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**AMENDMENT TO STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION**

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**Application For a Certificate of Convenience and Necessity and For
Determination That Services of The Company are Competitive**

Company: ASC Telcom, Inc.
Docket No.: T-03044A-95-0461

On March 8, 1996, the Applicant filed an application for a Certificate of Convenience and Necessity (CC&N) to resell telecommunications services within the State of Arizona.

The Staff report filed on December 7, 1998 recommended pursuant to R14-2-1105.D., that the Applicant maintain for a minimum of one year, an escrow account equal to the total amount of any prepayments, advances, and deposits that the Applicant may collect from its customers as a condition of certification.

The Applicant is a subsidiary of Sprint Corporation (Sprint) and will be backed by Sprint's financial resources. Sprint is the third largest long distance carrier in the US, with a net income of \$265 million for the first three-quarters of 1998. Therefore, Staff recommends rescinding the requirement for an escrow account.

Ray T. Williamson
Ray T. Williamson
Acting Director
Utilities Division

Date: *Jan 25, 1999*

Originator: Kevin Mosier

Date: January 13, 1999