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FROM: Ernest *EJ* Johnson
Director
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AZ CORP COMMISSION
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THRU: Matthew Rowell *MR*
Chief, Telecommunications & Energy Section
Utilities Division

DATE: February 24, 2004

RE: IN THE MATTER OF THE APPLICATION OF MAXTEL USA, INC.
REQUESTING CANCELLATION OF ITS CERTIFICATE OF CONVENIENCE &
NECESSITY TO PROVIDE COMPETITIVE RESOLD LONG DISTANCE
SERVICES IN ARIZONA. (DOCKET NO. T-03956A-04-0051)

Attached is the Staff Report of the application of MaxTel USA, Inc. for cancellation of its Certificate of Convenience and Necessity ("CC&N"). Staff recommends cancellation of the CC&N.

Originator: Adam Lebrecht

Attachment: Original and Sixteen Copies

Arizona Corporation Commission
DOCKETED

FEB 25 2004

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STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

MAXTEL USA, INC.
DOCKET NO. T-03956A-04-0051

IN THE MATTER OF THE APPLICATION OF MAXTEL USA, INC. FOR CANCELLATION
OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE
COMPETITIVE TELECOMMUNICATIONS SERVICES IN ARIZONA

STAFF ACKNOWLEDGEMENT

The Staff Report for MaxTel USA, Inc., Docket No T-03956A-04-0051, was the responsibility of the staff member listed below. Adam Lebrecht was responsible for the review and analysis of the Company's application to cancel its Certificate of Convenience and Necessity.

A handwritten signature in black ink, appearing to read 'AL', is positioned above a horizontal line.

ADAM LEBRECHT
Executive Consultant I

Introduction

On January 26, 2004, MaxTel USA, Inc. ("MaxTel") filed an application with the Arizona Corporation Commission ("Commission") requesting approval to cancel its Certificate of Convenience and Necessity ("CC&N").

Background

On March 30, 2001, the Commission, in Decision No. 63535, originally granted a CC&N to MaxTel to provide resold long distance services in Arizona.

MaxTel requests Commission approval to discontinue its authority to provide resold long distance telecommunications service, abandon its CC&N and revoke its tariff in Arizona.

Staff Analysis

MaxTel filed its application to cancel its CC&N on January 26, 2004. MaxTel is no longer providing resold long distance telecommunications services in Arizona and has no customers.

Consumer Services Staff has indicated that there are no open complaints, inquiries or opinions concerning MaxTel. MaxTel has informed Staff that all customer deposits and/or prepayments were reimbursed to the customers prior to its request to cancel its CC&N. Consequently, there is no risk that an advance, deposit and/or prepayment of funds from Arizona customers would be lost by canceling MaxTel's CC&N.

Since there are numerous other carriers offering similar services, Staff believes granting this application for cancellation of MaxTel's CC&N is in the public interest.

Recommendations

Staff recommends the cancellation of MaxTel's CC&N.

Upon cancellation of its CC&N, MaxTel will no longer be authorized to provide competitive long distance services in Arizona and therefore, will no longer be subject to the requirements of Decision No. 63535.

SERVICE LIST FOR: MAXTEL USA, INC.

DOCKET NO. T-03956A-04-0051

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