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BEFORE THE ARIZONA CORPORATION COMMISSION RECEIVED

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2 **MARC SPITZER**
Chairman
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5 **JEFF HATCH-MILLER**
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Commissioner
7

Arizona Corporation Commission

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9 **IN THE MATTER OF PROPOSED**
AMENDMENTS TO ARTICLE 11.
10 **COMPETITIVE TELECOMMUNICATIONS**
11 **SERVICES, R14-1-1107, APPLICATION TO**
12 **DICONTINUE OR ABAANDON LOCAL**
13 **EXCHANGE SERVICE AREA**

Docket No.

RT-00000J-03-0218

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NOTICE OF FILING OF AMENDED
A.R.S. §§ 1055(B)(5) and 41-1057(2)
COMPLIANCE FILING

The Arizona Corporation Commission Utilities Division ("Staff") hereby amends its filing for amendment of the above captioned rule. Staff amends the Economic, Small Business and Consumer Impact Statement of its September 2, 2003 filing, pursuant to the August 19, 2003 public comment hearing.

RESPECTFULLY SUBMITTED this 1st day of October, 2003.

ARIZONA CORPORATION COMMISSION

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AMENDED ECONOMIC, SMALL BUSINESS AND
CONSUMER IMPACT STATEMENT

A. Economic, small business and consumer impact summary.

1. Proposed rulemaking.

The proposed amendment to existing Rule R-14-2-1107 will impose on providers of interexchange telecommunications services the same requirements placed on local exchange service providers to file an application with the Commission when the provider seeks to abandon, sell, or otherwise transfer customers. R-14-2-1107 currently applies only to local exchange service providers.

2. Brief summary of the economic impact statement.

The proposed amendment to rules to include a required Application to Discontinue or Abandon interexchange telecommunication services will affect providers of interexchange telecommunications services and consumers of interexchange telecommunications services.

Costs of the proposed rule amendment will include the costs related to expanding the tasks involved in reviewing applications to abandon local exchange service to reviewing both applications to abandon local exchange service and interexchange telecommunications services. Costs may include, in addition to review of applications, the costs of processing requests for waiver of the rule and the costs of any additional compliance and enforcement proceedings that may arise.

The primary benefit of the proposed amendment is the assurance that customers of interexchange telecommunications services will be afforded notice of the proposed abandonment and an opportunity to choose an alternative provider.

The proposed rule amendment is deemed to be the least intrusive and least costly alternative of achieving the purposes of the proposed amendment.

3. Name and address of agency employees to contact regarding this statement.

Adam Lebrecht and Gary H. Horton, Esq. at the Arizona Corporation Commission, 1200 West Washington, Phoenix, Arizona 85007.

B. Economic, small business and consumer impact statement.

1. Identification of the proposed rulemaking.

The proposed amendment to existing Rule R-14-2-1107 will impose on providers of interexchange telecommunications services the same requirements placed on local exchange service providers to file an application with the Commission when the provider seeks to abandon, sell, or otherwise transfer customers. R-14-2-1107 currently applies only to local exchange service providers.

2. Persons who will be directly affected by, bear the costs of, or directly benefit from the proposed rulemaking.

- a. Consumers of interexchange telecommunications services in Arizona.
- b. Interexchange telecommunications service providers in Arizona.

3. Cost-benefit analysis.

a. Probable costs and benefits to the implementing agency and other agencies directly affected by the implementation and enforcement of the proposed rule amendment.

Costs of the proposed rule amendment will include the costs related to expanding the tasks involved in reviewing applications to abandon local exchange service to reviewing both applications to abandon local exchange service and interexchange telecommunications services. Costs may include, in addition to review of applications, the costs of processing requests for waiver of the rule and the costs of any additional compliance and enforcement proceedings that may arise.

The benefit of the proposed amendment is the assurance that consumers of interexchange telecommunications services will be afforded notice of proposed abandonment and an opportunity to choose an alternative provider.

b. Probable costs and benefits to a political subdivision of this state directly affected by the implementation and enforcement of the proposed rule amendment.

Implementation of the proposed rule amendment should not result in any increased cost to any political subdivision. To the extent political subdivisions may be consumers of interexchange

telecommunications services in Arizona, the political subdivision will benefit by notice of intended abandonment and an opportunity to obtain an alternative provider of services.

- c. **Probable costs and benefits to businesses directly affected by the proposed rulemaking, including any anticipated affect on the revenues or payroll expenditure of employers who are subject to the proposed rulemaking.**

Costs to providers of interexchange telecommunications services will include:

The costs associated with filing of an Application to Discontinue or Abandon Service;

The costs associated with notification to all affected customers of the proposed discontinuance or abandonment;

The costs associated with ensuring all affected customers will have access to an alternative interexchange service provider.

- 4. **Probable impacts on private and public employment in business, agencies, and political subdivision of this state directly affected by the proposed rule amendment.**

It is improbable that private and public employment would be affected by the proposed rule amendment.

- 5. **Probable impact of the proposed rulemaking on small business.**

- a. **Identification of the small businesses subject to the proposed rule amendment.**

Businesses subject to the proposed rule amendment are small, intermediate, and large interexchange telecommunications providers. However, few if any, of the interexchange services providers affected by the proposed rule amendment are small businesses as defined under A.R.S. §41-1001.19.

- b. **Administrative and other costs required for compliance with this proposed rule amendment.**

Costs to the Commission of the proposed rule amendment will include the costs related to expanding the tasks involved in reviewing applications to abandon local exchange service to reviewing both applications to abandon local exchange service and

interexchange telecommunications services. Costs may include, in addition to review of applications, the costs of processing requests for waiver of the rule and the costs of any additional compliance and enforcement proceedings that may arise.

Costs to providers of interexchange telecommunications services may include: the costs associated with filing of an Application to Discontinue or Abandon Service; and the costs associated with notification to all affected customers of the proposed discontinuance or abandonment; the costs associated with ensuring all affected customers will have access to an alternative interexchange service provider.

c. A description of the methods that the agency may use to reduce the impact on small businesses.

Few if any, of the interexchange services providers affected by the proposed rule amendment are small businesses as defined under A.R.S. §41-1001.19. Impact is therefore reduced as much as possible.

To the extent small businesses are consumers of interexchange telecommunications services, such small business will benefit from adequate notice of the intention of their providers to abandon the provision of service, and an opportunity to obtain alternative provision.

d. The probable cost and benefit to private persons and consumers who are directly affected by the proposed rule amendment.

Consumers of interexchange telecommunications services should not experience any material increase in costs associated with the proposed rule amendment. Consumers will benefit by receiving adequate notice of the intention of their providers to abandon the provision of service, and an opportunity to obtain alternative provision.

6. A statement of the probable effect on state revenues.

The proposed rule amendment may result in an increase in state revenues if penalties are imposed on interexchange service providers for noncompliance with the rule amendment.

7. A description of any less intrusive or less costly alternative method of achieving the purpose of the proposed rule amendment.

There is no less intrusive or less costly alternative method of achieving the purpose of the proposed rule amendment.

8. **If for any reason adequate data is not reasonably available to comply with the requirements of subsection B of this section the agency shall explain the limitations of the data and the methods that were employed in the attempt to obtain the data and shall characterize the probable impacts in qualitative terms.**

Adequate data is not available to comply with the requirements of subsection B. Therefore, the probable impacts are explained in qualitative terms.