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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

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Chairman

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Commissioner

MARC SPITZER

Commissioner

AUG 21 2002

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**
)
) **AT&T'S RESPONSE TO**
) **CITIZENS' MOTION TO**
) **CONSOLIDATE/MOTION TO**
) **RECONSIDER INDEFINITE**
) **EXTENSION**

AT&T Communications of the Mountain States, Inc. and TCG Phoenix (collectively, "AT&T") hereby respond to the Motion to Consolidate/Motion to Reconsider Indefinite Extension filed by Citizens Communications Company, Inc., Navajo Communications Company, Citizens Telecommunications Company of White Mountains, Inc. d/b/a Frontier Communications of White Mountains and Citizens Utilities Rural Company, Inc. d/b/a Frontier Citizens Utilities Rural (collectively, "Citizens").

AT&T opposes Citizens' Motion to consolidate the access proceeding, Docket No. T-00000D-00-0672, with the Universal Service Fund ("USF") rulemaking proceeding, Docket No. RT-00000H-97-0137. Although Citizens references the correct Arizona Administrative Code section, R14-109.H, and the applicable standard for consolidation ("the issues are substantially the same and that the rights of the parties will not be prejudiced by such procedure"), it does not attempt to make the showing required

by the rule. Citizens simply makes an unsupported assertion that the issues in each docket are “substantially related”¹ and the rights of the parties will not be prejudiced.

AT&T believes Staff has reasonably described the scope of the access docket for purposes of evaluating Citizens’ Motion: “[T]he investigation into the cost of telecommunications access is examining whether the access charges of Arizona ILECs reflect their costs, and if not, what is the appropriate cost structure in the future.” Staff Opposition at 1. The USF rulemaking was initiated to conduct the comprehensive 3-year review required by R14-2-1216.² Citizens has made no showing why these two proceedings are substantially the same. AT&T believes the two dockets do not raise issues that are substantially the same. Furthermore, AT&T and other interexchange carriers may be prejudiced if Commission-ordered access reductions are contingent upon completion of the review of the USF rules.

Staff suggests that “[t]he only link between the two Dockets is the issue of whether any access charge reductions brought about by restructuring, should be covered through the Arizona Universal Service Fund, or other methods such as end user surcharges or rate revisions.” Staff Opposition at 1-2. Furthermore, “Staff does not believe that the Dockets need to be consolidated to address this issue.” *Id.* AT&T agrees with Staff’s second statement. Even assuming for the sake of argument that access

¹ Since there is no attempt to support the motion with any discussion of the issues in the two dockets, AT&T cannot determine whether Citizens’ use of the phrase “substantially related” is meant to be equivalent to the requirement in the rule that the issues be “substantially the same.”

² See the notice to Telecommunications Industry Members and Other Interested Parties from Steven M. Olea, Acting Director, Utilities Division, dated September 20, 2001.

charges are reduced for Citizens, or any other ILEC, in the access proceeding, this decision does not have any relationship to the USF rules, nor has Citizens shown any.³

AT&T is concerned that consolidation may make the proceeding more complex than it needs to be. The USF rule can and may ultimately be amended without any access reductions. Access reductions may be ordered, and no arguments have been made that the USF rules must be amended to permit any such reductions. AT&T is concerned that by consolidating unrelated issues, the need to resolve unrelated issues concurrently may make resolution of issues more difficult.

AT&T respectfully requests that the motion be denied.

Dated this 19th day of August, 2002.

AT&T Communications of the
Mountain States, Inc. and TCG
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³ Arizona Administrative Code R14-2-1203 requires a filing under R14-2-103 to obtain USF funding. However, R14-2-1203 also states that a LEC may use any other method the Commission may prescribe. Thus, the Commission may permit recovery from the USF without the need to make the filing under R14-2-103. The Commission currently has considerable flexibility in determining the method it will use to permit recovery from the USF fund.

CERTIFICATE OF SERVICE
(Docket No. T-00000D-00-0672)

I certify that the original and 10 copies of AT&T's Response to Citizens' Motion to Consolidate/Motion to Reconsider Indefinite Extension were sent by overnight delivery on August 20, 2002 to:

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1200 West Washington Street
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and a true and correct copy was sent by overnight delivery on August 20, 2002 to:

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