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BEFORE THE ARIZONA CORPORATION COMMISSION

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Commissioner

Arizona Corporation Commission

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

Docket No.
RT-00000J-03-0218
NOTICE OF FILING

15 The Arizona Corporation Commission Staff ("Staff") hereby files the Economic Impact
 16 Statement and Statement of Effect on Small Business as ordered during public comment hearing
 17 August 19, 2003.

18 RESPECTFULLY SUBMITTED this 2nd day of September, 2003.

19 ARIZONA CORPORATION COMMISSION

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**ECONOMIC IMPACT STATEMENT
PER A.R.S. SECTION 41-1057(2).**

1. **BRIEF DESCRIPTION:** The amendment to an existing rule R14-2-1107 is necessary to require interexchange telecommunications service providers who seek to abandon, sell, or otherwise transfer customers to comply with the same application and notice requirements as local exchange service providers. Compliance with the amended rule will assure customers that any changes by telecommunications service providers are reviewed and approved by the Commission.
2. **NEED:** When a carrier intends to no longer provide service and abandon or transfer customers, the carrier must be required to provide advance notice to allow an opportunity for customers to choose an alternative provider. Currently, state rules require local exchange telecommunications providers to provide such notice, but do not require interexchange telecommunications providers to do so.
3. **AFFECTED CLASSES OF PERSONS:** Business and residential customers of interexchange telecommunications providers.
4. **RULE IMPACT ON AFFECTED CLASSES OF PERSONS:** The rule will ensure that customers of interexchange telecommunications providers are provided notice of abandonment or transfer of their interexchange telephone

service so that the customer has adequate time to establish an alternative provider of interexchange telephone service.

- 5. COST AND BENEFITS TO THE AGENCY:** The Commission will be able to better fulfill its role of ensuring that public service corporations act in the public interest by ensuring customers are not left without telephone service without notice. Costs to the Commission will be inconsequential as the Commission now ensures local exchange telecommunications providers comply with the same standards as those proposed for interexchange telecommunications providers. The added manpower will be minimal.
- 6. COST AND BENEFITS TO POLITICAL SUBDIVISIONS:** There will be no impact on political subdivisions.
- 7. COST AND BENEFITS TO PRIVATE PERSONS:** There will be no additional cost to private persons. Private persons will benefit by being assured of advance notice prior to abandonment or transfer of their interexchange telecommunications service.
- 8. COST AND BENEFITS TO CONSUMERS OR USERS OF ANY PRODUCT OR SERVICE IN THE IMPLEMENTATION OF THE NEW RULES:** Customers of interexchange telecommunications services will benefit by being assured notice prior to abandonment or transfer of the service.

9. LESS COSTLY OR INTRUSIVE METHODS: The proposed rule is the least costly and less intrusive method of ensuring customers of interexchange telecommunications service are afforded an opportunity to provide for alternative provision of service in the event their carrier plans to abandon or transfer them as customers.

10. ALTERNATIVE METHODS CONSIDERED: There are no reasonable alternative methods available to ensure proper and adequate notice to interexchange telecommunications customers of pending abandonment or transfer of their service.

**STATEMENT OF EFFECT ON SMALL BUSINESS
PER A.R.S. SECTION 41-1055(B)(5)**

- 1. Small Business Subject to the Rules:** The rule would require providers of interexchange telecommunications services who seek to abandon, sell, or otherwise transfer customers to comply with application and notice regulations currently imposed on providers of local telecommunications exchange service. Therefore, all interexchange telecommunication carriers will be subject to the rule.
- 2. Professional Skills and Reporting and Bookkeeping Procedures Required for Compliance:** No professional skills are required. The application and notice procedures are similar in nature to those already carried out by interexchange telecommunications service providers. A provider will be required to keep books and records adequate to provide proof to the Commission that it has provided required notice to all of its customers.
- 3. Description of Methods Used to Reduce Impact on Small Businesses:** There is no available method of reducing the impact on interexchange telecommunications carriers that would meet the definition of a small business.
- 4. Probable Cost and benefit to private persons and consumers who are directly affected:** Customers would not experience any cost of the notice due to termination of service and would only benefit from the information provided in the notice.