

Deregulation and the telecomm equation

Wyoming requires any telecommunication company that wants to provide service or raise rates to go before the Public Service Commission and make its case. These hearings are open to the public and allow Wyoming residents to voice concerns about pending decisions. Some states have "deregulated" the process, removing those provisions. Wyoming's telecommunications industry wants lawmakers to follow suit during this year's legislative session. Here are two arguments on the topic.

Qwest wants "Equality" in Wyoming.

BY MICHAEL CEBALLOS

When Qwest talks about legislative changes, what we're really talking about is market parity - the ability for Qwest to compete at a level similar to the competition. Customers in Wyoming benefit from increased competition - benefits that include lower prices, better service and more access to technology. Technology that includes a traditional home phone - a wired phone that is the most reliable and efficient means for contacting emergency services.

Most of the telecommunication industry in Wyoming isn't regulated. Competitors include cellular providers and cable-telephone companies. These companies can set prices, terms and conditions without state approval because they're minimally regulated. On the other hand, if we tried to lower the price of basic service, our proposed rates would be made public and we'd have to wait 30 days - meaning the competition would have 30 days to lower their own prices before we'd be allowed to lower ours.

It's clear that the outdated forms of regulation applied to Qwest should be updated to a more market-based approach - an approach that benefits customers. In fact, customers would see more promotions and opportunities for price reductions with this type of competition.

In states where Qwest is freed from these antiquated regulations, customers have seen prices drop while cable-telephone prices have



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consistently increased. Qwest's customer service has risen to historically high levels, and we've dramatically increased the deployment of high-speed Internet.

Customers benefit when everyone plays by the same rules. And when you level the playing field, customers are the real winners. ■

Michael Ceballos is Wyoming president of Qwest.

It involves too many risks for the state.

BY DALE W. COTTAM

Your local phone companies are lobbying legislators to deregulate phone service. Deregulation can be good or bad for consumers; it all depends on timing. The timing is right only if customers can obtain the same local phone service at the same or lower price from multiple providers. If competition exists, regulation is unnecessary. Without competition, deregulation of local phone service may cause price increases. Worse, phone companies might stop selling basic phone service altogether. This would force customers to take a higher priced phone service with more features.

The timing is wrong for deregulation of basic phone service in Wyoming because competition does not exist in enough communities. Adequate, alternative choices for local phone service are not available. Stand-alone cable phone service is priced too high to act as a substitute. Similarly, cellular phone packages with enough local calling minutes to provide a substitute are priced too high to act as a substitute. In addition, many customers don't want to be forced into substituting their basic landline phone service for cellular phone service.

By continuing to regulate local phone service, the Wyoming Public Service Commission ensures that consumers have:

- access to reliable local phone service;
- affordable local phone service rates;



"This would force customers to take a higher priced phone service with more features."

- access to long distance providers; and
- access to emergency services such as 911.

The phone company lobbyists claim that deregulating local phone service will lower prices. Even if consumers benefit from lower prices, deregulation involves too many risks. ■

Cheyenne attorney Dale W. Cottam represents AARP on utility issues.