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BEFORE THE ARIZONA CORPORATION COMMISSION  
**DOCKETED**

2 CARL J. KUNASEK  
3 CHAIRMAN  
4 JIM IRVIN  
5 COMMISSIONER  
6 WILLIAM A. MUNDELL  
7 COMMISSIONER

JUN 3 0 2000

DOCKETED BY

6 IN THE MATTER OF THE APPLICATION OF  
7 WILLIAMS LOCAL NETWORK, INC. FOR A  
8 CERTIFICATE OF CONVENIENCE AND  
9 NECESSITY TO PROVIDE COMPETITIVE  
10 RESOLD AND FACILITIES-BASED LOCAL  
11 EXCHANGE, EXCHANGE ACCESS, AND  
12 INTRASTATE DEDICATED DATA SERVICES

DOCKET NO. T-03779A-99-0519

13 DECISION NO. 62727

**OPINION AND ORDER**

10 DATE OF HEARING: June 7, 2000  
11 PLACE OF HEARING: Phoenix, Arizona  
12 ADMINISTRATIVE LAW JUDGE: Stephen Gibelli  
13 APPEARANCES: Mr. Jeffrey W. Crockett, SNELL AND WILMER, on  
14 behalf of Williams Local Network, Inc., and;  
15 Mr. Devinti M. Williams, Staff Attorney, Legal  
16 Division, on behalf of the Utilities Division of the  
17 Arizona Corporation Commission.

16 **BY THE COMMISSION:**

17 Having considered the entire record herein and being fully advised in the premises, the  
18 Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

19 **FINDINGS OF FACT**

- 20 1. Williams Local Network, Inc. ("Applicant" or "Williams") is a Delaware corporation,  
21 authorized to do business in Arizona since 1999.  
22 2. On September 15, 1999, Williams filed with the Commission an application for a  
23 Certificate of Convenience and Necessity ("Certificate") to provide competitive resold and facilities-  
24 based local exchange, exchange access, and intrastate dedicated access telecommunications services  
25 in Arizona.  
26 3. On September 30, November 9, and December 30 of 1999, and on January 27 and 31,  
27 2000, Applicant filed Affidavits of Publication indicating that Williams published notice of the  
28 application.

1 4. On February 28, 2000, Applicant filed a letter updating the contact information in its  
2 application.

3 5. On April 13, 2000, the Commission's Utilities Division Staff ("Staff") filed its Staff  
4 Report, which recommended approval of the application and included a number of additional  
5 recommendations.

6 6. Pursuant to the May 12, 2000 Procedural Order, a hearing was held on June 7, 2000,  
7 and Applicant and Staff presented evidence.

8 7. U S WEST and Williams have not yet reached an interconnection agreement.

9 8. The management of Williams has many years of experience in the telecommunications  
10 industry.

11 9. Applicant has the technical capability to provide the services that are proposed in its  
12 application.

13 10. Currently there are several incumbent providers of local exchange, toll, and exchange  
14 access services in the service territory requested by Applicant, and at least twelve other entities have  
15 been authorized to provide competitive local exchange services in all or portions of that territory.

16 11. It is appropriate to classify all of Applicant's authorized services as competitive.

17 12. The Staff Report stated that Applicant has no market power and the reasonableness of  
18 its rates would be evaluated in a market with numerous competitors.

19 13. Staff recommended that Williams' application for a Certificate to provide competitive  
20 resold and facilities-based local exchange, exchange access, and intrastate dedicated access  
21 telecommunications services be granted subject to the following conditions:

- 22
- 23 (a) That Williams be required to file its proposed tariffs within 30 days of a  
Decision in this matter;
  - 24 (b) That, unless it provides services solely through the use of its own facilities,  
25 Williams procure an Interconnection Agreement before being allowed to offer  
local exchange service;
  - 26 (c) That Williams file with the Commission its plan to have its customers'  
27 telephone numbers included in the incumbent's Directories and Directory  
Assistance databases within 30 days of a Decision in this matter;
  - 28 (d) That Williams pursue permanent number portability arrangements with other

LECs pursuant to Commission rules, federal laws, and federal rules;

- (e) That Williams agree to abide by and participate in the AUSF mechanism instituted in Decision No. 59623, dated April 24, 1996 (Docket No. R-0000-95-0498);
- (f) That Williams abide by the quality of service standards that were approved by the Commission for USWC in Docket No. T-01051B-93-0183;
- (g) That in areas where Williams is the sole provider of local exchange service facilities, Williams provide customers with access to alternative providers of service pursuant to the provisions of Commission rules, federal laws, and federal rules;
- (h) That Williams be required to certify, through the 911 service provider in the area in which it intends to provide service, that all issues associated with the provision of 911 service have been resolved with the emergency service providers within 30 days of a Decision in this matter;
- (i) That Williams be required to abide by all the Commission decisions and policies regarding CLASS services;
- (j) That Williams be required to comply with A.A.C. R14-2-1111, which requires local exchange companies provide 2-PIC equal access;
- (k) That Williams be required to certify that all notification requirements have been completed prior to a final determination in this proceeding; and,
- (l) That Williams be required to abide by all Commission rules and regulations.

14. According to Staff, Williams has submitted the financial statements of its parent company Williams Communications Group, Inc. ("WCG"), for the six months ending June 30, 1999. These financial statements list assets of \$3.1 billion, total equity of \$954 million, and a net loss of \$196 million on revenues of \$1.0 billion.

15. Based on the financial information provided, Staff believe that Williams has sufficient financial strength to offer telecommunications services in Arizona.

#### CONCLUSIONS OF LAW

1. Applicant is a public service corporation within the meaning of Article XV of the Arizona Constitution and A.R.S. §§ 40-281 and 40-282.
2. The Commission has jurisdiction over Applicant and the subject matter of the application.
3. Notice of the application was given in accordance with the law.
4. A.R.S. § 40-282 allows a telecommunications company to file an application for a

1 Certificate to provide competitive telecommunications services.

2 5. Pursuant to Article XV of the Arizona Constitution as well as the Arizona Revised  
3 Statutes, it is in the public interest for Applicant to provide the telecommunications services set forth  
4 in its application.

5 6. With the conditions stated below, Williams is a fit and proper entity to receive a  
6 Certificate authorizing it to provide competitive resold and facilities-based local exchange, exchange  
7 access, and intrastate dedicated access telecommunications services in Arizona.

8 7. The telecommunications services that the Applicant intends to provide are competitive  
9 within Arizona.

10 8. Pursuant to Article XV of the Arizona Constitution as well as the Competitive Rules,  
11 it is just and reasonable and in the public interest for Applicant to establish rates and charges which  
12 are not less than the Applicant's total service long-run incremental costs of providing the competitive  
13 services approved herein.

14 9. Staff's recommendations in Findings of Fact No. 13 are reasonable and should be  
15 adopted, in addition to further orders below.

16 **ORDER**

17 IT IS THEREFORE ORDERED that the Application of Williams Local Network, Inc. for a  
18 Certificate of Convenience and Necessity for authority to provide competitive resold and facilities-  
19 based local exchange, exchange access, and intrastate dedicated access telecommunications services  
20 shall be, and is hereby, granted, as conditioned below.

21 IT IS FURTHER ORDERED that prior to providing service, Williams Local Network, Inc.  
22 shall comply with all of the Staff recommendations set forth in Findings of Fact No. 13.

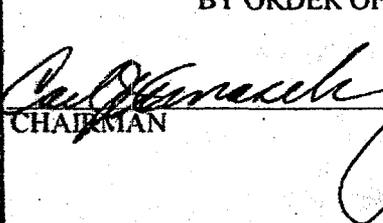
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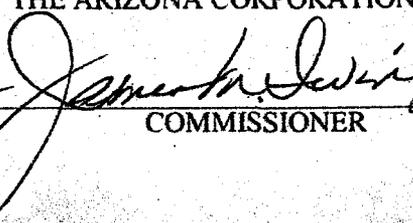
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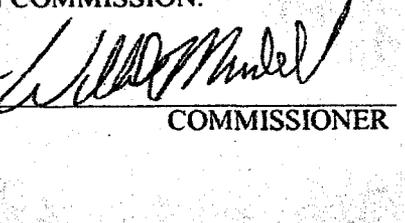
IT IS FURTHER ORDERED that prior to providing local exchange service, Williams Local Network, Inc. shall have an Interconnection Agreement with U S WEST approved by this Commission.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

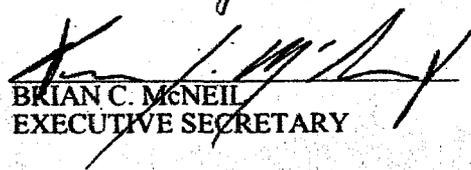
BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

  
CHAIRMAN

  
COMMISSIONER

  
COMMISSIONER

IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive Secretary of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this 20<sup>th</sup> day of June, 2000.

  
BRIAN C. McNEIL  
EXECUTIVE SECRETARY

DISSENT \_\_\_\_\_  
SG:bbs

1 SERVICE LIST FOR:

WILLIAMS LOCAL NETWORK, INC.

2 DOCKET NO.:

T-03779A-99-0519

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