

New Hampshire Public Utilities Commission, DT 07-011
Re Verizon New England et al.
OCA Responses to Verizon NH's First Set of Data Requests

Respondent: Susan M. Baldwin

Date: August 28, 2007

12. Does Ms. Baldwin agree that the telecommunications marketplace in New Hampshire today is more competitive than in 1997? If not, please provide the basis for that position. If yes, does Ms. Baldwin agree that in an increasingly competitive market regulatory policy would support *less* not more regulation? If not, please provide the basis for that position.

Response:

Objection. The term “more competitive” is vague and overbroad.

Subject to and without waiving the objection, Ms. Baldwin states as follows:

I do not agree that the telecommunications marketplace in New Hampshire is more competitive today than it was in 1997 for the residential local market. Indeed, many doors to competition have been closed. For example, the market is significantly more concentrated than it was as a result of SBC's acquisition of Southern New England Telephone Company, Ameritech, Pacific Telesis, and BellSouth; the Bell Atlantic/NYNEX/GTE mergers; and the elimination of MCI and legacy AT&T as competitors. This loss of potential and actual competitors in local markets has closed opportunities for competitive entry.

Regulatory decisions have also contributed to a decline in competition in the residential local market. See for example, *Unbundled Access to Network Elements; Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers*, FCC WC Docket No. 04-313; CC Docket No. 01-338, *Order on Remand*, Rel. February 4, 2005.

See also pages 79 through 87 of my testimony and the exhibits referenced therein for a further demonstration of the declining prospects for affordable alternatives to Verizon NH's basic local telephone service.

Regulation should correspond inversely with the level of competition – as competition increases, regulation can be relaxed. There is no empirical evidence demonstrating that consumers have affordable alternatives to Verizon NH's basic local service, and instead, the evidence demonstrates Verizon NH's market power. Information about service quality also provides empirical evidence that local markets are not competitive. ARMIS report 43-05 shows a dramatic decline in service quality measures since 2000. For example, initial and repeat out of service intervals, the time it takes to fix problems, have increased substantially since 2000 (ARMIS Report 43-05, Table II). Also, complaints from residential customers have increased dramatically since 2001 (ARMIS Report 43-05, Table V). See my testimony and exhibits for further evidence of the declining service quality.