

NEW APPLICATION

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REGULATORY CONSULTANTS



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2004 APR 13 P 12 T8

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ORIGINAL

Arizona Corporation Commission  
**DOCKETED**

APR 13 2004

Via Overnight Delivery

April 12, 2004

Docket Control Center  
Arizona Corporation Commission  
1200 W. Washington Street, Room 108  
Phoenix, Arizona 85007-2996

DOCKETED BY

T-04215A-04-0279

RE: Telscape Communications, Inc., Petition for Designation as an Eligible Telecommunications Carrier in the State of Arizona.

Dear Sir or Madam:

Enclosed are an original and thirteen (13) copies of Telscape Communications, Inc.'s ("Telscape") *Petition for Designation as an Eligible Telecommunications Carrier in the State of Arizona* ("Petition"). By this Petition, Telscape requests designation as an Eligible Telecommunications carrier for purposes of drawing from Federal Low-Income and High-Cost support mechanisms, pursuant to 47 U.S.C. § 214 (e)(1) and 47 C.F.R. §§ 54.101 and 201.

Please acknowledge receipt of this filing by file-stamping the additional copy of this filing in the self-addressed, stamped envelope provided for this purpose.

Questions regarding this filing may be directed to the undersigned.

Sincerely,

MILLER ISAR, INC.

Andrew O. Isar

Enclosures

cc: Jeff Compton, Telscape Communications, Inc.

NEW APPLICATION

ORIGINAL

BEFORE THE ARIZONA CORPORATION COMMISSION

2004 APR 13 P 12:18

IN THE MATTER OF THE  
PETITION OF TELScape  
COMMUNICATIONS, INC.  
FOR A DESIGNATION AS AN  
ELIGIBLE TELECOMMUNICATIONS  
CARRIER PURSUANT TO 47 U.S.C.  
§214 (e)(2).

AZ CORP COMMISSION  
DOCUMENT CONTROL

)  
) DOCKET NO. T-04215A-04-0279

**PETITION OF  
TELScape COMMUNICATIONS, INC.  
FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER  
IN THE STATE OF ARIZONA**

Arizona Corporation Commission  
**DOCKETED**  
APR 13 2004

DOCKETED BY	
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Jeff Compton  
Vice President – Carrier Relations  
606 E. Huntington Drive  
Monrovia, CA 91016

Telephone: 626.415.1000  
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## **INTRODUCTION AND SUMMARY**

Pursuant to Section 214 (e)(1) of the Communication Act of 1934, as amended, (the "Act"), 47 C.F.R. §§54.101 and 201 of the rules of the Federal Communications Commission and Arizona Corporation Commission ("Commission"), Telscape Communications, Inc. ("Telscape") hereby petitions the Commission for Designation as an Eligible Telecommunications Carrier ("ETC") in the portions of its authorized service area in Arizona served by Qwest Corporation ("Qwest"), a non-rural incumbent local exchange carrier (ILEC"). Telscape petitions the Commission for ETC designation for purposes of receiving federal and, to the extent available, state, universal service Low-Income Support Mechanism and High-Cost Support Mechanism Fund distributions associated with serving eligible subscribers. As demonstrated below, Telscape satisfies the prerequisites for ETC designation set forth in the Act and Federal Communications Commission ("FCC") rules, and is eminently qualified to serve as an ETC provider in Arizona. Telscape maintains that its designation as an ETC is consistent with the public interest, and respectfully requests that its Petition be granted.

In support of its Petition, Telscape states as follows.

### **I. IDENTIFICATION OF TELSCAPE**

The instant Petition is filed by Telscape Communications, Inc. Telscape's principal place of business is:

Telscape Communications, Inc.  
606 E. Huntington Drive  
Monrovia, CA 91016  
Telephone: 626.415.1000  
Facsimile: 626.415.0104

Correspondence and questions regarding this Petition should be directed to:

Andrew O. Isar  
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and to

Jeff Compton  
Vice President – Carrier Relations  
Telscape Communications, Inc.  
606 E. Huntington Drive  
Monrovia, CA 91016  
Telephone: 626.415.1016  
Facsimile: 626.415.0104

## **II. TELSCAPE'S UNIVERSAL SERVICE OFFERING.**

Telscape is a provider of competitive local exchange, interexchange, and international wireline telecommunications services. Telscape is a common carrier, consistent with the definition in 47 U.S.C. § 153(10) and the requirements of 47 U.S.C. § 214(e)(1). Telscape has been granted international service authority pursuant to 47 U.S.C. § 214(a), and complies with applicable federal regulations governing the provision of domestic interstate interexchange wireline telecommunications services. Telscape has been granted a Certificate of Convenience and Necessity to provide competitive local exchange, and intrastate interexchange wireline telecommunications in Arizona by the Commission.<sup>1</sup>

Telscape intends to obtain universal service support funding applicable to Telscape's provision of service to low-income and high-cost eligible subscribers in areas served by Qwest, a non-rural carrier, in Arizona. As required, this funding will be used

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<sup>1</sup> See, *In the Matter of the Application of Telscape Communications, Inc. for a Certificate of Convenience and Necessity to Provide Competitive Resold Interexchange and Facilities-based Local Exchange Telecommunications Services in Arizona*, Docket No. T-04215A-03-0762, Decision 66789, Opinion and Order (February 13, 2004).

exclusively to supplement Telscape's provision of low cost basic local exchange and interexchange telecommunications service to low income residential subscribers who are eligible for support under the Low Income Support Mechanism. Funding will also be used to supplement Telscape's provision of low cost basic local exchange and interexchange telecommunications service to those eligible for support under the High-Cost Support Mechanism. Such supplemental funding will enable Telscape to provide low-income and high-cost subscribers with a choice of competitive service options and with a variety of innovative, low cost service offerings, currently unavailable in Arizona. Designation of Telscape as an ETC will further accelerate deployment of low cost competitive service offerings for eligible subscribers in Arizona. Telscape's service offerings are competitive with those of Qwest in Arizona.

Telscape has ample long-term experience in serving low-income and high-cost support eligible subscribers. Telscape currently provides service to more than 40,000 low-income support eligible residential subscribers in the State of California, Telscape's headquarters state. These low-income support eligible subscribers represent more than half of the subscribers served by Telscape in California. Telscape is also an active member of California's Telecommunications Program for Rural Low Income Communities, a program formed to make low cost telephone services available to residents of insular low-income communities throughout the State.

### **III. TELSCAPE FULLY MEETS THE STATUTORY AND REGULATORY REQUIREMENTS FOR DESIGNATION AS AN ETC.**

As demonstrated below and in the attached affidavit of Mr. Compton, Telscape meets the requirements for designation as an ETC pursuant to the Act and attendant federal regulation.

#### **A. Telscape Provides Each of the Services Supported By the Federal Low Income Support Mechanism.**

Telscape provides all requisite services and functionalities supported by the Federal universal service program, as set forth in Section 214(e) of the Act and Section 54.101(a) of the FCC's regulations,<sup>2</sup> throughout the service area for which Telscape seeks ETC designation in Arizona.

Pursuant to the Act, in order to be designated as an ETC, a carrier must be a common carrier and both offer and advertise the supported services throughout the designated service area.<sup>3</sup> The following services and functionalities must be provided as the core services to be offered by an ETC to receive federal universal service support under federal regulation:<sup>3</sup>

1. Voice-grade access to the public switched telephone network;
2. Local usage;
3. Dual-tone, multi-frequency ("DTMF") signaling, or its functional equivalent;
4. Single-party service or its functional equivalent;
5. Access to emergency services;
6. Access to operator services;

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<sup>2</sup> 47 C.F.R. §54.101(a).

<sup>3</sup> 47 U.S.C § 214(e)(1).

<sup>3</sup> 47 C.F.R. §54.101(a).

7. Access to interexchange service;
8. Access to directory assistance; and
9. Toll limitation for qualifying low-income consumers.

For purposes of ETC Petitions, carriers must certify that they provide each of the supported services, or where appropriate, its functional equivalent.<sup>4</sup> As demonstrated below and in the Declaration attached hereto as Exhibit A, Telscape provides the requisite core services and functionalities throughout the area for which it seeks ETC designation.

**1. Voice-grade access to the public switched network.** The FCC has defined "Voice grade access" as "a functionality that enables a user of telecommunications services to transmit voice communications, including signaling the network that the caller wishes to place a call, and to receive voice communications, including receiving a signal indicating there is an incoming call. For the purposes of this part, bandwidth for voice grade access should be, at a minimum, 300 to 3,000 Hertz."<sup>5</sup> Telscape meets this requirement by providing voice-grade switched access to the public switched telephone network. Through its interconnection arrangements with Qwest and other local exchange carriers, all customers of Telscape are able to make and receive calls on the public switched telephone network within the specific bandwidth.

**2. Local usage.** ETCs must include local usage beyond providing simple access to the public switched network as part of a universal service offering. Pursuant to federal regulation, " 'Local usage' means an amount of minutes of use of exchange service,

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<sup>4</sup>*Procedures for FCC Designation of Eligible Telecommunications Carriers Pursuant to Section 214 (e)(6) of the Communications Act*, Public Notice, 12 FCC Red 22947, 22948 & n.5 (1997) ("Section 214 (e)(6) Public Notice") and 47 C.F.R. §54.101(a).

<sup>5</sup>47 C.F.R. §54.101(a)(1).

prescribed by the Commission, provided free of charge to end users.<sup>6</sup> Telscape includes specified quantities of usage in each of its rate plans, at the option of the customer, and thereby complies with the requirement that all ETCs offer local usage.

**3. Dual-tone multi-frequency (DTMF) signaling, or its functional equivalent.** “Dual tone multi-frequency” (“DTMF”) is a method of signaling that facilitates the transportation of signaling through the network, shortening call set-up time.”<sup>4</sup> Telscape’s services utilize DTMF as a signaling standard, available to all subscribers without exception. Telscape satisfies the DTMF requirement.

**4. Single-party service or its functional equivalent.** Pursuant to federal regulation, “[S]ingle-party service” is telecommunications service that permits users to have exclusive use of a wireline subscriber loop or access line for each call placed, or, in the case of wireless telecommunications carriers, which use spectrum shared among users to provide service, a dedicated message path for the length of a user’s particular transmission.”<sup>5</sup> Telscape meets the requirement of single-party service by providing a dedicated message path for all customer calls.

**5. Access to emergency services.** “Access to emergency services” includes access to services, such as 911 and enhanced 911, provided by local governments or other

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<sup>6</sup>47 C.F.R. §54.101(a)(2). The FCC has rejected proposals to require unlimited local usage, and has not quantified any minimum amount of local usage required to be included in a universal service offering. In the *First Report and Order*, the FCC deferred a determination on the amount of local usage that a carrier would be required to provide. *Id.* At 8812-14, ¶¶ 65-69. The FCC later issued a Notice of Proposed Rulemaking seeking comment on how much, *if any*, local usage an ETC should be required to offer, *Federal-State Joint Board on Universal Service*, Memorandum Opinion and Order and Further Notice of Proposed Rulemaking, 13 FCC Rcd 21252, 21279-81, ¶¶ 5—53 (1998), but more recently, the FCC decided to “adopt [ ] the Joint Board recommendation that unlimited local usage should not be added to the list of supported services.” *Definition of Universal Service Order*, ¶ 14.

<sup>4</sup> 47 C.F.R. §54.101(a)(3).

<sup>5</sup> *Id.* §54.101(a)(4).

public safety organizations...”<sup>6</sup> Telscape has, since its inception, provided subscribers with access to 911 emergency services consistent with the federal access to emergency services obligations. Telscape will provide access to emergency services throughout its service areas for which ETC designation is sought.

**6. Access to operator services.** “Access to operator services” is defined as access to any automatic or live assistance to a consumer to arrange for billing or completion, or both, of a telephone call.”<sup>7</sup> Telscape provides its subscribers with access to operator services, including customer service and call completion, and thus meets this requirement.

**7. Access to interexchange service.** “Access to interexchange service” is defined as the use of the loop, as well as that portion of the switch that is paid for by the end user, or the functional equivalent of these network elements in the case of a wireless carrier, necessary to access an interexchange carrier's network.”<sup>8</sup> Telscape meets this requirement by providing all of its subscribers with the ability to place and receive interexchange calls. Telscape’s innovative rate plans combine nationwide and international interexchange calling services with local exchange calling under a single monthly recurring charge. To the extent that subscribers would nevertheless wish to access alternative interexchange carriers, they may do so by dialing the alternative carrier’s appropriate access code.

**8. Access to directory assistance.** “Access to directory assistance” is defined as access to a service that includes, but is not limited to, making available to customers, upon request, information contained in directory listings.”<sup>9</sup> Telscape meets this requirement by providing all of its customers with access to directory assistance by dialing “411.”

**9. Toll limitation for qualifying low-income consumers.** An ETC must offer either “toll control” or “toll blocking” services to qualifying Lifeline customers at no

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<sup>6</sup> *Id.* §54.101(a)(5).

<sup>7</sup> *Id.* §54.101(a)(6).

<sup>8</sup> *Id.* §54.101(a)(7).

<sup>9</sup> *Id.* §54.101(a)(8).

additional charge.<sup>10</sup> Once designated as an ETC, Telscape will participate in Lifeline as required, and will provide toll control and/or toll blocking capability pursuant to federal requirements. Telscape switching equipment enables toll limitation and blocking to subscribers at no additional charge to Lifeline customers.

**B. Telscape Offers Supported Services Over Its Own Facilities.**

Pursuant to the Act, a carrier seeking ETC designation must,

offer the services that are supported by Federal universal service support mechanisms under section 254(c) of this title, either using its own facilities or a combination of its own facilities and resale of another carrier's services (including the services offered by another eligible telecommunications carrier);<sup>11</sup>

Telscape certifies that it provides the supported services using its existing network infrastructure, which includes its own switching equipment, as well as interconnection facilities owned or leased by Telscape from other carriers to provide service to subscribers. Telscape supplements its network infrastructure with resale wherever economically feasible.

**C. Telscape Advertises Its Universal Service Offering.**

The Act further requires carriers who seek ETC designation to “advertise the availability of such services and the charges therefore using media of general distribution.” Telscape advertises the availability of its services and the corresponding charges in a manner that informs the general public within the designated service areas of both the services available and the corresponding charges. Telscape will advertise its services through several different media of general distribution throughout the service areas for which designation is requested, including newspaper advertising, as it now does in California.

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<sup>10</sup> *Id.* § 54.101(a)(9).

<sup>11</sup> 47 U.S.C. §214(e)(1)(A).

**IV. TELScape PROVIDES SERVICE THROUGHOUT THE SERVICE AREA IN ARIZONA FOR WHICH IT REQUESTS DESIGNATION.**

Telscape requests ETC designation for the service area in Arizona consisting of each of the Qwest wire centers in Arizona, as is a matter of record with the Commission. Pursuant to Section 54.207 of the FCC's rules, a "service area" is a "geographic area established by a state commission for the purpose of determining universal service obligations and support mechanisms."<sup>12</sup> For areas served by non-rural carriers such as Qwest, there are no restrictions on how a state commission defines the "service area" for purposes of designating a competitive ETC. Therefore, the Commission may designate Telscape as an ETC for a service area consisting of the Qwest wire centers set forth herein.

**V. GRANTING THE INSTANT PETITION WILL SERVE THE PUBLIC INTEREST.**

Although Telscape need not make a public interest showing in connection with this Petition, since it is seeking designation only in areas served by Qwest, a non-rural ILEC,<sup>13</sup> a grant of Telscape's Petition *will* serve the public interest by promoting additional deployment of innovative, competitive local exchange and interexchange services to low income households located in non-rural ILEC service areas in Arizona. Eligible low-income subscribers will realize the benefits of additional, alternative competitive universal service offerings, not currently available. The FCC has recognized

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<sup>12</sup> 47. C.F.R. §54.207(a).

<sup>13</sup> The FCC has specifically rejected proposals to require a public interest showing from carriers seeking ETC designation for areas served by non-rural ILECs, on the basis that, "designation of an additional ETC based upon a demonstration that the requesting carrier complies with the statutory eligibility obligations of section 214(e)(1) is consistent *per se* with the public interest. The carrier need make no further showing to satisfy this requirement." *Federal-State Joint Board on Universal Service; Cellco Partnership d/b/a Bell Atlantic Motile Petition for Designation as an Eligible Telecommunications Carrier*, 16 FCC Rcd 18133, 18138-39, ¶ 15 (2001).

that competition will provide “incentives...to implement new operating efficiencies, lower prices, and offer better service to customers.”<sup>14</sup>

As stated *supra*, Telscape currently serves more than 40,000 eligible low-income and high-cost subscribers in California, making Telscape the third largest supplier of competitive wireline telecommunications services to eligible low-income subscribers in the State of California, according to California Public Utilities Commission data. Telscape has achieved this remarkable distinction in a period of slightly over three years, and anticipates bringing the benefit of its experience to Arizona subscribers.

#### **VI. LOW-INCOME CERTIFICATION.**

Telscape certifies that all low-income and high-cost support mechanism universal services fund disbursements received in Arizona will be used only for the provision, of services to low income-eligible or high-cost subscribers, for which the support is intended, pursuant to federal regulation. See Exhibit A, ¶ 18.

#### **VII. ANTI-DRUG ABUSE CERTIFICATION.**

Telscape certifies that no party to this petition is subject of a denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C § 862, and Sections 1.2002-1.2003 of the FCC’s rules, 47 C.F.R. §§ 1.2001-1.2003. See Exhibit A, ¶ 19.

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<sup>14</sup> *Western Wireless Corporation Petition for Designation as Eligible Telecommunications Carrier for the Pine Ridge Reservation in South Dakota*, Memorandum Opinion and Order, 16 FCC Rcd 18133, 1838-39, ¶ 15 (2001).

**VIII. CONCLUSION**

Telscape respectfully requests that the Commission grant its Petition for Designation as an Eligible Telecommunications Carrier for purposes of obtaining low income and high cost federal universal service support in Arizona, and such other relief as this Commission deems just and proper, on an expedited basis.

Respectfully submitted,

TELSCAPE COMMUNICATIONS, INC.

By:  \_\_\_\_\_

Jeff Compton  
Vice President – Carrier Relations  
Telscape Communications, Inc.  
606 E. Huntington Drive  
Monrovia, CA 91016  
Telephone: 626.415.1016  
Facsimile: 626.415.0104

April 9, 2004

VERIFICATION

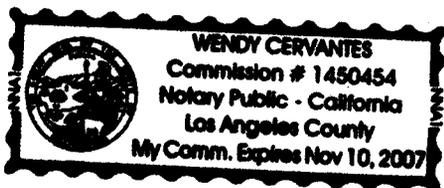
STATE OF CALIFORNIA )
)
COUNTY OF ORANGE ) ss.

I, Jeff Compton, under the pains and penalty of perjury declare that I am Vice President - Carrier Relations for Telscape Communications, Inc., and that I am authorized to make this affidavit on behalf of Telscape Communications, Inc., the Applicant in the instant proceeding. I have read the foregoing Petition and exhibits and verify that the same are true, accurate, and correct to the best of my knowledge, information, and belief.

TELSCAPE COMMUNICATIONS, INC.

By: [Signature]

Jeff Compton
Vice President - Carrier Relations
Telscape Communications, Inc.
606 E. Huntington Drive
Monrovia, CA 91016
Telephone: 626.415.1016
Facsimile: 626.415.0104



Subscribed and sworn to before me this \_\_\_ day of April, 2004.

[Signature]
Notary Public in and for the State
of California, residing at
606 E. Huntington Drive.

My Commission expires: 11/10/2007

## **Exhibit A**

### **Affidavit of Jeff Compton**

Jeff Compton, being first duly sworn upon oath, deposes and states as follows:

1. My name is Jeff Compton and I serve as Vice President – Carrier Relations for Telscape Communications, Inc. (“Telscape”). My business address is 606 E. Huntington Drive, Monrovia, CA 91016. I am an authorized to represent Telscape with regard to its Petition for Designation as an Eligible Telecommunications Carrier (“ETC”) in the State of Arizona (“Petition”).

2. Telscape is authorized to provide competitive local exchange, interexchange, and international wireline telecommunications services pursuant to federal and state regulation. Telscape is a common carrier, consistent with the definition in 47 U.S.C § 153(10) and provides service consistent with the requirements of 47 U.S.C § 214(e)(1). Telscape is a public service corporation within the meaning of Article XV of the Arizona Constitution and A.R.S. §§40-281 and 40-282. Telscape has been granted international service authority pursuant to 47 U.S.C. § 214(a), and complies with applicable federal regulations governing the provision of domestic interstate interexchange wireline telecommunications services. Telscape has been granted a Certificate of Convenience and Necessity to provide competitive local exchange, and intrastate interexchange wireline telecommunications in Arizona by the Commission in Docket No.T-04215A-03-0762.

3. Telscape seeks universal service support funding from the universal service fund Low-Income Support Mechanism and High-Cost Support Mechanism to serve eligible low income and high cost subscribers located in exchanges currently served by Qwest Corporation (“Qwest”), a non-rural incumbent local exchange carrier (ILEC”), in Arizona. Such funding will be used exclusively to supplement Telscape’s provision of low cost basic local exchange and interexchange telecommunications service to low income residential subscribers who are eligible for support under the Low Income Support Mechanism and residential subscribers who reside in high cost service areas who are eligible for support under the High Cost Support Mechanism. Such supplemental funding will enable Telscape to provide low-income subscribers, and those living in insular high cost areas, with a choice of competitive service options and with a variety of innovative, low cost service offerings, currently unavailable in Arizona. Designation of Telscape as an ETC will further accelerate deployment of low cost competitive service offerings for eligible subscribers in Arizona. Telscape’s service offerings are competitive with those of Qwest in Arizona.

4. Telscape has ample long-term experience in serving low-income and high-cost support eligible subscribers. Telscape currently provides service to more than 40,000 low-income support eligible residential subscribers in the State of California, Telscape’s headquarters state. These low-income support eligible subscribers represent

more than half of the subscribers served by Telscape in California. Telscape is also an active member of California's Telecommunications Program for Rural Low Income Communities, a program formed to make low cost telephone services available to residents of insular low-income communities throughout the State.

5. Telscape provides all the services and functionalities supported by the federal universal service program, as set forth in Section 214(e) of the Act and Section 54.101(a) of the FCC's rules, throughout the service area for which it seeks ETC designation in Arizona.

6. Voice-grade access to the public switched network. The FCC has concluded that voice-grade access means the ability to make and receive phone calls, within a specified bandwidth and frequency range. Telscape meets this requirement by providing voice-grade access to the public switched telephone network. All Telscape customers may place and receive calls on the public switched telephone network within the specified bandwidth, through Telscape's interconnection arrangements with Qwest.

7. Local Usage. ETCs is obligated to include local usage plans beyond providing simple access to the public switched network as part of a universal service offering. Telscape includes a variety of usage plans, at the option of the customer, and thereby complies with the requirement that all ETCs offer local usage.

8. Dual-tone multi-frequency ("DTMF") signaling, or its functional equivalent. Telscape provides signaling that facilitates the transport of call set-up and call detail information through its switching equipment, which satisfies this requirement.

9. Single-party service or its functional equivalent. Telscape exclusively provides single-party service to all subscribers by providing a dedicated message path for the length of all customer calls.

10. Access to emergency services. Telscape currently provides its subscribers with access to 911 emergency services in accordance with the requirement to make 911 access available pursuant to federal regulations throughout the service area for which ETC designation is sought, and where requested by local public safety authorities ready to receive the information and where such services are supported by the local exchange carrier.

11. Access to operator services. Telscape meets the ETC requirement of provision of access to operator services, including automatic or live assistance provided to a consumer to arrange for alternate billing or completion of a telephone call, by providing all of its customers with access to operator services and customer service.

12. Access to interexchange service. Telscape meets the ETC requirement to provide interexchange service by according all of its customers with the ability to place and receive interexchange calls. Telscape rate plans include nationwide interexchange

calling at the same rate as local calls. Subscribers are also free to access other interexchange carriers by dialing applicable alternative access codes.

13. Access to directory assistance. Telscape meets the requirement that subscribers be capable of placing directory assistance calls by providing all of its customers with access to directory assistance by dialing "411."

14. Toll limitation for qualifying low-income consumers. Once designated as an ETC, Telscape will provide toll control and/or toll blocking capability pursuant to the federal requirements that ETCs provide toll limitation to qualifying low income consumers.

15. A carrier seeking ETC designation must certify that it provides the requisite services "either using its own facilities or a combination of its own facilities and resale of another carrier's services." Telscape provides the supported services using its existing network infrastructure, which includes use of its own switching equipment and leased facilities.

16. Telscape will advertise the availability of the supported services and the corresponding changes in a manner that informs the general public within the designated service area of both the services available and the corresponding charges. Telscape will advertise its services through several different media of general distribution in Arizona, as it currently does in the State of California

17. Telscape requests ETC designation for the service area served by Qwest, which is a matter of record with the Commission.

18. A grant of Telscape's Petition will serve the public interest by promoting additional deployment of innovative, competitive local exchange and interexchange services to low income households located in non-rural ILEC service areas in Arizona. Eligible low-income subscribers will realize the benefits of additional, alternative competitive universal service offerings, not currently available. Telscape currently serves more than 40,000 eligible low-income subscribers in California, making Telscape the third largest supplier of competitive wireline telecommunications services to eligible low-income subscribers in the State of California. Telscape has achieved this remarkable distinction in a period of slightly over three years, and anticipates bringing the benefit of its experience to Arizona subscribers.

19. Low Income and High-Cost Certification. Telscape certifies that all low income and high cost support mechanism universal services fund disbursements received in Arizona will be used only for the provision, of services to low income-eligible and high cost-eligible subscribers, for which the support is intended.

20. Anti-Drug Abuse Certification. To the best of my knowledge, all Telscape officers, directors, or persons holding 5% or more of the outstanding stock or shares (voting and/or non-voting), as specified by Section 1.2002(b) of the FCC's rules,

are not subject to a denial of federal benefits, including FCC benefits, pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 862.

20. This concludes my affidavit.

TELSCAPE COMMUNICATIONS, INC.

By:



Jeff Compton  
Vice President – Carrier Relations  
Telscape Communications, Inc.  
606 E. Huntington Drive  
Monrovia, CA 91016  
Telephone: 626.415.1016  
Facsimile: 626.415.0104

April 9, 2004