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MEMORANDUM

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2004 OCT 29 A 10:07

TO: Docket Control

FROM: Ernest G. Johnson *EJ*
Director
Utilities Division

THRU: Wilfred Shand, Jr. *WJ*
Manager, Telecommunications Section
Utilities Division

AZ CORP COMMISSION
DOCUMENT CONTROL

Arizona Corporation Commission

DOCKETED

OCT 29 2004

Matthew Rowell *MR*
Chief, Telecommunications & Energy Section
Utilities Division

DOCKETED BY *MR*

DATE: October 29, 2004

RE: IN THE MATTER OF THE APPLICATION OF COMTECH21, LLC FOR APPROVAL OF A TRANSACTION WHEREBY UNITED SYSTEMS ACCESS TELECOM, INC. TRANSFERS ITS CUSTOMERS TO COMTECH21, LLC (DOCKET NOS. T-04080A-04-0510 AND T-04058A-04-0510)

Attached is the Staff Report of the application of ComTech21, LLC and United Systems Access Telecom, Inc. for approval of a transfer of customers and waiver of A.A.C. R14-2-1904 and A.A.C. R14-2-1905.

Originator: Adam Lebrecht

Attachment: Original and Sixteen Copies

Service List for: ComTech21, LLC and United Systems Access Telecom, LLC
Docket Nos. T-04080A-04-0510 and T-04058A-04-0510

Sonja Johnson-Byers
ComTech21, LLC
One Barnes Park South
Wallingford, Connecticut 06492

Mr. Christopher C. Kempley
Arizona Corporation Commission
Legal Division
1200 West Washington Street
Phoenix, Arizona 85007

Mr. Ernest G. Johnson
Arizona Corporation Commission
Utilities Division
1200 West Washington Street
Phoenix, Arizona 85007

Ms. Lyn Farmer
Chief Administrative Law Judge
Arizona Corporation Commission
Hearing Division
1200 West Washington Street
Phoenix, Arizona 85007

STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

COMTECH21, LLC and UNITED SYSTEMS ACCESS TELECOM, INC.
DOCKET NOS. T-04080A-04-0510 AND T-04058A-04-0510

IN THE MATTER OF THE APPLICATION OF COMTECH21, LLC FOR APPROVAL OF A
TRANSACTION WHEREBY UNITED SYSTEMS ACCESS TELECOM, INC. TRANSFERS
ITS CUSTOMERS TO COMTECH21, LLC

October 29, 2004

STAFF ACKNOWLEDGEMENT

The Staff Report for ComTech21, LLC and United Systems Access Telecom, Inc. Docket Nos. T-04080A-04-0510 and T-04058A-04-0510, 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 be 'AL', is written over a horizontal line.

ADAM LEBRECHT
Executive Consultant I

Introduction

On July 19, 2004, ComTech21, LLC ("ComTech21") and United Systems Access Telecom, Inc. ("USAT") filed with the Arizona Corporation Commission ("Commission"), a notification of a customer transfer between the two companies. In this transfer, customers of USAT will be transferred to ComTech21. On August 17, 2004, ComTech21 requested that the Commission's Slamming and Cramming rules (which relate to unauthorized carrier changes) be waived in this matter.

Background

On March 20, 2003, the Commission, in Decision No. 65760, originally granted a CC&N to ComTech21 to provide resold long distance service in Arizona.

On November 21, 2002, the Commission, in Decision No. 65409, originally granted a CC&N to USAT to provide resold long distance service in Arizona.

ComTech21 and USAT request Commission approval to transfer customers from USAS to ComTech21.

Staff Analysis

The Commission does not have rules concerning transfers of customer base. However, the Federal Communications Commission ("FCC") does have rules which govern transfers of customer base. 47 C.F.R. §64.1120 indicates that companies transferring customers are required to notify the affected customers. The FCC rules specify the information that must be included in the customer notification. Staff has reviewed the customer notice provided to the customers of USAS. The notice does comply with all FCC rules regarding customer notification under 47 C.F.R. §64.1120. The notice informs Customers of their options concerning the carrier they will be transferred to as well as their options regarding selecting a new carrier. Also, ComTech21 has indicated that it will conform to all FCC rules and regulations concerning transfer of carrier to carrier subscriber bases. Consequently, Staff believes ComTech21's requested waiver of the Commission's Slamming and Cramming rules should be approved.

Recommendations

Staff recommends the approval of ComTech21's and USAT' transfer of customers. Staff also recommends approval of ComTech21's request for a waiver of A.A.C. R14-2-1904 and A.A.C. R14-2-1905.

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NEW APPLICATION

Adam

JUL 19 2004

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

BEFORE THE
STATE OF ARIZONA
CORPORATION COMMISSION

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2004 JUL 16 A 11: 32

June 23, 2004

Application of ComTech21, LLC
For Approval of a Transaction Whereby United Systems Access)
Services, Inc. Transfers Its Customers to ComTech21, LLC)

AZ CORP COMMISSION
DOCUMENT CONTROL

Case No. _____

T-04080A-04-0510

T-04058A-04-0510

APPLICATION TO TRANSFER CUSTOMER BASE

ComTech21, LLC, d/b/a/ ComTech21 hereby requests approval of a transaction whereby ComTech21, LLC ("ComTech21") will acquire. "United Systems Access" customers. United Systems Access will transfer its customers to ComTech21, and ComTech21 requests a waiver of the applicable subscriber authorization and verification requirements for the change of customers' primary interexchange carrier.¹ United Systems Access² and ComTech21³ are nondominant interexchange carriers authorized by this Commission to provide interexchange telecommunications services in the State of Arizona.

ComTech21 respectfully requests expedited treatment of this Application. In support of their request, ComTech21 and United Systems Access provide the following information:

¹ Concurrent with this filing, ComTech21 has petitioned the Federal Communications Commission to grant a limited waiver of its subscriber carrier selection rules (47C.F.R. §§64.1100 through 64.1190 (2000)) and relevant Orders to the extent necessary to permit Cybertel Communications to transfer its customers to ComTech21's customer base without first obtaining the customers' authorization and verification.

² United Systems Access is authorized to operate as a switchless reseller of interexchange telephone service pursuant to the Commission's Decision 11/20/02.

³ ComTech21 is authorized as reseller of all forms of telecommunications services pursuant to Commission's Decision No. 65760, dated 3/20/03.

THE PARTIES

A. Comtech21, LLC

ComTech21 is a Delaware limited liability company. ComTech21 maintains its principal office at One Barnes Park South, Wallingford, Connecticut 06492.

ComTech21 is authorized to provide intrastate resold interexchange telecommunications services in more than 48 states. ComTech21 provides interexchange telecommunications services in the State of Arizona pursuant to the Certificate of Public Convenience and Necessity issued by the Commission on 3/20/2003.⁴ ComTech21 is authorized by the Federal Communications Commission ("FCC") to provide international switched and private line telecommunications services between the United States and various international points.⁵

ComTech21 is an experienced and duly certified telecommunications carrier and has sufficient managerial and financial qualifications to acquire the customer assets of United Systems Access and to ensure the uninterrupted provision of telecommunications services. Further information concerning ComTech21's managerial, technical, and financial qualifications to provide telecommunications services were filed with ComTech21's application for certification in Arizona, and is incorporated herein by reference.

⁴ See *supra* note 3.

⁵ ComTech21 holds Section 214 global resale and facilities-based authority pursuant to Section 214 of the Communications Act of 1934, as amended. FCC File No. ITC-214-20000419-00289, Public Notice Report No. TEL-00242 (May 24, 2000).

B. United Systems Access Company

United Systems Access is a Delaware corporation with principal offices located at 5 Bragdon Lane Suit 200, Kennebunk, Maine 04043 currently provides intrastate interexchange telecommunications service in Arizona, pursuant to authority issued by the Arizona Corporation Commission.

II DESIGNATED CONTACTS

The designated contacts for questions concerning this Application are:

Sonja Johnson-Byers

Director – Regulatory Compliance

ComTech21, LLC

One Barnes Park South

Wallingford, CT. 06492

203-679-7290

With a copy to:

Marie Marcarelli

Executive Vice President

ComTech21, LLC

One Barnes Park South

Wallingford, CT 06492

203-679-7201

II. THE TRANSACTION

Pursuant to an agreement executed between ComTech21 and United Systems Access, United Systems Access has agreed to divest certain retail assets. The parties intend to transfer United Systems Access customers to ComTech21. UNITED SYSTEMS ACCESS intends to migrate approximately 112 customers to ComTech21 in the State of Arizona on August 15, 2004. ComTech21 will provide interexchange service to these customers under the same or better rates as provided by United Systems Access. Because ComTech21 is already authorized to provide long distance services in the State of Arizona, the transfer of United Systems Access long distance customers will proceed following the Commission's approval of this Application.

ComTech21 requests authority to transfer United Systems Access customers to ComTech21, and ComTech21 requests a waiver of the applicable carrier change authorization and verification rules. Upon Commission approval of this Application, but prior to the transfer of United Systems Access customers to ComTech21, ComTech21 will provide notice to these customers of the change in their interexchange service provider. These customers will be notified via a letter that states: (a) the quality of service to the customers will remain the same and that ComTech21 will continue to provide service to the customers with the same or better services and rates currently provided to them by United Systems Access; (b) the customers have the right to switch to the interexchange carrier of their choice; (c) ComTech21 will reimburse customers for any primary interexchange carrier ("PIC") change charges if imposed by local exchange carriers ("LEC") in connection with this transaction; and (d) the customers may contact

ComTech21 via a toll-free number with any questions regarding the switch over. ComTech21 will also amend its tariff, if necessary, to include the applicable United Systems Access services and rates for these customers. After the consummation of the transfer, ComTech21 will send another notification letter welcoming customers and reiterating statements (a) through (d) above. Therefore, the transaction will be completely transparent to customers and will not involve a change in the manner or quality in which United Systems Access customers will receive their telecommunications services.

As such, this transaction will neither disrupt the service nor cause inconvenience or confusion to United Systems Access customers. Similarly, the proposed transaction will have no effect on the operation of ComTech21, which will continue providing intrastate interexchange telecommunications services to customers pursuant to its existing Arizona authorization.

III. PUBLIC INTEREST CONSIDERATIONS

Telecommunications customers and the general public will realize significant benefits from the transfer of United Systems Access customer base to ComTech21. Approval of the proposed transaction will service the public interest by allowing United Systems Access's customers to continue to receive service, under the same or better rates than those they currently enjoy. The customers will be sufficiently notified of the transaction and their rights before and after the transaction. As a result of the transfer, there is no change in the quality of service provided to customers and the customers are protected because they are being served by an experienced and qualified carrier. Hence, the public

interest is served by ComTech21's provision of interexchange service to the transferred United Systems Access customers.

IV. CONCLUSION

WHEREFORE, ComTech21 respectfully requests that the Commission approve the proposed transfer of United Systems Access's customer assets to ComTech21, and grant all other relief as necessary and appropriate to effectuate the proposed transaction described herein.

Respectfully submitted,

A handwritten signature in cursive script that reads "Marie Marcarelli".

Marie Marcarelli

Executive Vice President

ComTech21, LLC

VERIFICATION

I, Marie Marcarelli, declare under penalty of perjury, that I am the Executive Vice President of ComTech21, LLC ("ComTech21), in this proceeding; that I am authorized to make this verification on behalf of ComTech21, that I have read the foregoing Application and that facts stated therein are true and correct to the best of my knowledge, information and belief.

Marie Marcarelli

Marie Marcarelli

Executive Vice President

ComTech21, LLC

Sworn to and subscribed before me this 30th day of June, 2004.

Marian J. Di Nicola

Notary Public

My Commission Expires:

May 31, 2006



T-04080A-04-0510
T-04058A-04-0510

COMTECH21, LLC**NOTICE OF CHANGE IN LONG DISTANCE SERVICE PROVIDER**

July 22, 2004

Dear Current United Systems Access Customer:

ComTech21 and United Systems Access are pleased to announce that as of September 15, 2004, United Systems Access customers will begin receiving long distance service from ComTech21.

Please note the following important information:

1. ComTech21 is committed to provide you with quality telecommunications services consistent with those services that you receive via United Systems Access. Your service will be provided on the same premier carrier network.
2. ComTech21 will maintain your existing rate structure. There will be no change in your rates as a result of this change.
3. In the unfortunate event that you would prefer to use another company as your long distance carrier, you have the right to switch to a long distance carrier of your choice.
4. ComTech21 will reimburse you for any primary long distance carrier change charges if they are imposed by your local exchange carrier in connection with the switch to ComTech21. (Please note that your primary long distance carrier will be changed even if you have a PIC Freeze associated with your telephone line).
5. ComTech21 will be responsible for the overall management of your account as of September 15, 2004. You may contact ComTech21 at its toll-free number, 1-866-547-4705, with any questions regarding your change in service provider.

ComTech21 extends a special welcome to all United Systems Access customers. Our staff is committed to providing you with quality service that exceeds your expectations. To learn more about ComTech21's products and services please call ComTech21 at its toll-free customer service number, 1-866-547-4705 or visit us on the worldwide web at www.comtech21.com.

Sincerely,

Customer Service Manager

1904, 1905

SLAWANNO / CRAWAN

563 7861

T-04080A-04-0510
T-04058A-04-0510



August 27, 2004

Mr. Adam Lebrecht
Arizona Corporation Commission
1200 Washington Street
Phoenix, AZ 85007

Via Fax: 602-542-2129

Re: Transfer of Customer Base

Dear Adam,

Per our conversation please be advised that ComTech21, LLC will conform to all the FCC's rules and regulations concerning the transfer of carrier to carrier subscriber's base.

If you have any questions or concerns, I can be reached directly on 203-679-7290, or you may email me at sjohnson-byers@comtech21.com.

Sincerely,



Sonja Johnson-Byers
Director Regulatory & Compliance

T-04080A-04-0510

From: "Sonja Johnson-Byers" <SJohnson-Byers@comtech21.com>
To: <ajl@util.cc.state.az.us>
Date: 8/4/2004 1:07:02 PM
Subject: ComTech21 T-04080A-04-0510 AZ

Adam,

ComTech21, LLC would like a waiver of the Arizona Corporation Commissions Slamming and Cramming Rules as it relates to the transfer of United Systems Access customer base to ComTech21.

Thank you.

Sonja Johnson-Byers

203-679-7290

sjohnson-byers@comtech21.com

This e-mail and any attachments may be confidential or legally privileged. If you received this message in error or are not the intended recipient, please destroy the e-mail message and any attachments or copies. You are prohibited from retaining, distributing, or disclosing any information contained herein. Please inform us of the erroneous delivery by return e-mail. Thank you for your cooperation.

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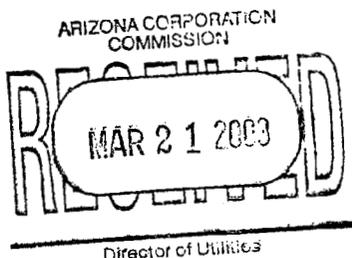
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DIRECTOR

BEFORE THE ARIZONA CORPORATION COMMISSION

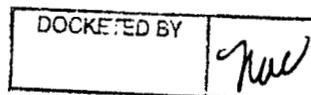
COMMISSIONERS

MARC SPITZER, Chairman
JIM IRVIN
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
MIKE GLEASON



Arizona Corporation Commission
DOCKETED

MAR 20 2003



IN THE MATTER OF THE APPLICATION OF
COMTECH 21, L.L.C. FOR A CERTIFICATE OF
CONVENIENCE AND NECESSITY TO PROVIDE
COMPETITIVE RESOLD INTEREXCHANGE
TELECOMMUNICATIONS SERVICES, EXCEPT
LOCAL EXCHANGE SERVICES

DOCKET NO. T-04080A-02-0053

DECISION NO. 65760

ORDER

Open Meeting
March 11 and 12, 2003
Phoenix, Arizona

BY THE COMMISSION:

Having considered the entire record herein and being fully advised in the premises, the Commission finds, concludes, and orders that:

FINDINGS OF FACT

1. On January 22, 2002, ComTech 21, L.L.C. ("Applicant" or "ComTech 21") filed with the Arizona Corporation Commission ("Commission") an application for a Certificate of Convenience and Necessity ("Certificate") to provide competitive resold interexchange telecommunications services, except local exchange services, within the State of Arizona.
2. Applicant is a switchless reseller that purchases telecommunications services from a variety of carriers for resale to its customers.
3. In Decision No. 58926 (December 22, 1994), the Commission found that resold telecommunications providers ("resellers") are public service corporations subject to the jurisdiction of the Commission.
4. ComTech 21 has authority to transact business in the State of Arizona.
5. On February 25, 2002, ComTech 21 filed an Affidavit of Publication indicating

1 compliance with the Commission's notice requirements.

2 6. On January 28, 2003, the Commission's Utilities Division Staff ("Staff") filed a Staff
3 Report which includes Staff's fair value rate base determination in this matter and recommends
4 approval of the application subject to certain conditions.

5 7. In the Staff Report, Staff stated that ComTech 21 provided financial statements for the
6 eight months ending November 30, 2002, which list assets of \$2.99 million, equity of \$1.54 million
7 and net income of \$217,390.

8 8. In its Staff Report, Staff stated that based on information obtained from the Applicant,
9 it has determined that ComTech 21's fair value rate base ("FVRB") is zero. Staff has determined that
10 Applicant's FVRB is too small to be useful in a fair value analysis, and is not useful in setting rates.
11 Staff further stated that in general, rates for competitive services are not set according to rate of return
12 regulation, but are heavily influenced by the market. Staff recommended that the Commission not set
13 rates for ComTech 21 based on the fair value of its rate base.

14 9. Staff believes that ComTech 21 has no market power and that the reasonableness of its
15 rates will be evaluated in a market with numerous competitors. In light of the competitive market in
16 which the Applicant will be providing its services, Staff believes that the rates in Applicant's
17 proposed tariffs for its competitive services will be just and reasonable, and recommends that the
18 Commission approve them.

19 10. Staff recommended approval of ComTech 21's application subject to the following:

20 (a) The Applicant should be ordered to comply with all Commission rules, orders,
21 and other requirements relevant to the provision of intrastate telecommunications
22 service;

23 (b) The Applicant should be ordered to maintain its accounts and records as
24 required by the Commission;

25 (c) The Applicant should be ordered to file with the Commission all financial and
26 other reports that the Commission may require, and in a form and at such times as the
27 Commission may designate;

28 (d) The Applicant should be ordered to maintain on file with the Commission all
current tariffs and rates, and any service standards that the Commission may require;

1 (e) The Applicant should be ordered to comply with the Commission's rules and
2 modify its tariffs to conform to these rules if it is determined that there is a conflict
between the Applicant's tariffs and the Commission's rules;

3 (f) The Applicant should be ordered to cooperate with Commission investigations
4 of customer complaints;

5 (g) The Applicant should be ordered to participate in and contribute to a universal
6 service fund, as required by the Commission;

7 (h) The Applicant should be ordered to notify the Commission immediately upon
changes to the Applicant's address or telephone number;

8 (i) If at some future date, the Applicant wants to collect from its customers an
9 advance, deposit and/or prepayment, it must file information with the Commission for
10 Staff review. Upon receipt of such filing and after Staff review, Staff would forward
its recommendation to the Commission;

11 (j) The Applicant's interexchange service offerings should be classified as
12 competitive pursuant to A.A.C. R14-2-1108;

13 (k) The Applicant's maximum rates should be the maximum rates proposed by the
14 Applicant in its proposed tariffs. The minimum rates for the Applicant's competitive
services should be the Applicant's total service long run incremental costs of
15 providing those services as set forth in A.A.C. R14-2-1109; and

16 (l) In the event that the Applicant states only one rate in its proposed tariff for a
17 competitive service, the rate stated should be the effective (actual) price to be charged
for the service as well as the service's maximum rate.

18 11. Staff further recommended that ComTech 21's Certificate should be conditioned upon
19 the Applicant filing conforming tariffs in accordance with this Decision within 365 days from the
20 date of an Order in this matter, or 30 days prior to providing service, whichever comes first.

21 12. Staff recommended that if the Applicant fails to meet the timeframes outlined in
22 Findings of Fact No. 12, that ComTech 21's Certificate should become null and void without further
23 Order of the Commission, and that no time extensions for compliance should be granted.

24 13. The rates proposed by this filing are for competitive services.

25 14. Staff's recommendations as set forth herein are reasonable.

26 15. ComTech 21's fair value rate base is zero.

27 CONCLUSIONS OF LAW

28 1. Applicant is a public service corporation within the meaning of Article XV of the

Docet

BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

DOCKETED

NOV 20 2002

1 WILLIAM A. MUNDELL
2 CHAIRMAN
3 JIM IRVIN
4 COMMISSIONER
5 MARC SPITZER
6 COMMISSIONER

DOCKETED BY 

6 IN THE MATTER OF THE APPLICATION OF
7 UNITED SYSTEMS ACCESS TELECOM, INC.
8 FOR A CERTIFICATE OF CONVENIENCE AND
9 NECESSITY TO PROVIDE COMPETITIVE
RESOLD INTEREXCHANGE
TELECOMMUNICATIONS SERVICES, EXCEPT
LOCAL EXCHANGE SERVICES

DOCKET NO. T-04058A-01-0831

65409

DECISION NO. _____

ORDER

10 Open Meeting
11 November 19 and 20, 2002
12 Phoenix, Arizona

12 BY THE COMMISSION:

13 Having considered the entire record herein and being fully advised in the premises, the
14 Commission finds, concludes, and orders that:

15 FINDINGS OF FACT

16 1. On October 23, 2001, United Systems Access Telecom, Inc. ("Applicant" or "USAT")
17 filed with the Arizona Corporation Commission ("Commission") an application for a Certificate of
18 Convenience and Necessity ("Certificate") to provide competitive resold interexchange
19 telecommunications services, except local exchange services, within the State of Arizona.

20 2. Applicant is a switchless reseller that purchases telecommunications services from a
21 variety of carriers for resale to its customers.

22 3. In Decision No. 58926 (December 22, 1994), the Commission found that resold
23 telecommunications providers ("resellers") are public service corporations subject to the jurisdiction
24 of the Commission.

25 4. USAT has authority to transact business in the State of Arizona.

26 5. On June 13, 2002, USAT filed an Affidavit of Publication indicating compliance with
27 the Commission's notice requirements.

1 6. On July 5, 2002, Staff filed in this docket a letter to the Applicant requesting
2 information necessary in order to make a fair value rate base finding. Applicant filed a corrected
3 response on August 5, 2002.

4 7. On September 27, 2002, the Commission's Utilities Division Staff ("Staff") filed a
5 Staff Report which includes Staff's fair value rate base determination in this matter and recommends
6 approval of the application subject to certain conditions.

7 8. In the Staff Report, Staff stated that USAT provided financial statements for the three
8 months ending June 30, 2002, which list assets of \$5.1 million, equity of \$634,422 and net loss of
9 \$472,654.

10 9. In its Staff Report, Staff stated that based on information obtained from the Applicant,
11 it has determined that USAT's fair value rate base is zero, and is not useful in setting rates. Staff
12 further stated that in general, rates for competitive services are not set according to rate of return
13 regulation, but are heavily influenced by the market. Staff recommended that the Commission not set
14 rates for USAT based on the fair value of its rate base.

15 10. Staff believes that USAT has no market power and that the reasonableness of its rates
16 will be evaluated in a market with numerous competitors. In light of the competitive market in which
17 the Applicant will be providing its services, Staff believes that the rates in Applicant's proposed
18 tariffs for its competitive services will be just and reasonable, and recommends that the Commission
19 approve them.

20 11. Staff recommended approval of USAT's application subject to the following:

21 (a) The Applicant should be ordered to comply with all Commission rules, orders,
22 and other requirements relevant to the provision of intrastate telecommunications
23 service;

24 (b) The Applicant should be ordered to maintain its accounts and records as
25 required by the Commission;

26 (c) The Applicant should be ordered to file with the Commission all financial and
27 other reports that the Commission may require, and in a form and at such times as the
28 Commission may designate;

 (d) The Applicant should be ordered to maintain on file with the Commission all

1 current tariffs and rates, and any service standards that the Commission may require;

2 (e) The Applicant should be ordered to comply with the Commission's rules and
3 modify its tariffs to conform to these rules if it is determined that there is a conflict
4 between the Applicant's tariffs and the Commission's rules;

5 (f) The Applicant should be ordered to cooperate with Commission investigations
6 of customer complaints;

7 (g) The Applicant should be ordered to participate in and contribute to a universal
8 service fund, as required by the Commission;

9 (h) The Applicant should be ordered to notify the Commission immediately upon
10 changes to the Applicant's address or telephone number;

11 (i) If at some future date, the Applicant wants to collect from its customers an
12 advance, deposit and/or prepayment, it must file information with the Commission for
13 Staff review. Upon receipt of such filing and after Staff review, Staff would forward
14 its recommendation to the Commission;

15 (j) The Applicant's interexchange service offerings should be classified as
16 competitive pursuant to A.A.C. R14-2-1108;

17 (k) The Applicant's maximum rates should be the maximum rates proposed by the
18 Applicant in its proposed tariffs. The minimum rates for the Applicant's competitive
19 services should be the Applicant's total service long run incremental costs of
20 providing those services as set forth in A.A.C. R14-2-1109; and

21 (l) In the event that the Applicant states only one rate in its proposed tariff for a
22 competitive service, the rate stated should be the effective (actual) price to be charged
23 for the service as well as the service's maximum rate.

24 12. Staff further recommended that USAT's Certificate should be conditioned upon the
25 Applicant filing conforming tariffs in accordance with this Decision within 365 days from the date of
26 an Order in this matter, or 30 days prior to providing service, whichever comes first.

27 13. Staff recommended that if the Applicant fails to meet the timeframes outlined in
28 Findings of Fact No. 12, that USAT's Certificate should become null and void without further Order
of the Commission, and that no time extensions for compliance should be granted.

14. The rates proposed by this filing are for competitive services.

15. Staff's recommendations as set forth herein are reasonable.

16. USAT's fair value rate base is zero.

CONCLUSIONS OF LAW

1
2 1. Applicant is a public service corporation within the meaning of Article XV of the
3 Arizona Constitution and A.R.S. §§ 40-281 and 40-282.

4 2. The Commission has jurisdiction over Applicant and the subject matter of the
5 application.

6 3. Notice of the application was given in accordance with the law.

7 4. Applicant's provision of resold interexchange telecommunications services is in the
8 public interest.

9 5. Applicant is a fit and proper entity to receive a Certificate as conditioned herein for
10 providing competitive resold interexchange telecommunications services in Arizona.

11 6. Staff's recommendations in Findings of Fact No. 9, 10, 11, 12 and 13 should be
12 adopted.

13 7. USAT's fair value rate base is not useful in determining just and reasonable rates for
14 the competitive services it proposes to provide to Arizona customers.

15 8. USAT's rates, as they appear in its proposed tariffs, are just and reasonable and should
16 be approved.

ORDER

17
18 IT IS THEREFORE ORDERED that the application of United System Access Telecom, Inc.
19 for a Certificate of Convenience and Necessity for authority to provide competitive resold
20 interexchange telecommunications services, except local exchange services, is hereby granted,
21 conditioned upon its compliance with the conditions recommended by Staff as set forth in Findings of
22 Fact No. 12 above.

23 IT IS FURTHER ORDERED that Staff's recommendations set forth in Findings of Fact Nos.
24 9, 10, 11, 12 and 13 above are hereby adopted.

25 IT IS FURTHER ORDERED that United System Access Telecom, Inc. shall comply with the
26 adopted Staff recommendations as set forth in Findings of Fact Nos. 11 and 12 above.

27 IT IS FURTHER ORDERED that if United System Access Telecom, Inc. fails to meet the
28 timeframes outlined in Findings of Fact. No. 12 above that the Certificate conditionally granted

1 herein shall become null and void without further Order of the Commission.

2 IT IS FURTHER ORDERED that United Systems Access Telecom, Inc. shall not require its
3 Arizona customers to pay advances, prepayments or deposits for any of its products or services.

4 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

5 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

6 

7 CHAIRMAN

8 

COMMISSIONER

9 

COMMISSIONER

10 IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive
11 Secretary of the Arizona Corporation Commission, have
12 hereunto set my hand and caused the official seal of the
13 Commission to be affixed at the Capitol, in the City of Phoenix,
14 this 20th day of November, 2002.

15 
16 BRIAN C. McNEIL
17 EXECUTIVE SECRETARY

18 DISSENT
19 MES:dap

1 SERVICE LIST FOR: UNITED SYSTEMS ACCESS TELECOM, INC.

2 DOCKET NO.: T-04058A-01-0831

3
4 Richard Joseph Dyer
5 O'MELENY & MYERS, LLP
6 555 13th Street, N.W.
7 Washington, DC 20004-109
8 Attorneys for United Systems Access Telecom, Inc.

9
10 Christopher Kempley, Chief Counsel
11 Legal Division
12 ARIZONA CORPORATION COMMISSION
13 1200 West Washington Street
14 Phoenix, Arizona 85007

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16 Ernest G. Johnson, Director
17 Utilities Division
18 ARIZONA CORPORATION COMMISSION
19 1200 West Washington Street
20 Phoenix, Arizona 85007

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