

NEW APPLICATION  
**MILLER  
ISAR** INC.  
REGULATORY CONSULTANTS



0000017432

RECEIVED

2005 MAR 21 P 2:27

AZ CORP COMMISSION  
DOCUMENT CONTROL

ANDREW O. ISAR

7901 SKANSIE AVENUE,  
SUITE 240

GIG HARBOR, WA 98335  
TELEPHONE: 253.851.6700  
FACSIMILE: 253.851.6474  
HTTP://WWW.MILLERISAR.COM

ORIGINAL

March 10, 2005

Docket Control Center  
Arizona Corporations Commission  
1200 W. Washington Street  
Room 108  
Phoenix, Arizona 85007-2996

T-03232A-05-0209

RE: Transcommunications Incorporated, Docket No. T-03232-A-96-0428 -  
Notice of Service Discontinuance

Dear Sir or Madam:

Transcommunications Incorporated ("Transcommunications" or "Company"), by its regulatory consultants, hereby informs the Arizona Corporations Commission of its intent to discontinue provision of discretionary prepaid, interexchange telecommunications service in the State of Arizona, effective May 1, 2005. Transcommunications respectfully requests that its certification/operating authority and tariff be cancelled, accordingly.

Transcommunications has provided a discretionary prepaid calling card service that supplements, but does not replace, conventional presubscribed, post-paid telecommunications services. Transcommunications services have been provided to a very limited, targeted segment of telecommunications users in the transportation industry – long haul truck drivers – primarily through card distribution arrangements with trucking companies who supply cards to their drivers from centrally located distribution points in certain states. Transcommunications had originally obtained intrastate operating authority to engage in in-state retail sales, although it no longer sells discretionary prepaid calling card services through retail outlets. The Company does not serve residential subscribers.

In anticipation of discontinuing the provision of its service, Transcommunications ceased making new prepaid calling cards available on November 8, 2004. The Company has allowed existing users to deplete their prepaid calling card accounts through normal usage. User accounts are also deactivated on the one year anniversary of account activation. Users were informed that the service remains available through the shorter of account depletion or one year account activation anniversary at the time of purchase and account activation. Users are also informed of the estimated number of minutes of use

Arizona Corporation Commission

**DOCKETED**

MAR 21 2005

DOCKETED BY

*CAI*

Arizona Corporations Commission  
March 10, 2005  
Page 2

that remain on the user's accounts when accessing Transcommunications' network and entering the account identification number.

Transcommunications has entered into a management agreement with Innovative Processing Solutions, LLC. ("IPS"), a Nevada Limited Liability Company, for the continued provision of service to the limited Customers accounts that may remain active. Under Transcommunications management agreement with IPS, IPS further assumes responsibility for honoring outstanding service commitments to remaining users and underlying carriers after Transcommunications ceases to provide service. IPS will continue to maintain Transcommunications' customer service number upon Transcommunications' market exit, to field any potential remaining user calls.

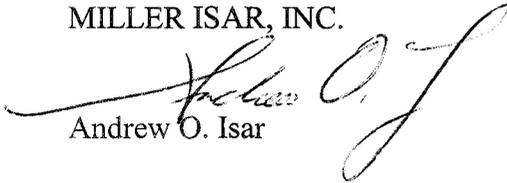
In light of the fact that Transcommunications has provided prepaid calling card services, which inherently limited in duration, and that user identity is unknown, no further written notice is practical or possible.

Pursuant to Part 63.71(a) of the Code of Federal Regulations,<sup>2</sup> a copy of Transcommunications' federal *Section 63.71 Application* is served with the instant notice of service discontinuance.

Thank you for your attention to this matter. Questions may be directed to the undersigned.

Sincerely,

MILLER ISAR, INC.



Andrew O. Isar

Regulatory Consultants to  
Transcommunications Incorporated

Enclosure

---

<sup>2</sup> 47 CFR §63.71(a)

Before the  
**FEDERAL COMMUNICATIONS COMMISSION**  
Washington, D.C. 20554

In the Matter of	)	
	)	
Transcommunications Incorporated	)	File No. _____
	)	
Application for Authority to Discontinue	)	
Certain U.S. Domestic and International	)	
Telecommunications Services	)	
	)	

**SECTION 63.71 APPLICATION**

Transcommunications Incorporated ("Transcommunications"), pursuant to Section 214(a) of the Communications Act of 1934, as amended, 47 U.S.C. §214(a), and Section 63.71 of the rules of the Federal Communications Commission ("FCC" or "Commission"), 47 C.F.R. §63.71, hereby requests authority to discontinue the provision of discretionary prepaid resold domestic U.S. interstate interexchange and international telecommunications services throughout its U.S. service territory. Transcommunications' request stems from an affirmative business decision to cease providing resold discretionary prepaid international and domestic interstate interexchange telecommunications services. Transcommunications is a non-dominant carrier with respect to the interexchange and international services being discontinued. Transcommunications currently serves less than 10,000 active card accounts, and has made arrangements for remaining users to continue receiving service until users' prepaid calling account balances have been depleted or upon the one year anniversary of account activation, whichever occurs first.

Transcommunications therefore requests authority to discontinue the provision of discretionary, prepaid telecommunications services and terminate any continuing obligation to provide service. In support of its Application, Transcommunications states as follows.

**I. INFORMATION PURSUANT TO SECTION 63.71(a)**

Pursuant to section 63.71(a) of the rules of the FCC, 47 C.F.R. §63.71, Transcommunications provides the following information:

- 1) **Name and address of carrier** (47 C.F.R. §63.71(b)(2), 47 C.F.R. §63.71(a)(1)):

Transcommunications Incorporated  
6025 Lee Highway, 402 Executive Park  
Chattanooga, TN 37421  
423.954.9961

- 2) **Date of planned service discontinuance** (47 C.F.R. §63.71(b)(2), 47 C.F.R. §63.71(a)(2)):

Transcommunications plans to discontinue services immediately upon a grant of the instant Application. As discussed further *infra.*, Transcommunications has entered into a management arrangement with Innovative Processing Solutions, LLC for the ongoing provision of service to the few remaining users who maintain account balances on their prepaid calling card accounts until the accounts are depleted or until completion of the one year anniversary of account activation.

- 3) **Geographic areas affected** (47 C.F.R. §63.71(b)(2), 47 C.F.R. §63.71(a)(3)):

Transcommunications plans to discontinue its provision of discretionary prepaid resold domestic interexchange and international services throughout its geographic service areas in the United States and U.S. dependencies.

**4) Brief description of type of services affected (47 C.F.R. §63.71(b)(2), 47 C.F.R. §63.71(a)(4)):**

Transcommunications seeks authority to discontinue the provision of discretionary prepaid resold domestic interstate interexchange and international telecommunications services to commercial subscribers. Transcommunications has never served residential subscribers.

**5) Brief description of the dates and methods of notice to all affected users (47 C.F.R. §63.71(b)(3)):**

Transcommunications has provided a discretionary prepaid calling card service that supplements, but does not replace, conventional presubscribed, post-paid telecommunications services. As a matter of convention and practical consideration, no written notification of service discontinuance is provided when prepaid calling card accounts are depleted, as would otherwise be required for post-paid, presubscribed telecommunications services, because users recognize that service access is available only so long as funds remain in the card account or until a card expiration date. Further, User identity is unknown. Transcommunications maintains that the requirement of 47 C.F.R. §63.71(a) for notice of service discontinuance to "all affected customers" is inapplicable in this instance, and respectfully requests that it be exempt from the provisions of this section for purposes of the instant Application.

Prepaid calling card services are inherently discretionary. Such services supplement, but do not replace, post-paid presubscribed telecommunications services. Transcommunications users readily understand that the Company's prepaid calling card services are strictly temporary in nature, usable so long as funds remain in user prepaid calling accounts or upon the first year anniversary of account activation. Users clearly

recognize that once their prepaid card accounts are depleted or after a year of account activation, service access is no longer available. Once account funds are depleted or upon the first year anniversary of account activation, Transcommunications network access is terminated, as opposed to service being “discontinued” in a conventional sense. As such, notice of service discontinuance is not provided as it would for ongoing post-paid presubscribed services.<sup>1</sup> Further, Transcommunications prepaid calling card services were sold as a commodity to companies who distributed Transcommunications cards to employees. The identity and address of each user is unknown, making written notice of prepaid service discontinuance both impractical, and effectively impossible.

Transcommunications services have been provided to a very limited, targeted segment of telecommunications users in the transportation industry – long haul truck drivers – primarily through card distribution arrangements with trucking companies who supply cards to their drivers. Transcommunications does not sell its discretionary prepaid calling card services through retail outlets. In anticipation of discontinuing the provision of its service, Transcommunications has allowed users to deplete their prepaid calling card accounts through normal usage. When a user’s prepaid account becomes depleted, the subscriber is no longer capable of placing calls utilizing Transcommunications’ network. Additionally, user accounts are deactivated and network access is no longer available to users on the one year anniversary of account activation. Users are informed that the service remains available through the shorter of account depletion or one year account activation anniversary at the time of purchase and account activation.

---

<sup>1</sup> As discussed further below, Users do receive verbal notice of the amount of remaining time available on their prepaid calling card accounts when accessing Transcommunications’ network and entering an account identification number.

Users are further informed of the estimated number of minutes of use that remain on the users' accounts when accessing Transcommunications' network and entering the account identification number. No further written notice would be practical or possible.

Notwithstanding the foregoing, Transcommunications has entered into a management agreement with Innovative Processing Solutions, LLC, a Nevada limited liability company, to continue providing service to the few user accounts that may remain active for a limited period of time until user account balances are depleted, or the one year anniversary of card account activation. Transcommunications ceased making prepaid calling cards available November 8, 2004.

A grant of this Application will have no effect on former users.

**6) Non-dominance of the carrier with respect to the service to be discontinued (47 C.F.R. §63.71(b)(4)):**

Transcommunications is non-dominant with respect to the telecommunications services it proposes to discontinue.

**7) Service**

In accordance with Sections 63.71 and 63.90(d) and (e)<sup>2</sup> of the Commission's Rules, Transcommunications certifies that a copy of this application is being submitted to the Governor and state utility commission of each affected jurisdiction, and to the Special Assistant for Telecommunications for the Secretary of Defense, contemporaneously with the filing of this Application.

---

<sup>2</sup> 47 CFR §§ 63.71 and 63.90(d) and (e).

**8) Communications regarding this Application may be addressed to:**

Andrew O. Isar  
Miller Isar, Inc.  
7901 Skansie Avenue, Suite 240  
Gig Harbor, WA 98335  
253.851.6700

**II. CIRCUMSTANCES OF DISCONTINUANCE**

In 2003, Transcommunications made an affirmative business decision to conclude its discretionary prepaid international and domestic interstate telecommunications service offerings.

Transcommunications maintains that its request for service discontinuance is consistent with the public interest, in no way impacts former users or the public, and should be granted. Transcommunications therefore requests authority to discontinue service.

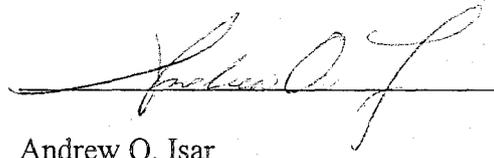
**III. CONCLUSION**

Transcommunications maintains that the proposed discontinuance is reasonable, necessary, and consistent with the public interest. Transcommunications has taken all reasonable action, to the extent it is able, to ensure that the discontinuance of service is not disruptive to the present or future public convenience and necessity. For the foregoing reasons, Transcommunications respectfully requests, pursuant to Section 214(a) of the Communications Act of 1934, as amended, 47 U.S.C. §214(a), and Section 63.71 of the Commission's Rules, that the Commission approve Transcommunications' Section 63.71 application to discontinue the provision of domestic interexchange and international services in the jurisdictions specified herein.

(Signature on Following Page.)

Respectfully submitted this 10<sup>th</sup> day of March 2005.

By:

A handwritten signature in cursive script, appearing to read "Andrew O. Isar", written over a horizontal line.

Andrew O. Isar  
Miller Isar, Inc.  
7901 Skansie Avenue, Suite 240  
Gig Harbor, WA 98335  
Telephone: 253.851.6700  
Facsimile: 253.851.6474  
E mail: [aisar@millerisar.com](mailto:aisar@millerisar.com)

Regulatory Consultants for  
Transcommunications Incorporated