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AZ CORP COMMISSION
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Statement to the Arizona Corporation Commission in regards to **DOCKETED**

Qwest Corporation (Section 271 Public Comments)

MAY 23 2002

May 21, 2002 Tucson, Arizona

DOCKETED BY *mm*

by John Dougherty, Director of Governmental Affairs

Thank you very much for allowing me to speak to you regarding this important telecommunications issue. My name is John Dougherty. I am Director of Governmental Affairs for the Tucson Metropolitan Chamber of Commerce. I am here this evening to urge the Commission to allow Qwest Communications to provide long distance telephone and data services to citizens of the State of Arizona.

Let me begin by outlining what has occurred thus far on this issue. In 1999, Qwest Communications purchased US West, a Regional Bell Operating Company, or "baby bell" provider. Thus, Qwest itself became a baby bell. In order to receive approval by the Federal Communications Commission for the merger of US West and Qwest, Qwest agreed to divest itself of long-distance services in Arizona.

Now Qwest is seeking to provide long-distance services within our state, and the company has nearly completed the 14-point plan as required by the Corporation Commission. The Commission has the opportunity to level the playing field in the long-distance market and allow consumers and the marketplace to decide who sinks and who swims.

In states where the baby bell has been allowed to re-enter the long distance business, consumers have seen rates drop and service choices increase. According to Dr. Jerry Hausman, an economics professor at MIT, consumers saved 10 to 20 percent on long distance charges in the states of New York and Texas when a baby bell was allowed back into the long distance marketplace.

It is estimated by Dr. Hausman that Arizona consumers could save as much as \$189 million per year if Qwest is allowed back into the long-distance marketplace. This translates to annual savings for residential customers to be \$78 per year, and business customers saving about \$55 per year.

In states where competition has been allowed and the baby bell companies have entered the long-distance business, the marketplace and consumers have benefited. In Texas, SBC controlled 92 percent of the local calling market. After SBC re-entered the long-distance market, that market share dropped to 85 percent. Competitors were able to convince seven percent of consumers to switch to a new company. The same scenario played itself out in New York with Verizon, which saw its local-service customer base fall from 96 and a half percent to 83 percent when competition was allowed.

The marketplace will be strengthened because no single company will keep its customers if quality or service is poor. This will drive all competitors to keep its services at the highest level to avoid losing customers.

Evidence also indicates that allowing a true free marketplace in the long-distance business will have great benefits for certain segments of the population. A study conducted by David Sosa, a nationally-known expert on telecommunications with the firm Analysis Group/Economics, estimates that seniors will enjoy as much as \$150 per year in savings due to increased competition.

There are already signs that more competition is driving down consumers' costs. In states where regulators allowed baby bells to re-enter the long-distance market, prices dropped by 15 percent. Cox Communications, which recently introduced digital telephone service in Arizona, is less expensive for residential consumers.

The Tucson Metropolitan Chamber of Commerce urges the Commission to grant Qwest re-entry into Arizona's long-distance marketplace. The result will be lower prices for consumers, a level playing-field, and healthy competition.

Sustainable Borderlands Planning

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5/21/02

Arizona Corporation Commission
Hearings Division
1200 West Washington
Phoenix, AZ 85007

Re: *T-00000A-97-0238 - Qwest Corporation (Section 271 Public Comments)*

Commissioners,

We are a small, non-profit community organization in Tucson, Arizona. Our mission is to assist community groups and individuals when they ask for technical help. In this capacity we ask our opinion to be considered by the Commissioners regarding Qwest's application to be an Arizona Long-Distance Carrier.

Our community has endured the worst residential service under QWest that our residents have ever experienced. Some of our reasons for objecting to this corporation doing business in Arizona are rates and service availability are reportedly routinely misrepresented, residents are charged for services that they did not order and don't want, and then it is very difficult to remove those services. Routine new service that residents order is often not provided for very long times, if at all. Customer Service representatives are very difficult to reach, and then they often cannot be helpful. The company often mails response letters that are not applicable to the problem the resident has.

In general this company does not deserve to do business in Arizona at all. The residents of Arizona do not deserve treatment such as they receive from Qwest.

In the interest of the Arizona public, we urge you to deny this application.

Sincerely,



Jake Elkins
Member of SBP
520-623-9646