

Colorado

Colorado PUC Consumer Assistance Summary - fiscal years 1991-92 through 1996-97
US West numbers only — statewide

Fiscal Years Ending June 30	Consumer Contacts	Utility in Compliance	Utility not in Compliance	Objections to Rates or Services
1997	3,501	not avail.	454	2,448
1996	4,940	41	1,714	2,475
1995	4,838	223	2,143	1,913
1994	3,126	347	810	1,127
1993	2,609	427	695	625
1992	2,235	121	474	401

*Note: Fiscal years are for July 1 through June 30.
Source: Colorado Public Utilities Commission*

ber Wenzel was complaining to the PUC that the line hadn't been installed. The next month privatel finally got its line.

But by that time, the company had lost three or four potential customers who mentioned the lack of a back-up line as a reason they opted not to choose privatel. They might have brought in \$200 to \$1,000 a month in business, Wenzel says.

In another instance, he noticed that he was getting usage out of only 16 of 24 lines in a "hunt group," in which calls were supposed to be automatically routed to unoccupied lines. After two days of inquiries, U S West finally admitted that its local switch was not capable of hunting past 16 lines, he says. Customers were getting busy signals as they tried to access the Internet through privatel, Wenzel started getting a "little freaked," and the problem was finally fixed — after a complaint to the PUC.

Now, privatel is getting most of its services through Englewood-based ICG Communications Inc.

"ICG has been a lot better to work with," Wenzel says. It's not perfect, he adds, but service is superior, and pricing is "worlds better" than U S West in all but one category — "frame relay" transport of data.

New competition

PUC spokesman Terry Bote says ICG is one of four providers in Colorado that have received full approval from the PUC. The other three are New York-based Teleport Communications Group Inc., which in January became the first competitor to offer local dial-tone service in Boulder-Denver; MCImetro, a subsidiary of Washington, D.C.-based MCI Telecommunications Corp.; and Cedar Rapids, Iowa-based McCloud USA,

which hasn't started service yet.

More than a dozen other companies have received operating certificates but haven't finalized pricing, so they're not yet permitted to operate.

Cindy Schonhaut, spokeswoman for ICG, says her company is concentrating on business service. It technically offers residential service by reselling U S West service, but it is not marketing it. She says ICG offers better quality, lower prices and better service than U S West, but it faces an uphill battle against the entrenched giant.

MCImetro is offering local service to large and medium-sized businesses in Boulder and Denver but has not yet started residential service. For a Boulder business to use the service, it would need to lease a high-capacity line to Denver to connect with MCI's switch and fiber-optic rings there. Typically, a business would need at least 20 lines to make that change from U S West economical, says Bill Levis, director of public policy for MCImetro in Denver.

MCI is touting its customer service advantages over U S West, including a single person to contact about problems and single billing for long distance, local, Internet access, wireless and data services. It also trumpets its 24-hour-a-day, seven-day-a-week customer service. Those advantages have been paying off in the 25 markets in the country where it offers local service, says spokesman Steve McAbee. Since January, its minutes of local calls per day have increased seven-fold, from 2 million to 14 million, he says.

MCI has been delayed in offering local service to Colorado residents and small businesses because of problems in the interface with U S West. It wants computer-to-computer communication with

U S West for switching customers and hopes U S West will have that capability by the end of this year.

TCG, which is 31 percent owned by cable TV company Tele-Communications Inc., also offers competitive service in Boulder County, concentrating on the business market.

In November, McCloud USA will begin offering resale of U S West service to businesses and residents in Pueblo, Fort Collins, Greeley and Loveland. Key to its marketing will be the inclusion of three free features — three-way calling, call transfer and consultation hold — in its local service. McCloud will expand to Boulder some time next year, says spokesman Justin Saylor.

Jumping ship

As competition accelerates, U S West's main advantage will be customer inertia, says Terry Parrish, strategist for Communications Technology Management, a Berthoud-based telecommunications advisory firm. But there are those who will switch.

"I think most of the people tell me that, when they get the chance to go to Jones Telephone, they'll jump ship," Parrish says. "Whenever I get the chance, I certainly will."

He projects that U S West might have less than half of the total market share for local phone service in its territory in 10 years. "I just think people are tremendously frustrated by the past performance of U S West," he says.

What has caused U S West's customer-service problems?

Parrish blames it on the company's recent history of re-engineering and layoffs, first announced in 1993. "When your quality of service is so low, and they opt to lay off people when their quality of service is so bad, that tells me they are more interested in profit than quality of service," says Parrish.

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Callaghan also emphasizes the recent cuts. "They re-engineered and downsized while demand increased for phone service," she said.

Those huge shifts translated into problems for certain customers, some of whom are still not happy. Condo developer Young continues to live with his own small battle on Iris Avenue. The ditch that Public Service dug continues to be occupied only by gas, electric

and cable TV lines. Young's own condo has five lines, and US West has been out to fix them twice in the last month.

At one point, he almost relented. He was about to pay the \$600 to \$800 necessary to open up the trench. But US West told him it would not guarantee a date to show up, so he refused to sign a contract.

"I decided to dig in my heels and not put in the trench," he

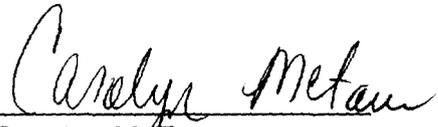
says.

Not too long ago, he got a promising call from a US West representative in Phoenix. The rep checked things out and then called Young back. US West would open the ditch and put in the service in two weeks. Eureka. "I was touting it as quite a victory," Young says.

But the man promised installation in two weeks. That was more than three weeks ago. No one has appeared. ■

CERTIFICATE OF SERVICE

I, Carolyn McTaw, do hereby certify that on this 3rd day of October, 1997, I caused a copy of the foregoing Comments of AT&T Corp. and MCI Telecommunications Corporation to be served upon each of the parties listed on the attached Service List by U.S. First Class mail, postage prepaid.


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