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## Allentown to save \$45,000 annually by dumping Verizon

Posted by [Emily Opilo](#) at 02:18:41 PM on January 3, 2013

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Here's some good news for the dooziest and gloomiest among you. Allentown is poised to save at least \$45,000 annually for the next five years after rebidding its contract for telephone service.

The new contract with Service Electric Telephone will replace an expired deal for dial tone and long distance service with telecom giant Verizon that the city negotiated five years ago.

Although the new contract was bid with the same specifications as the previous one, the Coplay-based Service Electric Telephone substantially underbid Verizon, said Mike Hilbert, superintendent of communications. Verizon wanted about \$44,000 more for the service, he said.

Hilbert said there was little explanation for the shift other than improving technology coupled with a decades old federal decision that allowed independent phone companies to compete with local exchange carriers.

"Five years ago we saw other companies bidding on this, and their prices weren't even close (to Verizon)," he said. "Deregulation has allowed other companies to come in and get equivalent or better service and not give fees and rates that Verizon is required to charge."

The sudden drop in cost caught city officials off guard. Hilbert said he and his staff spent six months vetting the bid from Service Electric Telephone, but the company was highly recommended by officials in other municipalities, he said.

Several members of Allentown City Council commended city officials for choosing a local company to provide the service.

"If we do have issues, they have a lot invested in the city," Hilbert said of the company.

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