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August 23, 2004  
Arizona Corporation Commission  
**DOCKETED**

**AUG 23 2004**

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AZ CORP COMMISSION  
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RECEIVED

Mr. Glenn S. Richards  
Shaw Pittman, LLP  
2300 North Street, NW  
Washington, D.C. 20037

RE: Staff's Letter of Insufficiency and First Set of Data Requests to A.R.C. Networks, Inc.  
d/b/a InfoHighway Docket No. T-04271A-04-0589

Dear Mr. Richards:

On August 9, 2004, A.R.C. Networks, Inc. d/b/a InfoHighway ("InfoHighway") filed an application for a Certificate of Convenience and Necessity ("CC&N") to provide telecommunication services in the State of Arizona. The application is not yet sufficient. This data request lists the information Staff needs to complete its analysis of your application. Please treat this, as Staff's First Set of Data Requests to InfoHighway in the above-referenced matter.

For purposes of this data request set, the words "InfoHighway", "Applicant", "the Company", "you", and "your" refer to A.R.C. Networks, Inc. d/b/a InfoHighway and any representative, including every person and/or entity acting with, under the control of, or on behalf of InfoHighway. For each answer, please identify by name, title, and address each person providing information that forms the basis for the response provided.

These data requests are continuing, and your answers or any documents supplied in response to these data requests should be supplemented with any additional information or documents that come to your attention after you have provided your initial responses.

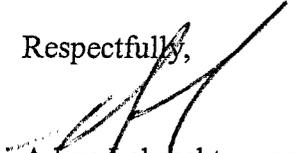
Please provide Docket Control with the information being requested within **60 days** of the date of this letter. Mail an original plus 13 copies to Docket Control, Arizona Corporation Commission, 1200 W. Washington Street, Phoenix, AZ 85007-2927. If no response is received or all deficiencies are not remedied within 60 days, Staff will recommend that the application be terminated as per Rule R14-2-1103(B)3 and R14-2-510(E)3. If the application is terminated, the Applicant cannot provide the same telecommunications services in Arizona for which it is currently applying, until such time as a new application is filed with and approved by the Commission.

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Remember that information submitted for a CC&N will be made a part of the public record (including financial statements). Any information designated as confidential will not be accepted by Docket Control. If you have any questions, please contact me at (602) 364-0235. Thank you for your prompt response to this request.

Respectfully,



Adam Lebrecht  
Executive Consultant I  
Utilities Division

Enclosure(s)

CC: Docket Control Center (Original and Sixteen Copies)

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STAFF'S FIRST SET OF DATA REQUESTS FOR  
A.R.C. NETWORKS, INC. D/B/A INFOHIGHWAY  
DOCKET NO. T-04271A-04-0589

Please make sure each numbered item and each part of the item is answered completely. In order for Staff to continue with its review of this application, the following information must be submitted:

1. Please submit a non-PDF file of your responses to this data request to [alebrecht@cc.state.az.us](mailto:alebrecht@cc.state.az.us).
2. Please provide a copy of InfoHighway's Certificate of Good Standing in Arizona. Refer to item (A-8-1) of the application form.
3. Please list any owners, managers etc. that were not mentioned in item (A-8-2) of the application form. When combined, the total combined percentage is equal to 100. Refer to item (A-8-3) of the application form.
4. Please explain in as much detail possible, including docket number(s) and date(s), the formal complaint mentioned in item (A-11) of the application form.
5. Please submit copies of affidavits of publication indicating InfoHighway has published legal notice in all the counties where the authority to provide service is requested. Refer to item (A-16) of the application form.
6. Please indicate the value of all assets currently located in Arizona.
7. Please indicate when InfoHighway expects to begin providing the services requested. Refer to item (D-1) of the application form.
8. Please provide an answer to item (D-2) of the application form.
9. Please indicate if InfoHighway plans to offer service in the residential and/or business marketplaces.
10. Please explain how your company calculated the actual maximum and actual minimum rates that will be contained in your tariffs for each of your services.
11. Please indicate why you believe that your range of rates is just and reasonable using a competitive market analysis. Your analysis may contain publicly available examples of rates charged by the incumbent or other carriers for similar services or any other information that you believe demonstrates that your actual rates are just and reasonable. Please include any supporting materials. For a list of telecommunications carriers certificated in Arizona, go to

[www.cc.state.az.us/utility/utility](http://www.cc.state.az.us/utility/utility) for a list of Commission-approved telecommunications rates and tariffs, go to [www.cc.state.az.us/utility/tariffs](http://www.cc.state.az.us/utility/tariffs).

12. Please indicate why you believe that your range of rates is just and reasonable using a fair value or cost basis. Please include economic justification or cost support data. Please include any supporting materials.
13. Please identify any other jurisdictions in which your company or an affiliate provides similar services. Please specify the rates that your company and/or affiliate charges for these similar services in these other jurisdictions. If there is a difference between the rates that your company will charge in Arizona and the rates that your company and/or affiliate charges in other jurisdictions for similar service please identify and indicate the amount of the difference and explain why you are charging different rates in Arizona.
14. Please identify any other jurisdictions in which your company or an affiliate is applying to provide similar services. Please specify the rates that your company and/or affiliate will charge for these similar services in these other jurisdictions. If there is a difference between the rates that your company charges in Arizona and the rates that your company and/or affiliate will charge in other jurisdictions for similar services, please identify and indicate the amount of the difference and explain why you intend to charge different rates in Arizona.