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ShawPittman LLP

A Limited Liability Partnership Including Professional Corporations

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October 15, 2004

Via Federal Express

Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007-2927

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**Re: A.R.C. Networks, Inc. d/b/a InfoHighway
Response to Staff's First Set of Data Requests
Tariff Revisions
Docket No. T-04271A-04-0589**

To Whom It May Concern:

Transmitted herewith on behalf of our client, A.R.C. Networks, Inc. d/b/a InfoHighway ("InfoHighway"), are an original and thirteen (13) copies of InfoHighway's Response to Staff's First Set of Data Requests. Also enclosed is an original and thirteen (13) copies of InfoHighway's revisions to pages 17 and 19 of the proposed A.C.C. Tariff No. 1. These pages replace the pages made with the original filing.

Please date-stamp the enclosed Receipt copy of these filings and return them to the undersigned in the enclosed self-addressed, stamped envelope. Please refer all questions and correspondence regarding these filings to the undersigned.

Sincerely,

Glenn S. Richards
Counsel for A.R.C. Networks, Inc. d/b/a
InfoHighway

Arizona Corporation Commission

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Enclosure

Document #: 1437950 v.1

**A.R.C. NETWORKS, INC. d/b/a INFOHIGHWAY'S
RESPONSE TO STAFF'S FIRST SET OF DATA REQUESTS
Docket No. T-04271A-04-0589
October 15, 2004**

1. Please submit a non-PDF file of your responses to this data request to 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.

A copy is attached.

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.

Infohighway Communications Corporation owns 100 percent of A.R.C. Networks, Inc.

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.

On June 30, 2003, a group of payphone owners filed an informal complaint with the FCC against A.R.C. Networks, Inc., alleging that A.R.C. had violated the Communications Act and FCC rules by failing to make payments for dial-around calls originated at plaintiffs' payphones by A.R.C. customers between 1997 and 2001. On August 6, 2003, A.R.C. filed an answer to the complaint asserting that, as a switchless reseller, it was not responsible for the payment of dial-around compensation but that payments were made by A.R.C. to Global Crossing, A.R.C.'s underlying carrier, who was responsible for payments to the payphone providers. The complaint is pending at the FCC.

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.

A copy of the affidavits of publication will be sent under separate cover.

6. Please indicate the value of all assets currently located in Arizona.

None

7. Please indicate when InfoHighway expects to begin providing the services requested. Refer to item (D-1) of the application form.

The Company began providing incidental long distance service in Arizona in 1997 to four customers whose other offices were based and billed in other jurisdictions. Since then, due to an acquisition, the customer base has expanded to 15 customers. The Company has never marketed its services in Arizona.

8. Please provide an answer to item (D-2) of the application form.

The company will adopt as its petition a statement that the service has been classified as competitive by Commission Decision #64178, Resold Long Distance.

9. Please indicate if InfoHighway plans to offer service in the residential and/or business marketplaces.

Both.

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.

The maximum rate is twice the effective rate.

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 for a list of Commission-approved telecommunications rates and tariffs, go to www.cc.state.az.us/utility/tariffs.

The company reviewed the rates available in the Arizona marketplace and also considered its own cost of service from its underlying carrier.

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.

See response to Question 11

13. Please identify any other jurisdiction 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.

The company provided as an attachment to the original application a list of jurisdictions where it provides resold long distance service. As noted in response to Question 11, the rates are based on a mark-up of the Company's underlying costs. The rates offered to consumers in Arizona will be at a similar mark-up to the mark-ups in other states where the company provides resold long distance service.

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.

None.

Document #: 1434789 v.1

STATE OF ARIZONA



Office of the
CORPORATION COMMISSION

CERTIFICATE OF GOOD STANDING

To all to whom these presents shall come, greeting:

I, Brian C. McNeil, Executive Secretary of the Arizona Corporation Commission, do hereby certify that

*****INFOHIGHWAY, INC. (FN)*****

a foreign corporation organized under the laws of New York did obtain authority to transact business in the State of Arizona on the 8th day of June 2004.

I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said corporation has not had its authority revoked for failure to comply with the provisions of the Arizona Business Corporation Act; that its most recent Annual Report, subject to the provisions of A.R.S. sections 10-122, 10-123, 10-125 & 10-1622, has been delivered to the Arizona Corporation Commission for filing; and that the said corporation has not filed an Application for Withdrawal as of the date of this certificate.

This certificate relates only to the legal authority of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 4th Day of October, 2004, A. D.



[Signature]
Executive Secretary

By *[Signature]*

 TELECOMMUNICATIONS SERVICES

SECTION 3 - SERVICE DESCRIPTIONS AND RATES3.16 USAGE RATES

The following are the usage charges which apply to all of Carrier's intrastate services. These charges are in addition to nonrecurring and recurring charges referred to hereafter.

3.17 SWITCHED INBOUND USAGE

Switched inbound service permits inward calling (via toll-free codes) to a specific location utilizing premium switched Feature Group D access on both the originating and terminating ends.

Each 6 second increment*	\$0.0169
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3.18 DEDICATED INBOUND USAGE

Dedicated inbound service permits inward calling (via toll free codes) to a specific location featuring the use of dedicated special access type connection on the terminating end.

Each 6 second increment*	\$0.0120
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3.19 SWITCHED OUTBOUND USAGE

Switched outbound service permits outward calling utilizing premium switched Feature Group D access on both the originating and terminating ends.

Each 6 second increment*	\$0.0118
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3.20 DEDICATED OUTBOUND USAGE

Dedicated outbound service permits outward calling to station in diverse areas and its distinguished from other services by the existence of a dedicated special access connection on one end.

Each 6 second increment*	\$0.0110
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3.21 CALLING CARD USAGE

Calling card service permits Customers to place direct dial to termination locations from equal access areas using the Carrier's calling card. There is no per call service fee.

Each 60 second increment*	\$0.22
Payphone Surcharge, per call*	0.75

* or fraction thereof

 Issued:

Effective:

By:

Paola Bulloch, Director, Regulatory Affairs
A.R.C. Networks, Inc. d/b/a InfoHighway
1333 Broadway, Suite 1001
New York, NY 10018

TELECOMMUNICATIONS SERVICES3.26 SPECIAL PROMOTIONAL OFFERINGS

Carrier may from time to time engage in Special Promotional Offerings or Trial Service Offerings designed to attract new Customers or increase Customer usage. Such promotional service offerings shall be limited to certain dates, times, or locations, and shall be subject to prior notification to the Commission.

3.27 PAYPHONE ORIGINATION COMPENSATION

Inbound toll free calls, per call \$0.75

3.28 NETWORK ACCESS USAGE

Per line, per month \$0.59

3.29 PRESUBSCRIBED INTEREXCHANGE CARRIER CHARGE (PICC)

Carrier Charge (PICC)

Per line, per month on multiline business customers \$3.25

3.30 ACCOUNT SERVICE SURCHARGE

Monthly, per account \$4.95

Applicable when the total of current charges excluding taxes, surcharges and credits is less than \$50.00.

3.31 REGULATORY COMPLIANCE ADMINISTRATIVE FEE

Fee is imposed to recover reporting and compliance costs

Monthly, per account \$4.40

Issued:

Effective:

By:

Paola Bulloch, Director, Regulatory Affairs
A.R.C. Networks, Inc. d/b/a InfoHighway
1333 Broadway, Suite 1001
New York, NY 10018