Verizon. And let's say they have
4 AT&T for long distance. They will connect to the AT&T
5 system. Verizon has to start that call, they pay for it.
6 AT&T then transfers the call to you in Green Valley.
7 Qwest has to terminate that call.

8 Qwest is entitled to get paid for terminating
9 that call. And the access fee is basically a compensation
10 for that, because, when you pay your, when your -- let's
11 say it is your son in New York. When he pays his long
12 distance bill, the money goes to AT&T. Not a penny goes
13 to Verizon. Not a penny goes to Qwest. So it is a
14 formula for the interconnection of local and long
15 distance.

16 And the long distance companies think the access
17 fees are too high. The local companies think they are too
18 low. And the FCC has set them, and from time to time the
19 ~~FCC readjusts these rates up or down. But there is a~~
20 relationship between the amount of your long distance bill
21 and the amount of the access fee, and the relationship is
22 inverse.

23 Is everyone completely confused? Maybe my
24 colleagues want to help me out.

25 COM. MAYES: You have done very well.

1 MR. McCUBBIN: Just one question on that. I
2 don't have long distance service. So am I paying for it
3 anyhow? Is that what you are saying?

4 ACTING CHMN. SPITZER: It is -- if you have no
5 long distance service?

6 MR. McCUBBIN: I use a calling card.

7 ACTING CHMN. SPITZER: Okay. So you have no long
8 distance service at home. Your calling card, when you use
9 your calling card from home --

10 MR. McCUBBIN: Yes.

11 ACTING CHMN. SPITZER: -- Qwest is still starting
12 your fee. And if you call New York State, Verizon is
13 terminating your fee. Those companies are performing
14 services for that call for which they are not being
15 compensated. And the FCC and Congress figure that access
16 fee is a rough just way of compensating them. Because it
17 would be too complicated to have a bill for every line
18 item, for every call you make and don't make and all over
19 the country or all over the world. So you are, you are
20 getting a benefit, anybody who calls long distance gets a
21 benefit from the access fee.

22 Reasonable people can disagree, though, as to
23 whether the fee is too high or too low.

24 Let's, if we could go through the list and then
25 you will get --

1 MS. SIMMIE: Pardon?

2 ACTING CHMN. SPITZER: We will go through the
3 list and then we will get seconds.

4 COM. MUNDELL: Everybody once and then --

5 ACTING CHMN. SPITZER: Yes, everybody once.
6 Bert Amada.

7 MR. AMADA: My name is Bert Amada. I will try
8 and condense this down to about three minutes.

9 I am resurrecting the issue of Qwest's monthly
10 perpetual charges for nonpublished and unlisted phone
11 numbers. And to understand the magnitude of this ripoff,
12 in the year 2003, Qwest announced that they had
13 approximately 3 million subscribers of which 25 percent
14 were unlisted or unpublished. This equates to 750,000
15 subscribers paying an average of \$1,092,700 per month for
16 a nonservice. Publishing the number is a service. Not
17 publishing it is not a service. Did I mention this
18 equates to \$13,113,000 per year?

19 ~~As a point of reference, Arizona residents are~~
20 paying \$1.65 for nonpublished and \$1.30 for unlisted.
21 California residents are paying 25 cents.

22 I have had correspondence with you, Mr. Spitzer,
23 if you recall.

24 ACTING CHMN. SPITZER: I do.

25 MR. AMADA: The answers you gave me were not

1 adequate. You referred to the fact that not publishing a
2 number decreases the value of The Yellow Pages. That is
3 not true. It is circulation, not the context, that
4 determines advertising rates. And in the major cities we
5 have two separate directories, residential listings and
6 Yellow Pages. And the deletion of my name from a
7 residential listing does not diminish the value of The
8 Yellow Page directory.

9 You passed me along to Janie Woller in your
10 Commission. Let me find that. Janie S. Woller, public
11 utilities consumer analyst, Utilities Division, quote:
12 Since the majority of the telephone numbers are
13 automatically placed in the telephone directories, to keep
14 listings out of the directories and/or directory
15 assistance requires ongoing special handling. And she
16 goes on to refer to additional attention.

17 This is the day of the computer. Did the
18 telephone company hire hundreds of people to come in every
19 day and open up the directories to see if my name hasn't
20 reappeared in it? One click on a computer, that name is
21 gone. It doesn't have to be maintained daily, weekly,
22 monthly or yearly. There is no justification for a
23 monthly perpetual charge for nonpublished and unlisted
24 numbers. And if there is anybody here from Qwest, I defy
25 them to stand up now and justify that charge.

1 Incidentally, we haven't even gotten to the
2 savings that, we who allow them to delete our numbers,
3 that is gained by the Qwest phone company because
4 25 percent less time in setting up, 25 percent less
5 printing time, 25 percent less materials. It is
6 25 percent lighter and less distribution costs. This
7 state should be the first state in The Union to say enough
8 is enough.

9 Let me give you Janie's final reason, which I
10 repeatedly demanded to know what the ongoing special
11 handling is. What is it? What are you doing for me? I
12 got no answer. But let me quote you her final statement.
13 Put this down for a second.

14 This is the answer from your Commission as to why
15 I am being charged monthly, quote: Because of the
16 additional work involved, it is customary for telephone
17 companies throughout the United States to bill their
18 customers for both of these fees.

19 In other words, what I am being told is the
20 Arizona Commission has customarily allowed the Qwest
21 company to rip off its customers and therefore we continue
22 to do so. That's the answer. You don't have any other
23 justification. That's my say on this.

24 ACTING CHMN. SPITZER: Thank you very much,
25 Mr. Amada. I would point out that in my initial response

1 I pulled the -- to find out where this fee came from. It
2 had been decided in a Qwest rate case in the early 1990s.
3 And at that time that was the fee that was imposed.

4 And in looking at the, I actually pulled the
5 transcript and the record of that case and found the
6 evidence that had been put in to set the fee where it was
7 set. And I think it was '93. I may be wrong. Maybe it
8 was '95.

9 And what is interesting is the evidence in the
10 record in that case. And that's again where, as a
11 judicial body, that's how we decide cases, based on what
12 is in the record on that case. Then US West owned The
13 Yellow Pages. And there was a relationship between The
14 Yellow Pages and The White Pages and listing. That's no
15 longer the case. Qwest was created by the merger with US
16 West and Qwest in -- when was that effective -- 2000. And
17 they sold The White Pages and Yellow Pages and the
18 directory assistance to a private company.

19 ~~So the facts of a future case may be very~~
20 different than what was described in the correspondence.
21 And the rate setting is a judicial setting. And a future
22 proceeding on this item could be very different than what
23 was set in prior law.

24 And it just shows how the changes in the industry
25 are very dynamic and require the Commission to continually

1 reexamine whether the rates are in the interest of
2 justice.

3 Our rates have to be just and reasonable and
4 there has to be a basis in fact for those rates. And
5 because a rate had a basis in fact in 1993 or 1995 doesn't
6 mean that going forward it has a basis in fact. Some
7 rates may need to come down or be eliminated. Other rates
8 may need to go up based on what are the facts. And this
9 Commission stands ready to do that.

10 Commissioner Mundell.

11 COM. MUNDELL: I was just going to ask for a
12 follow-up. Sir, do you know what the basic telephone rate
13 in California is? You cited some --

14 MR. AMADA: No, I don't know the basic rate, but
15 I do know they only charge 25 cents to have it
16 unpublished.

17 COM. MUNDELL: I wrote that down. Okay. Thank
18 you. And Commissioner Spitzer commented and explained the
19 process. ~~So we do have a pending rate case in front of~~
20 us.

21 I can tell you that none of us can make any
22 promises on what we are going to do in that case. And the
23 facts will bear out the ultimate decision. So I think he
24 explained the process and how the fee came about. But we
25 have a rate case pending in front of the Commission.

1 MR. AMADA: I had Senator Bee do an intervention
2 a couple years ago, and we did get a slight reduction from
3 the \$1.90 down to \$1.60. But there is no justification at
4 all for that charge.

5 ACTING CHMN. SPITZER: Do you want to comment on
6 that?

7 COM. MAYES: Well, I apologize, I haven't, I have
8 not personally been asked to address this question. But I
9 certainly think it bears looking into. And maybe one of
10 the things we can do, Commissioner Mundell said we have a
11 rate case in front of us right now involving Qwest, and
12 certainly those are questions I imagine will be asked now.

13 And, second, it would be interesting for me to go
14 state by state and look at what each state charges for
15 this service and whether --

16 MR. AMADA: It is not a service; it is a
17 disservice.

18 COM. MAYES: -- the disservice, okay, and take a
19 look at what they do and analyze vis-a-vis their rate
20 structures and take a look at it that way. So I
21 appreciate your bringing it up.

22 ACTING CHMN. SPITZER: Lawrence Berg.

23 MR. BERG: Thank you. First let me tell you that
24 I am a winter resident here and I am a summer resident of
25 Minnesota, so I have several phone companies that I deal

1 with.

2 Dealing with Qwest is a study in futility. And I
3 am glad you are going to study them for awhile.

4 I recently discovered that they are charging me
5 \$2.99 for long distance charges that I didn't ask for. As
6 a matter of fact, when I opened my account here in June, I
7 said I don't need it, I have a cellphone, I have calling
8 cards and I don't need long distance.

9 Well, when I discovered that last month, I
10 called. Whatever happened to ethics in business? The
11 young lady tells me that she sent a letter to me back in
12 December.

13 That's the copy of the envelope. Does it look
14 like junk mail to you? It did to me. I didn't even open
15 the darn thing. Anyway, I found it luckily in my file
16 somewhere. So I said to her, please, I didn't order this,
17 I don't want it, take it off my bill. Oh, we can do that
18 for you, sir, there is a nominal fee of \$10.

19 I said wait a minute, you are going to charge me
20 \$10 for something I didn't want in the first place. The
21 answer is of course.

22 Well, I got my bill this month. I haven't had a
23 chance to call them back because I don't have three or
24 four hours to talk to them. They charged me \$10. And it
25 says here charges to change long distance company per

1 line, \$5; charges to change long distance company per
2 line, \$5; total \$10. But I only have one line.

3 Now, I don't have enough years left in my life to
4 deal with these folks. So my answer is simply this: I
5 will not do business with an unethical company. And I
6 believe, after 30 some years of working with Qwest, this
7 company and the previous people that ran Qwest, this
8 company has gone nuts. And they are trying to make up
9 somehow the money that they have lost with bad CEOs and
10 problems that they have that I didn't create.

11 So I am glad you are taking them on and looking
12 at them. Please, please, if you are going to send a
13 letter out like this, do not default that I have to answer
14 that letter to cancel that service. If you want to sell
15 me something, ask me, don't put it on my bill, because,
16 quite frankly, I will not have Qwest next year.

17 Thank you very much.

18 COM. MAYES: Lawrence, I am sorry, I don't mean
19 to interrupt. Anyway, thank you for your comments. As I
20 said, we are a little bit limited what we can say on this
21 issue.

22 MR. BERG: I was happy to hear you were at least
23 addressing it.

24 COM. MAYES: Yes. And our Staff --

25 I don't know if the order to show cause for Qwest

1 is a public document. Would that be publicly available?

2 We will check for you. But I think factually, I
3 can describe for you what my summer was like, or my fall,
4 after we started getting a lot of complaints on this
5 issue. You weren't the only person. In fact, I would be
6 interested to have you perhaps put that letter in the
7 docket or give that to our Staff so we can see what you
8 got.

9 But please know that we did get a great deal of
10 response to this question from people who felt like they
11 weren't put on notice about that charge. So we are
12 looking at it.

13 Again, from a factual standpoint, after I asked
14 the CEO of Qwest, Dick Nortebaert, to come to the
15 Commission and to address this issue with us, and I think
16 he met with all the Commissioners, we made a little bit of
17 progress in that they offered a refund of that \$10
18 switching fee for a small window of people. I don't know
19 if you are in that window or not or if you want to bother
20 to try and get your money back for that, but --

21 MR. BERG: It is not the money. It is the ethics
22 in the business that bothers me. It is not the money. It
23 is the fact that they choose to treat me as a noncustomer.
24 They have forgotten that a customer pays their bills and
25 their salary. And I quite frankly think it is time that

1 people that are treated this way begin to say enough.

2 COM. MAYES: Right. And one of the issues that I
3 raised with Mr. Nortebaert was this question about when
4 the company decided to add the \$2.99 fee and when they
5 stopped advertising that they were having no monthly
6 recurring charges. Do you see what I am saying? So I
7 think that's an important question that has to be asked
8 about their advertising practices. But as I said, we
9 will -- there will probably be some action on this issue
10 in the near future.

11 ACTING CHMN. SPITZER: Mr. Berg, thank you for
12 bringing this to our attention and we will take your
13 letter.

14 MR. BERG: Thank you.

15 ACTING CHMN. SPITZER: Because I think you have a
16 separate issue apart from the case that we are pursuing,
17 which is you never agreed to long distance service in the
18 first place.

19 ~~MR. BERG: I didn't want it.~~

20 ACTING CHMN. SPITZER: So I think you have a
21 cramming case under the existing wire line rules, and we
22 will treat this as a complaint for cramming.

23 Now, here is how your facts are different than my
24 facts. My facts are we have a house in Prescott and I
25 have got a phone line downstairs I use as a home office,

1 and then we have got our family phone in Phoenix, three
2 lines.

3 MR. BERG: I have one.

4 ACTING CHMN. SPITZER: So I have triple the
5 problem. In response to the ad for five cents a month
6 long distance, I switched from another company to Qwest.
7 And particularly the Prescott house, we don't go up that
8 much and we try not to use the phone if at all possible.
9 And if we have to, we use the cellphone. So our monthly
10 bill for long distance is very low, in any event,
11 sometimes zero.

12 So the \$2.99, one month's fee, could be in the
13 Prescott house six months of long distance. So when the
14 \$2.99 fee arose, it was a major problem. And unlike you,
15 who had not even ordered it, I ordered it. And then I was
16 confronted with a dilemma. Do I pay the \$2.99 fee forever
17 or do I terminate? And I knew, because I am a
18 Commissioner, that I have got to pay ten bucks.

19 ~~The \$5 is to terminate Arizona long distance~~
20 tolls, for your information. And the other \$5 is for long
21 distance interstate. One is intrastate, the other is
22 interstate toll. And if you switch, you know, they do
23 have -- the circuit has to be changed, so they are
24 entitled to ten bucks.

25 What was irritating was, I think, to choose

1 between paying the ten bucks one time hit or paying the
2 \$2.99 forever. And maybe my wife would make enough calls
3 on the 5 cent instead of the 7 cent to make up the
4 difference. So it was -- and then times three phones.

5 So it was that, those are the facts. We are not
6 going to adjudge the case. Those are the facts on the
7 \$2.99. Those are the facts, similar facts which
8 Commissioner Mayes talked about with AT&T. Instead of
9 AT&T going to Commissioner Mayes and saying -- and we have
10 no pending proceeding on AT&T so we can talk about that --
11 instead of them saying to Commissioner Mayes, you know, we
12 are losing money and, you know, you could choose, you can
13 dump us if you want if you think our rates are too high,
14 but we are going to charge you 7 cents a minute instead of
15 5 cents a minute, and you are on a month to month so they
16 can theoretically do that. And, of course, do they get
17 enough money or how many customers do they lose, et
18 cetera. It is a tough judgment call.

19 ~~MR. BERG: I don't mind a company making money.~~
20 I expect them to make money, and as a stockholder I expect
21 them to make money, but not illegally or unethically. I
22 want truth in what they are doing. I want them to tell me
23 and give me the opportunity to say yes, not no. That's
24 crazy to have a default, that you have to write them a
25 letter or make a phone call that you don't want the

1 service.

2 ACTING CHMN. SPITZER: Now, that sounds like
3 cramming. And Commissioner Mayes, she was not offered the
4 opportunity on the extra -- was it 50 cents?

5 COM. MAYES: Yes.

6 ACTING CHMN. SPITZER: So that was another, what
7 you say about ethics in business, you are right on.

8 MR. BERG: Thank you.

9 COM. MUNDELL: Thank you, sir. Just briefly,
10 because I think you have had a good thorough discussion of
11 this, as the other Commissioners have indicated, we have
12 an order to show cause scheduled -- well, I will talk to
13 him afterwards -- to deal with this, but I think everybody
14 else needs to know it also, an order to show cause
15 scheduled. And it will probably be heard, I say probably
16 because it hasn't been set yet, in our first open meeting
17 sometime in April. And I don't have the docket here right
18 now, but you can go to www.cc.state.az.us -- well, we will
19 ~~give it to you afterwards.~~

20 You can get on, the reason I am giving you that
21 information is because you can go to our website and then
22 go to open meetings and then click on there, and it will
23 tell you what agendas, you know, what we are hearing on
24 that agenda that day. And then we have, you know,
25 streaming audio/video and you can listen in and/or watch

1 the proceedings. That is something new at the Commission
2 we have, but you can look on and see when we are going to
3 hear this matter.

4 Our Staff has issued an order to show cause to
5 determine whether or not there should be sanctioned
6 issued. That's about as far as we can go to inform you
7 what is happening.

8 ACTING CHMN. SPITZER: Okay. Robert Aagaard.

9 MR. AAGAARD: Bingo. My name is Robert Aagaard.
10 I live in Green -- well, Quail Creek, which is just
11 outside of Green Valley.

12 First I would like to just quickly state that I
13 have Verizon as a cellphone and I am delighted with them.
14 I have had them for almost a year now. I have no real
15 problems except a couple of little items on their bill
16 which I am not quite sure I understand. One of them says
17 AZ Trans Priv Sur on Tele, and the other Sahuarita Trans
18 Priv Sur on Tele. I am not sure what those mean but they
19 are not that much money.

20 My big problem is with Qwest. I switched to
21 Qwest from Cox digital telephone service, because Cox's
22 prices, total price started to go up and up as a result of
23 additional tack on items. So I switched to Qwest. And
24 the first month, first couple months were fine.

25 I have two telephone lines, one for my home

1 office and one for my house. And I was paying a total of
2 \$86.71 a month. I do not use Qwest for long distance.
3 One day I was -- recently I switched to a different long
4 distance provider and called to make a change and then
5 found out that they had only changed the long distance and
6 not the intraLATA. So I had to make another call.

7 And at the same time, when I was talking to the
8 young lady at Qwest, she said, well, you can save \$5
9 a month if you buy this package that will give you two
10 lines and it will be less expensive. So I said okay, go
11 ahead, that sounds good.

12 So I get a bill for almost \$138. And I am
13 looking at it and I am seeing that, yes, they wrapped up
14 these two telephone lines which used to cost me \$18.16 for
15 the first one and a smaller amount for the second one into
16 a single package of \$36. And then they added one zone
17 distance charge of \$3 for each of the two lines. And
18 furthermore they added \$5 to change to, change long
19 distance. ~~They added that three times for each line. So~~
20 I got a total of six times five is \$30 to change my long
21 distance carrier.

22 That's probably an error. Maybe it was, because
23 I had to keep calling them and reminding them to make the
24 change. But I really don't understand the zone distance
25 charge. So I called them up and I said what is going on

1 with this long distance, the zone distance charge. They
2 said well, you moved. I said I didn't move. Well, then
3 you are too far away from the central switch. And I said
4 well, how come I wasn't too far away the month before.
5 And they didn't really come up with a good answer.

6 So, finally, what the outcome was, we dropped the
7 package and we went back to two separate phones. And they
8 said that they won't charge me the \$3 zone distance
9 charge, but I haven't got that bill yet so I am not really
10 sure.

11 So that's about the only comment that I would
12 like to make. I am also delighted that you people have
13 seen fit to come down and talk to us and listen to our
14 complaints.

15 COM. MUNDELL: Thank you, sir.

16 ACTING CHMN. SPITZER: The Verizon bill, the
17 acronym for the sales tax, the state of Arizona and I
18 guess the city of Sahuarita imposed a sales tax on
19 wireless phones. So that's, and that is not Verizon's
20 issue.

21 MR. AAGAARD: It should say sales tax though.

22 ACTING CHMN. SPITZER: In Arizona it is actually
23 called a transaction privilege tax. That's what the
24 legislation called it. Because the tax is not on the
25 resale property, it is on the transaction.

1 And the other thing, if you want to talk to
2 Mr. Lopez, you may have cramming issues and it may be that
3 you were told one thing and they sold you another or they
4 didn't fully disclose what they were selling you.

5 That's part of the problem, and we have seen this
6 in telecommunications, with people that are on a
7 commission that are selling. They have an incentive to
8 add additional bells and whistles. They have a financial
9 incentive, and a disincentive to not fully explain all the
10 bells and whistles. But thank you for coming.

11 Dennis Kelley.

12 MR. KELLEY: Thank you. Yes, I want to thank you
13 for coming. Can you hear me?

14 COM. MUNDELL: Yes.

15 MR. KELLEY: I am a little hard of hearing. I
16 live out here about ten miles south. And it is almost
17 like I am on an island. There is a 600 acre ranch east of
18 me. There is a model, couple nice restaurants, and the
19 ~~next guy down the road is a mile. But across the road is~~
20 Lakewood community.

21 And I told them I wanted a line going back about
22 three years ago. And you don't want to hear the problems
23 they had. They had people that are saying well, look, you
24 are talking to me, not the others. And I just really got
25 upset with them.

1 So the basic issue was whether they could bring a
2 line across the freeway over to my house. So that went
3 away, and they did what I think you just said. They
4 flipped me. They suddenly come up, yes, we can get you
5 two lines but we are going to divide one line and make it
6 two.

7 Have you ever heard of that? You have. Well, I
8 think I get inferior service. I don't think they are
9 really like two lines, good. Because quite often, when I
10 am dialing a customer, it won't go through, and I will ask
11 the operator to put it through and then it will go
12 through.

13 And this system is about 25 years old. And I was
14 told by one of the foremen that works for the company that
15 I probably would be eligible for some money, but I really
16 wasn't looking for that, under some kind of a subsidy that
17 they had. And I have a pretty good income, I am retired,
18 so that, again, is not quite an issue. The issue is just
19 ~~trying to get them to give me that third line.~~

20 Now they flip me off and give me that line. Then
21 the electric company dropped off a couple steel poles. I
22 own property on one side of the freeway and one on the
23 other side. So I have tried for the last six months to
24 get them to run this line across when the electric company
25 does it. They can't seem to get that into their schedule.

1 And the electric company doesn't -- in other words, they
2 don't want to cooperate with each other. So they never
3 really come up with any figures, just more or less things
4 like cost prohibitive. And they spoon feed me.

5 So finally I got them to give me a figure. And
6 the last figure they give me was about \$4,000. I live
7 approximately, as the bird, crow flies, three quarters of
8 a mile from their switching station. And that is a short
9 distance. So I maintain that they could take this line
10 and string it when the electric company comes across. But
11 they don't even want to address themselves to that.

12 That's quite a lot of what they are basing their
13 fees on, because originally they had to have permission
14 from somebody down in Tucson, an engineer, blah-blah-blah.
15 And actually I went ahead and tried to push that through,
16 find out if that was bologna or what. And they were just
17 dragging their feet.

18 But I have a couple, three just quick questions I
19 ~~would like to ask you. Is there some money available for~~
20 that circumstance that I am in? I am basically in an
21 island there. You mentioned REA. I remember REA when I
22 was a kid in South Dakota. They did really good things.
23 Have they got money? Have they been given money to
24 implement service to the outlying areas?

25 ACTING CHMN. SPITZER: We can address that.

1 Maybe you can ask your questions and then pass the mike
2 back.

3 MR. KELLEY: Pardon?

4 ACTING CHMN. SPITZER: Finish all your questions
5 and then we will address them.

6 MR. KELLEY: Okay. All right. Can I get them to
7 send files to me? Because I have asked them. I have
8 said, now, look, I would like an estimate from you and I
9 would like to see in writing what you are going to do for
10 me. We can't do that, we don't do that.

11 So basically it seems to me like there should be
12 some kind of a guideline that you can give us what their
13 duty is to us, rather than just shoot and fish in the
14 barrel. We don't know what is going on.

15 That's it. Thank you.

16 COM. MUNDELL: Sir, I will try to answer a couple
17 of your questions. And, again, Mr. Lopez from our office
18 is back here.

19 ~~On the estimate, yes, they should give you an~~
20 estimate of what it is going to cost. I am surprised they
21 haven't done that. And so we will follow up and get them
22 to work with our consumer services person and we will
23 get -- they should provide that to you.

24 One of the things on the universal fund, the
25 federal universal fund specifically, Arizona is not

1 getting its fair share of that fund. It would require a
2 change in Congress with congressional legislation. And
3 the reason, one of the reasons we are not getting it is
4 because the fund is, again, as Commissioner Spitzer
5 explained and you sort of alluded to it, the purpose of
6 the fund was to provide telephone service to rural parts
7 of America that normally would not have gotten them. It
8 started back in the Depression with electricity, you know,
9 the Tennessee Valley Authority. Those areas of our
10 country would not have electricity without some kind of a
11 subsidy from the rest of the consumers of electricity in
12 the big cities.

13 Same concept for rural parts of not only Arizona
14 but all of America, but the fund is based on companies
15 that have a certain percentage of their customers in rural
16 parts of the state or the country.

17 One of the problems, when I say problems, that's
18 why it would take a change in federal legislation, one of
19 ~~the issues with Qwest is the majority of their customers~~
20 are in urban parts of the state, obviously Phoenix and
21 Tucson. Those are not considered, you know, rural parts
22 of America. And so the way the money is divvied up is
23 again based on how many rural customers a telephone
24 company has because, again, the theory is to get into
25 areas that normally would not have service.

1 So that is something that we can look at and try
2 to address more specifically in your situation. But,
3 again, you know, at one time this was a rural part of, you
4 know, Arizona. I have lived here since 1968 in Arizona.
5 And, you know, obviously you all know how fast it is
6 growing here. So, again, whether you qualify or not I
7 can't specifically answer your question. We can look into
8 it.

9 Did I miss anything?

10 MR. KELLEY: The thing about two-line service,
11 nobody has really been able to give me a good definition.
12 Is that --

13 COM. MUNDELL: Well, sometimes they will split
14 off, sometimes the telephone company will split off the
15 copper wire to provide service. And depending how far you
16 are from the substation, your service may deteriorate. I
17 mean the further away you are from a substation, and I am
18 not an engineer but sort of the layman's version of it,
19 ~~the further away at some point in time, you know, it~~
20 degrades, especially if they split it, because you can
21 only put so many phone houses on a copper --

22 MR. KELLEY: Well, they never volunteer
23 information.

24 COM. MUNDELL: And --

25 MR. KELLEY: It is like pulling teeth.

1 COM. MUNDELL: We will find out. But that's a
2 lack of communication. They ought to explain it to you in
3 a little more detail. And we can look into your more
4 specific. But, again, talking generically, that's sort of
5 what happens. I mean the further you are away, the number
6 of houses, the copper wire can only provide service to a
7 certain number of houses. They are going to, you know,
8 obviously fiber optics which has thousands -- the
9 capability of that is phenomenal compared to the old days
10 with dialing up sort of Andy of Mayberry, the operator
11 gets on there and connects you.

12 So we need to find out why you are having that
13 service deteriorated or not up to standard. And we will
14 look into that for you. We do have authority to do that.

15 MR. KELLEY: Thank you.

16 COM. MAYES: I was just going to add, Dennis, if
17 you could talk to Reg in the back and leave your phone
18 number with him. I assume it is Qwest we are talking
19 about is the phone company?

20 MR. KELLEY: Yes.

21 COM. MUNDELL: Yes. That's Mr. Lopez. We have
22 been referring to him as Mr. Lopez. She just referred to
23 him as Reg, but it is one and the same person.

24 COM. MAYES: Right.

25 ACTING CHMN. SPITZER: And the fact that Qwest is

1 not eligible for universal fund under federal law is
2 something that needs to be changed. And there is a bill
3 in Congress to change that.

4 It is by coincidence most of the universal
5 service money was going to the state of Mississippi and,
6 at the time that bill was written, Trent Lott was the
7 senator, majority leader from the great state of
8 Mississippi.

9 So we -- it is, in some respects it is funny but
10 other respects it is really sad. And there are a lot of
11 questions about the way that fund operates.

12 Robert Redford's ranch was all part of the
13 universal service. So the universal service money -- we
14 agree that urban people should -- rural electrification,
15 you talked about South Dakota, that was paid for by the
16 people in Chicago. Because everybody needs electricity.
17 But poor people in Chicago, welfare moms shouldn't be
18 subsidizing Robert Redford because he chooses to live on a
19 ~~ranch remote and he gets federally subsidized phone~~
20 service. So there are serious problems with the way the
21 system works at the federal level and I really think those
22 need to be changed.

23 And Margaret Amada is the last speaker who did
24 not wish to speak.

25 MRS. AMADA: Right.

1 ACTING CHMN. SPITZER: But your husband is very
2 articulate.

3 MRS. AMADA: Yes, I know.

4 ACTING CHMN. SPITZER: And he may prevail in the
5 next rate case.

6 So we have, for the first time since the early
7 '90s, the Commission will be taking a look at the rates
8 and charges to make sure they are just and reasonable. So
9 that provides an opportunity to address some of the facts
10 that may be stale or changed over time.

11 MR. AMADA: Will I get a response from your
12 Commission?

13 ACTING CHMN. SPITZER: Not only that, you can
14 participate in the proceeding and present evidence and
15 cross-examine witnesses. So you can have a lot of fun.

16 We will now -- whoops.

17 COM. MUNDELL: We want to go around again.

18 ACTING CHMN. SPITZER: I am sorry, yes.

19 MS. SIMMIE: I just wanted to clarify one thing.

20 I hope I didn't misunderstand Mr. Spitzer, but Arizona for
21 the deaf and hard of hearing will provide free phones for
22 people with hearing loss or have difficulty hearing on the
23 phone.

24 And I don't know that that -- I may have
25 misunderstood you but I wanted to be sure that everybody

1 knew that. And next week the health fair, there is
2 going -- I will be there with ALOHA, Adult Loss of Hearing
3 Association. There will be forms there, and if you have a
4 hearing loss or know somebody else who may have a hearing
5 loss who could use the benefits of a free phone from the
6 Arizona commission for the deaf and hearing, look us up.
7 And that will be -- you know, you can contact them
8 individually. I didn't come with any of that material.

9 But I wasn't sure that I understood precisely
10 what you were saying. I just wanted people to know that
11 that service is available free, a free phone if you
12 qualify. Okay?

13 ACTING CHMN. SPITZER: Thank you. My dad didn't
14 have that in Pennsylvania so I am glad we have it in
15 Arizona. Thank you very much.

16 MS. SIMMIE: It is in other states.

17 ACTING CHMN. SPITZER: Thank you. Okay. We will
18 conclude this section of the public comment. And now we
19 ~~will move on to item 2 on the agenda, which is a separate~~
20 item which is to do with the right of privacy. And it is
21 CPNI, which is telecommunications jargon -- I'm sorry.

22 (An off-the-record discussion ensued.)

23 ACTING CHMN. SPITZER: It is a very bad lawyer
24 who messes with the court reporter. Before we go into the
25 CPNI, let's take a five-minute recess. So we stand at

1 recess.

2 (A recess ensued.)

3 ACTING CHMN. SPITZER: The second open meeting
4 agenda, item 2, will come to order. This is on the CPNI
5 docket. That is the telecommunications personal private
6 information. It is the phone numbers that you dial. It
7 is the length of those calls.

8 This is, a lot of people don't know that those,
9 in a digital age, all can be recorded. And it sort of
10 came to a head at the end of 2002, beginning of 2003, when
11 Qwest was proposing to sell customer proprietary network
12 information to third parties. It is an item that is going
13 on all over the country.

14 The Commission embarked on the first public
15 comments that were very widely attended at the time
16 because there was a lot of publicity. There was some
17 interesting open meetings both in Phoenix and Tucson where
18 you had people that are not generally on the same
19 ~~wavelength, ideologically some very liberal people, some~~
20 very conservative people. You had the John Birch Society
21 and the ACLU arm in arm, concerned greatly about the
22 privacy rights of Arizona citizens.

23 And, you know, the idea that if you go to a
24 supermarket and you pay with a credit card, you know you
25 have a diminished expectation of privacy. You can learn a

1 lot about people from what they buy at the supermarket.
2 And it is a shame you no longer have that privacy, but you
3 are in a public venue, you are using a credit card, and
4 with technology, those, the facts of your purchases are
5 now in the public domain. And maybe that is one of the
6 negatives of progress and maybe that is sad.

7 But I don't think anyone had any idea that the
8 phone numbers and the identity of the people that they are
9 calling and the length and duration of those phone calls
10 were considered by the phone company to be public
11 information. People felt that that was private
12 information. And the sentiment we got at those meetings
13 was it ought to remain private.

14 The problem is that there is, there was a lawsuit
15 that gave rise to this whole initiative from the United
16 States Court of Appeals in favor of the phone companies,
17 saying that the phone companies' right to commercial
18 speech outweighed their customers' right to privacy. And
19 ~~that is a very sad, in my view, an incorrect decision.~~

20 There has been a decision in the court in the
21 city of Seattle, Washington state also striking down a
22 state privacy initiative. So our attorneys at the
23 Commission have prepared a set of rules governing consumer
24 proprietary network information. Those rules are
25 available at a future proceeding. The Commission will be

1 debating those rules as to whether they get put into the
2 Arizona Administrative Code that would govern not just
3 Qwest but all companies, all telecommunications companies,
4 and the degree to which this, what we believe, at least
5 speak for myself, what I believe to be private
6 information, the degree to which it would be made public.
7 So we are here to take public comment on this as well.

8 Commissioner Mundell.

9 COM. MUNDELL: Just briefly, Commissioner.

10 Obviously, as always, you did a good job explaining why we
11 are here today from a legal perspective. And, you know,
12 these are some big fancy words here on our agenda,
13 dissemination of individual consumer proprietary network
14 information by telecommunication carriers. But as you
15 just said, what we are talking about are private telephone
16 records, you know, who you call, when you call, how often
17 you call, how long those calls take place. So if you call
18 Aunt Mildred back in Pennsylvania or you called Domino's
19 here, that information was being sold for purposes of
20 advertising and other commercial purposes.

21 And there was, as Commissioner Spitzer talked
22 about, there were a number of court cases dealing with the
23 right of privacy and how that conflicts with the first
24 amendment and commercial speech. And those cases are
25 working their way up through the court system. And I have

1 said on a number of occasions it will probably go to the
2 U.S. Supreme Court at some point in time, maybe not in the
3 near future, to sort of balance in our society how do we
4 balance the right to privacy on the one hand and the right
5 to free enterprise and using those private records for
6 commercial purposes.

7 And so we started the rulemaking process. And
8 you have heard us use that term, rulemaking. Rules in
9 Arizona have the same force and effect as statutes once
10 they are approved by the Attorney General. So we have
11 started that process to protect the privacy of the people
12 of Arizona.

13 Normally those records require a search warrant,
14 you know, signed by an independent judge to have those
15 released to law enforcement. We felt, and I will use I
16 guess I felt, that they were some of our private records
17 in our modern industrial society.

18 And then secondly, I made the distinction that,
19 ~~if you go to Albertsons or Bashas' and sign up for their~~
20 card and they scan it, you know they are keeping track of
21 what you are buying, if you are buying Wheaties or root
22 beer or Budweiser or Cheerios, or whatever you may
23 purchase, and then they use that for purposes of
24 advertising or commercial purposes.

25 For phone records, again, we didn't think that

1 affirmative decision by the customer was ever made. And
2 we took the position that those records should not be
3 sold. We in fact held public hearings and did a number of
4 things.

5 We told the telephone companies that, if they
6 didn't stop using that information immediately, we would
7 go to federal court and seek an injunction. Number two,
8 we intervened at the FCC back at Washington. And number
9 three, we started our own rulemaking process here in
10 Arizona. And this is the end of that process.

11 ACTING CHMN. SPITZER: Thank you, Commissioner.

12 COM. MAYES: Thank you. I don't have too much to
13 add to that. I would just say that, you know, a lot of
14 this action took place before I was on the Commission.
15 And I have since then gotten up to speed on it and have
16 been very supportive of the Commission's efforts. I think
17 the Commission Staff are to be commended. Maureen Scott,
18 Commissioner Spitzer, was the person who wrote the new
19 proposed rules.

20 And then I was thinking yesterday, during our
21 public comment session, that it strikes me that this issue
22 is very similar to the issue we just discussed earlier in
23 the sense that you have what appears to be companies that
24 are trying to find very creative and perhaps inappropriate
25 ways to pad the bottom line. And, you know, I think it is

1 fully appropriate for companies to try to survive in a
2 difficult competitive field, but it is not appropriate to
3 do it on the backs of consumers in an inappropriate way.

4 So it doesn't look like we have too many folks to
5 speak but we appreciate everyone being here.

6 Mr. Davis maybe wants to speak.

7 MR. DAVIS: I didn't realize I need another form.

8 COM. MAYES: No. If you want to come forward.

9 COM. MUNDELL: You don't need another form.

10 MR. DAVIS: I just had the question: Does the
11 opt out form that is available or comes to you from each
12 of the phone companies, and you have choices I don't want
13 my information sent here, there and everywhere used for
14 marketing, does that close this for you as an individual
15 or is this beyond that?

16 ACTING CHMN. SPITZER: Well, the opt out form,
17 have you gotten that? Are you referring to the ones from
18 the banks?

19 ~~MR. DAVIS: No. There are from the banks, but I~~
20 have also gotten it from telephone companies where I would
21 have a choice of not having my information sold to
22 affiliates, other companies and whatever. It is usually
23 three or four choices.

24 ACTING CHMN. SPITZER: The companies like the opt
25 out because statistics show very few people actually take

1 the time to opt out.

2 MR. DAVIS: I am not advocating. I am just
3 asking the question. If one does opt out, does that take
4 care of this particular issue or not?

5 ACTING CHMN. SPITZER: I don't know the answer to
6 that. We are going to have, we would have to get our
7 Staff. It would have, I guess it would be based on the
8 form. And sounds like it would. But before I am
9 definitive about that, I probably -- the good lawyer in me
10 says --

11 MR. DAVIS: Yes, read the form.

12 ACTING CHMN. SPITZER: -- read the form first and
13 then make sure you have an informed decision. And
14 ultimately, you know, it may, if the courts -- we have
15 proposed opt in.

16 MR. DAVIS: Yes, more logical.

17 ACTING CHMN. SPITZER: In other words, there is a
18 presumption that the information is confidential. And
19 ~~there is a presumption that you do not share unless you~~
20 affirmatively share.

21 And in law school they teach you waiver is a
22 voluntary conscious waiver of a known right, giving up of
23 a known right. And opt out is not a waiver. So you ought
24 to say I consent to opt in.

25 You know, the example I always use, I call my mom

1 in Philadelphia. And that's valuable information to --
2 presumably they know I like cheese steaks. American
3 Airlines would love to market to me if they got empty
4 seats on a plane to Phoenix. For 200 bucks you can fly to
5 Philly. That's fine, if I opt in. Then I am voluntarily
6 consciously conceding that privacy element. But I should
7 have to do that.

8 Now, the courts have been very tough on opt in.
9 And if we don't, through the court system and our
10 rulemaking process, don't get an opt in, we are left with
11 a modified opt in or opt out by the courts, then it is
12 going to be incumbent upon meetings like these and public
13 information to say stand up for your rights, opt out.

14 You know, in some cases the companies are willing
15 to pay people for their information. So why should you
16 give it away for free or why should you give it away at
17 all? So you raise a point. I don't think I have gotten
18 those forms.

19 ~~MR. DAVIS: No. I --~~

20 ACTING CHMN. SPITZER: I would be interested in
21 looking at the form.

22 MR. DAVIS: I don't have a disagreement with your
23 position. I am just curious in the interim, while you are
24 trying to get this resolved, does opting out really opt
25 you out? That was -- so I am not debating the philosophy.

1 ACTING CHMN. SPITZER: I think it does but we
2 would have to check the form.

3 MR. DAVIS: Okay, thank you.

4 ACTING CHMN. SPITZER: Is there anyone else who
5 wishes to be heard on this topic?

6 (No response.)

7 ACTING CHMN. SPITZER: Hearing none, I just want
8 to thank each and every one of you for coming, including
9 those who have departed, for the valuable information you
10 have given us. It helps us do our job better. And it is,
11 hopefully we have been able to provide some information to
12 the people of Green Valley, but more importantly you have
13 given us a lot of information to take back to our jobs in
14 Phoenix. We thank you.

15 COM. MUNDELL: Same thing. I would just thank
16 everyone for attending. As I said, I always learn
17 something when we get out of Phoenix. And I learned a
18 number of things today, so just glad we held this meeting.

19 COM. MAYES: Ditto.

20 ACTING CHMN. SPITZER: Okay. We stand adjourned.

21 (The proceedings concluded at 11:55 a.m.)

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23

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25

1 STATE OF ARIZONA)
) ss.
 2 COUNTY OF MARICOPA)

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I, COLETTE E. ROSS, Certified Court Reporter No.
 8 50658 for the State of Arizona, do hereby certify that the
 9 foregoing printed pages constitute a full, true and
 10 accurate transcript of the proceedings had in the
 11 foregoing matter, all done to the best of my skill and
 12 ability.

13

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WITNESS my hand this 21ST day
 of March, 2005.

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Colette E. Ross
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 Certified Court Reporter
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