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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

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CHAIRMAN  
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AZ CORP COMMISSION  
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IN THE MATTER OF THE INVESTIGATION OF  
THE COST OF TELECOMMUNICATIONS  
ACCESS.

DOCKET NO. T-00000D-00-0672

PROCEDURAL ORDER

**BY THE COMMISSION:**

On September 5, 2000, the Commission's Utilities Division Staff ("Staff") filed a Request for an Investigatory Docket Regarding the Cost of Access to determine if access charges currently in effect reflect cost of access.

On November 21, 2001, Staff filed a Request for a Procedural Order which set out a list of questions to be responded to by interested parties, and further proposed additional procedural steps.

By Procedural Order issued December 3, 2001, interested parties were directed to provide written comment on specified issues/questions no later than January 4, 2002.

On March 4, 2002, WorldCom Inc. filed an Application for Intervention. There have been no objections to WorldCom's request to intervene.

On March 28, 2002, Staff filed its list of procedural recommendations for this proceeding. Those recommendations are:

- a. The proceeding should be a generic proceeding.
- b. The parties should have the opportunity to file direct, rebuttal and surrebuttal testimony before the Hearing.
- c. The Commission should address access charges for both rate of return companies (rural companies) and price cap companies in the proceeding.
- d. The parties should be required to provide testimony on the following issues, at a minimum:
  - 1. Whether IXCs may be at a competitive disadvantage if access charges are not reformed.
  - 2. Whether transferring cost recovery responsibility from IXCs through CCL charges to end users (through end flat rate end user charges) results in end users subsidies of ILEC-provided toll services.

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- 3. Whether transferring cost recovery responsibility from IXCs (through CCL charges) to end users (through end flat rate end user chargers) results in end user benefits.
- 4. What considerations make access charge reform in the public interest and, in addition, what considerations make the interested party's proposed access charge reform plan in the public interest.
- e. While the proceeding should address both switched access and special access issues, the primary focus should be on switched access issues.
- f. Interested parties should submit estimates of the impact of their proposal on end user rates. For example, if the party's recommendation is elimination of CCL charges with AUSF support, the party should provide the following:
  - 1. What is the dollar amount of revenues that CCL charges currently generate,
  - 2. What the AUSF amount will be, and
  - 3. What local service rate was used to estimate the AUSF funding amount.
- g. The parties should describe the mechanism that would be used to implement the access charge rate changes that are proposed.
- h. The parties should address any other issues that they believe are relevant.

Staff also recommended the following dates:

June 28, 2002	Intervenor Direct Testimony
July 31, 2002	Staff Direct Testimony
August 30, 2002	Rebuttal Testimony
September 13, 2002	Surrebuttal Testimony
September 23, 2002	Hearing Begins.

By Procedural Order issued April 8, 2002, interested parties were directed to file responses to Staff's recommendations by April 19, 2002.

Qwest Corporation ("Qwest") filed a response on April 16, 2002. Qwest states that it does not oppose Staff's proposed procedural schedule, but it requests that a Procedural Order be issued establishing discovery timelines and limitations. Qwest also claims, in response to Section III (d) and (e) of Staff's recommendations, special access should not be addressed in this proceeding because special access is already subject to competitive pricing and market forces.

Staff's recommendations, including its proposed procedural schedule, are reasonable and shall be adopted. With respect to special access charges, Staff's recommendation indicates that "the proceeding should address both switched access and special access issues" but "the primary focus should be on switched access issues" (March 28, 2002 Staff Recommendations at 2). As suggested

1 by Staff, the focus of this docket is on switched access and it appears from the comments that most  
2 parties do not believe special access need to be addressed. Therefore, special access is not likely to  
3 be a significant factor in this proceeding. However, to the extent that a party may wish to address  
4 special access issues, it may do so. The relevance and weight to be accorded to any particular  
5 testimony or evidence presented at hearing will be treated on case-by-case basis.

6 IT IS THEREFORE ORDERED that Staff's recommendations, including its proposed  
7 procedural schedule, shall be adopted. In addition to the dates set forth above, a prehearing  
8 conference shall be scheduled for September 19, 2002, at 10:00 a.m., at the offices of the  
9 Commission.

10 IT IS FURTHER ORDERED that objections to any testimony or exhibits which have been  
11 pre-filed as of September 13, 2002, shall be made on or before the September 19, 2002 pre-hearing  
12 conference.

13 IT IS FURTHER ORDERED that all testimony filed in this docket shall include a table of  
14 contents which lists the issues discussed by the witness.

15 IT IS FURTHER ORDERED that any substantive corrections, revisions, or supplements to  
16 pre-filed testimony shall be reduced to writing and filed no later than five days before the witness is  
17 scheduled to testify.

18 IT IS FURTHER ORDERED that the parties shall prepare a brief, written summary of the  
19 pre-filed testimony of each of their witnesses and shall file each summary at least two working days  
20 before the witness is scheduled to testify.

21 IT IS FURTHER ORDERED that copies of the summaries should be served upon the  
22 presiding Administrative Law Judge, the Commissioners, and the Commissioners' aides, as well as  
23 the parties of record.

24 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and  
25 regulations of the Commission, except that any objection to discovery requests shall be made within  
26 7 calendar days of receipt, and responses to discovery requests shall be made within 14 calendar days  
27 of receipt.

28 IT IS FURTHER ORDERED that, in the alternative to filing a written motion to compel

1 discovery, any party seeking discovery may telephonically contact the Commission's Hearing  
2 Division to request a date for a procedural hearing to resolve the discovery dispute. Upon receiving  
3 such a request, a procedural hearing will be convened as soon as practicable. The party making such  
4 a request shall forthwith contact all other parties to advise them of the hearing date and shall at the  
5 procedural hearing provide a statement confirming that the other parties were contacted<sup>1</sup>.

6 IT IS FURTHER ORDERED that any motions which are filed in this matter, and which are  
7 not ruled upon by the Commission within 20 days of the filing date of the motion, shall be deemed  
8 denied.

9 IT IS FURTHER ORDERED that any responses to motions shall be filed within five days of  
10 the filing date of the motion.

11 IT IS FURTHER ORDERED that any replies shall be filed within five days of the filing date  
12 of the response.

13 IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend,  
14 or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at  
15 hearing.

16 IT IS FURTHER ORDERED that WorldCom, Inc. is hereby granted intervention.

17 DATED this 21<sup>st</sup> day of May, 2002.

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20 DWIGHT D. NODES  
21 ASSISTANT CHIEF ADMINISTRATIVE LAW JUDGE

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27 <sup>1</sup> Motions to compel and requests for procedural hearings on discovery matters should be raised only as a last resort. The  
28 parties are encouraged to attempt to settle discovery disputes through informal, good-faith negotiations before seeking  
Commission resolution of the controversy.

1 Copies of the foregoing mailed/delivered  
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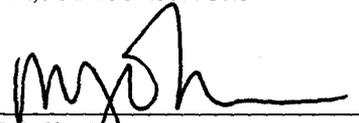
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