



BEFORE THE ARIZONA CORPORATION COMMISSION

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IN THE MATTER OF THE INVESTIGATION  
OF THE COST OF TELECOMMUNICATIONS  
ACCESS.

DOCKET NO. T-00000D-00-0672

RUCO'S COMMENTS

Pursuant to the December 3, 2001 and January 16, 2002 Procedural Orders in the Matter of the Investigation of the Cost of Telecommunications Access ("Investigatory Docket") – Docket No. T-00000D-00-0672, RUCO provides the following comments.

Many of the issues/questions for which the Procedural Order requests comments are highly substantive in nature. The answers to these questions would require the accumulation and investigation of a significant amount of data as well as an in depth analysis. RUCO anticipates such an analysis would be performed in the context of the Investigatory Docket if it moves forward. Until such analysis is performed RUCO cannot provide meaningful comment to a large portion of the issues/questions set forth in the Procedural Order. Accordingly, many of the issues/questions will not be addressed at this time in this document. Those that do not require the in depth analysis will be addressed here.

9.a) What procedure would you recommend be used to address switched access reform? For example, would you recommend a generic proceeding to address the issues in general with the objective being the reform, restructure and resetting of switched access charges for every LEC in the State?

Answer RUCO believes if the Investigatory Docket on access rates is to go forward it should be on a generic basis. RUCO however, does not necessarily agree that

1 the objective of the proceeding is the resetting and reform of access rates. The  
2 objective of the proceeding will not be apparent until the necessary analysis is  
3 completed and an informed position is taken. Prior to such analysis the only  
4 objective of the Investigatory Docket should be the investigation of access rates.

5 b) What issues do you believe should be addressed in a proceeding to determine  
6 whether and to what extent intrastate access charges ought to be reformed?

7 Answer The issues that need to be resolved will become apparent as a result of the  
8 analysis performed in this Docket.

9 c) Would you recommend that the Commission limit the initial switched access  
10 charge proceeding to the largest ILECs in Arizona? If your response is yes,  
11 please identify those companies that you believe should be included in this  
12 proceeding.

13 Answer No.

14 d) Would you recommend that the Commission address access charge reform for  
15 large, intermediate and small local exchange companies (as defined in the  
16 Commission's Arizona Universal Service Fund rules) individually? Please  
17 explain.

18 Answer No. Initially the docket should proceed on a generic basis and include all local  
19 exchange companies. As a result of the parties' analyses in the initial phase of  
20 the Investigatory Docket it is possible further subdivision of the local exchange  
21 companies may be indicated. However, RUCO believes initially all size  
22 companies should be analyzed together because the interrelationship of the  
23 various companies' access rates.

24 e) Would you recommend that the proceeding address switched access charges  
assessed by the CLEC and/or other telecommunications companies?

Answer It is RUCO's understanding that for competitive telecommunications companies  
the Commission exercises its rate-setting authority by establishing a maximum

1 rate and that companies are free to adjust their switched access rates up to or  
2 below that maximum, as long as the price equals or exceeds the total service  
3 long-run incremental cost. However, the presence of the CLECs should be  
4 considered in any recommended access charge reform plan.

5 f) Given your vision of what the proceeding would address how much time do you  
6 expect would be required to complete the proceeding?

7 Answer No less than 6 months.

8 12. Do you believe it would be possible to eliminate the potential that local exchange  
9 service providers can exert monopoly power in the access service market by  
10 assessing the switching, transport and CCL charges on the end users rather than  
11 on the interexchange carriers? Could customers then shop for local exchange  
12 service customers for the least cost provider of access in addition to local  
13 service, etc?

14 Answer If local exchange carriers assessed the switching, transport, and CCL charges  
15 directly to end users rather than interexchange carriers, customers would still  
16 need to purchase both local and access services from a single carrier. The  
17 minimal amount of competition that currently exists for local exchange service  
18 suggests that competition for access services is unlikely to provide any incentive  
19 for the carrier to minimize such charges.

20 14. In the CALLS Decision, the FCC implemented changes that would eliminate  
21 carrier common line charges and establish an interstate universal service support  
22 mechanism. Do you believe that the Commission ought to address the Arizona  
23 Universal Service Fund mechanism concurrent with the reform of intrastate  
24 access charges?

Answer The Arizona Universal Service Fund (AUSF) is already being addressed in  
Docket No. RT 00000H-97-0137. RUCO believes that is the appropriate place to  
address AUSF issues.

1 15. The FCC released its Access Charge Reform Order ("MAG Order") for rate of  
2 return companies on November 8, 2001. Please comment on the extent to which  
you believe the ACC should adopt any components of the MAG Order.

3 Answer Again, the review and analysis under taken in this docket, will determine whether  
4 the ACC should adopt any of the components of the MAG Order.

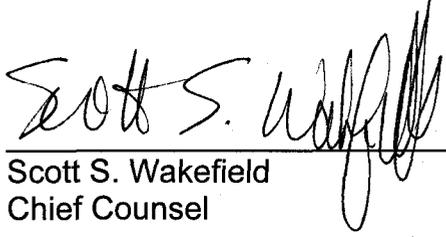
5 16. Should the Commission address CLEC access charges as a part of this Docket?

6 Answer The Investigatory Docket should address any issue that impacts or is relevant to  
7 the determination of regulated access rates.

8 18. What is the effect of Qwest's Price Cap Plan on the issues raised in this  
9 proceeding as they pertain to Qwest? With regard to Qwest, switched access is  
10 a Basket 2 service and special access is a Basket 3 Service. What impact does  
this have, if any, on restructuring access charges in this proceeding as it would  
pertain to Qwest?

11 Answer The outcome of the Investigatory Docket cannot result in a modification to the  
12 access rates of any local exchange carrier. Modifications to individual utilities'  
13 access rates can only be implemented pursuant to individual rate proceedings.  
14 This docket can explore whether there is a general need for access reform, and if  
15 so, how that might be accomplished. Qwest's Price Cap Plan's treatment of  
16 access charges cannot be modified by this proceeding alone. A subsequent rate  
17 proceeding specific to Qwest would be necessary.

18 RESPECTFULLY SUBMITTED this 8th day of March, 2002.

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21   
22 Scott S. Wakefield  
23 Chief Counsel  
24

1 AN ORIGINAL AND TEN COPIES  
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Arizona Telephone Company  
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Citizens Communications Company of Arizona  
Citizens Utilities Rural Company, Inc.  
Navajo Communications Company, Inc.  
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1	Qwest Corporation 3033 N. 3rd Street, Room 1010 Phoenix, AZ 85012	VYVX, LLC Williams Local Network, Inc. One Williams Center, MD 29-1 Tulsa, OK 74172
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3	Rio Virgin Telephone Company Rio Virgin Telephone & Cablevision PO Box 189 Estacada, OR 97023	Western Clec Corporation 3650 131st Ave. SE, Ste. 400 Bellevue, WA 98006
4		
5	San Carlos Apache Telecommunication Utility, Inc. PO Box 701, 245 S. Hill Globe, AZ 85502	Michael W. Patten Roshka Heyman & DeWulf, PLC One Arizona Center 400 E. Van Buren St., Ste. 800 Phoenix, AZ 85004
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7	South Central Utah Telephone Association, Inc. PO Box 226 Escalante, UT 84726	Cox Communications Cox Arizona Telecom LLC 20401 N. 29th Ave. Phoenix, AZ 85027
8		
9	Southwestern Telephone Co., Inc. PO Box 5158 Madison, WI 53705-0158	Archtel, Inc. 1800 W. Park Drive, Ste. 250 Westborough, MA 01581
10	Table Top Telephone Company, Inc. 600 N. Second Ave. Ajo, AZ 85321	McLeodUSA Communications 400 S. Highway 169, Ste. 750 Minneapolis, MN 55426
11		
12	Valley Telephone Cooperative, Inc. 752 E. Malley St., PO Box 970 Willcox, AZ 85644	Communique Telecommunications, Inc. 4015 Guasti Road Ontario, CA 91761
13		
14	Verizon California, Inc. One Verizon Way - CA500GCF Thousand Oaks, CA 91362-3811	Enhanced Communications Network, Inc. 37 Winthrop Place Hazlet, NJ 07730
15		
16	Single Billing Services, Inc. 9550 Flair Drive, Ste. 409 Elmonte, CA 91731	Ernest Communications, Inc. 6475 Jimmy Carter Blvd., Ste. 300 Norcross, GA 30071
17		
18	Special Accounts Billing Group, Inc. 1523 Withorn Lane Inverness, IL 60067	Global Crossing Telecommunications, Inc. Global Crossing Telemanagement, Inc. 180 S. Clinton Ave. Rochester, NY 14646
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20	Teligent Services, Inc. 8065 Leesburg Pike, Ste. 400 Vienna, VA 22182	GST Net, Inc. 4001 Main St. Vancouver, WA 98663
21		
22	Tess Communications, Inc. 12050 Pecos St., Ste. 300 Westminster, CO 80234	IG2, Inc. 80-02 Kew Garden Road, Ste. 5000 Kew Gardens, NY 11415
23		
24	Touch America 130 N. Main St. Butte, MT 59701	Independent Network Services Corp. (FN) 2600 N. Central Ave, Ste. 1750 Phoenix, AZ 85004

1	Main Street Telephone Company 200 Ithan Creek Ave. Villanova, PA 19085	TCG Phoenix 111 W. Monroe St., Ste. 1201 Phoenix, AZ 85004
2		
3	Net-Tel Corporation 11921 Freedom Drive Reston, VA 20190	The Phone Company/Network Services of New Hope 6805 Route 202 New Hope, PA 18938
4		
5	North County Communications Corporation 3802 Rosencrans, Ste. 485 San Diego, CA 92110	Verizon Select Services, Inc. 6665 N. MacArthur Blvd., HQK02D84 Irving, TX 75039
6	One Point Communications Two Conway Park, Ste. 300 Lake Forest, IL 60045	Winstar Wireless of Arizona, Inc. 1577 Spring Hill Road, 2nd Floor Vienna, VA 22182
7		
8	Opex Communications, Inc. 500 E. Higgins Road, Ste. 200 Elk Grove Village, IL 60007	Nextlink Long Distance Services, Inc. XO Arizona, Inc. 3930 E. Watkins, Ste. 200 Phoenix, AZ 85034
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10	Pac-West Telecomm, Inc. 1776 W. March Lane, #250 Stockton, CA 95207	36ONetworks (USA), Inc. 12101 Airport way Broomfield, CO 80021
11	Qwest Communications Corporation 555 17th St. Denver, CO 80202	Allcom USA 2151 E. Convention Center Way, Ste. 207-A Ontario, CA 91764-4483
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13	MCI Worldcom Network Services, Inc. MCI Metro Metropolitan Fiber Systems of Arizona, Inc. Brooks Fiber Communications of Tucson, Inc. 201 Spear St., 9th Floor San Francisco, CA 94105	Alliance Group Services, Inc. 1221 Post Road East Westport, CT 06880
14		
15		
16	Mountain Telecommunications, Inc. 2540 E. 6th St. Tucson, AZ 85716	American Telephone Network, Inc. 2313 6th Ave. South Birmingham, AL 35233
17		
18	RCN Telecom Services, Inc. 105 Carnegie Center Princeton, NJ 08540	Gregory Hoffman AT&T Communications of the Mountain States, Inc. 795 Folsom St., Room 2159 San Francisco, CA 94107-1243
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20	Reflex Communications, Inc. 83 S. King St., Ste. 106 Seattle, WA 98104	Citizens Long Distance Company 5600 Headquarters Drive Plano, TX 75024
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22	Rhythm Links, Inc. 9100 E. Mineral Circle Englewood, CO 80112	Citizens Telecommunications Company of Arizona L.L.C. Citizens Telecommunications Company of the White Mountains, Inc. Electric Lightwave, Inc. 4 Triad Center, Suite 200 Salt Lake City, UT 84180
23	Sprint Communications Company L.P. 6860 W. 115th, MS:KSOPKD0105 Overland Park, KS 66211	
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2 Dallas, TX 752284
- 3 COVAD Communications Company  
4250 Burton Drive  
3 Santa Clara, CA 95054
- 4 Digital Services Corporation  
211 N. Union St., Ste. 300  
5 Alexandria, VA 22314
- 6 E.SPIRE  
131 National Business Parkway, Ste. 100  
7 Annapolis Junction, MD 20701
- 8 Eschelon Telecom of Arizona, Inc.  
730 Second Ave. South, Ste. 1200  
9 Minneapolis, MN 55402
- 10 Intermedia Communications, Inc.  
One Intermedia Way  
Tampa, FL 33647-1752
- 11 JATO Operating Corp.  
6200 Syracuse Way, Ste. 200  
12 Englewood, CO 80111
- 13 Level 3 Communications, LLC  
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- 14 Max-Tel Communications, Inc.  
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15 Alvord, TX 76225

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17 By Linda Reeves  
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