

CONSUMER ADVOCATE
F. Anne Ross

ASSISTANT
CONSUMER ADVOCATE
Kenneth E. Traum

STATE OF NEW HAMPSHIRE



OFFICE OF CONSUMER ADVOCATE
21 S. Fruit St., Suite 18
Concord, N.H. 03301-2429

TDD Access: Relay NH
1-800-735-2964

Tel. (603) 271-1172

FAX No. 271-1177

Website:
www.oca.nh.gov

August 2, 2005

FOR IMMEDIATE RELEASE

The Public Utilities Commission (Commission) today released a secretarial letter approving the merger of Verizon Communications, Inc. (Verizon) and MCI, Inc. (MCI) with an order to follow at a later date.

“The Commission has determined that Verizon and MCI have, in accordance with the requirements of RSA 369:8 (II)(b), filed on June 3, 2005, a detailed written representation that the merger will not have an adverse effect on the rates, terms, service or operation of the jurisdictional Verizon and MCI subsidiary utilities within New Hampshire.”

The OCA opposed the merger in the PUC proceeding because in 2004 MCI had 18.2% of the New Hampshire in state toll revenue and Verizon and its affiliates had 40.8%. Following a merger Verizon-MCI will control more than half (59%) of the in state toll market for which they can set toll rates as high as they wish. This transaction eliminates an independent competitive provider of local exchange service as well as in-state and out-of-state toll service.

Right now, without MCI, Verizon already controls more than 80% of the switched access lines in its New Hampshire service territory. The combined Verizon-MCI entity will have a huge share of the bundled local and long distance landline telephone market in New Hampshire. Verizon claims that the merger will not adversely impact consumers or the competitive market. At the Hearing, however, the Verizon witness admitted that Verizon has not done an analysis of whether any cost increases will be passed along to New Hampshire customers following the merger.

The OCA would like to have safeguards in place for consumers if this merger must go through. Consumers should be assured that their quality of service and reasonable rates will not be compromised. For more information or to register your displeasure with the decision please call the Public Utilities Commission at 271-2431 or toll free at 1-800-852-3793.

The OCA is an independent state agency representing the interests of New Hampshire's residential utility ratepayers. For more information see www.oca.nh.gov.