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July 9, 1991

Arizona Corporation Commission
DOCKETED

JUL 10 1991

VIA FEDERAL EXPRESS

Arizona State Corporation Commission
Docket Control
1200 W. Washington
Phoenix, Arizona 85007

DOCKETED BY

Re: In The Matter Of The Application Of Operator Service Company For A New Certificate Of Convenience And Necessity To Provide Non-Facilities Based Intrastate Interlata Alternative Operator Service Within The State of Arizona; Docket No. U-2612-91-715175

Dear Sir/Madam:

Enclosed for filing please find an original plus 11 copies of the Response of OSC to Ruco's Data Requests with regard to the above-referenced matter. We ask that you please conform the copy we have enclosed and return it to us in the envelope we have provided.

If you have any questions with regard to the enclosed, please do not hesitate in contacting our office.

Very truly yours,

COMPTON, CORYELL, HICKEY
& IVES, P.A.

By:
Kathleen A. Padilla
Assistant to Peter N. Ives

enclosures a/s
c: RUCO (w/enc.)
A. Wilkinson (w/enc.)
H. Stringer (w/enc.)

BEFORE THE ARIZONA CORPORATION COMMISSION

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AZ. CORP. COMMISSION

Arizona Corporation Commission

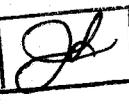
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MARCIA WEEKS
CHAIRMAN
RENZ D. JENNINGS
COMMISSIONER
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DOCKETED BY 

IN THE MATTER OF THE APPLICATION OF *
OPERATOR SERVICE COMPANY FOR A NEW *
CERTIFICATE OF CONVENIENCE AND *
NECESSITY TO PROVIDE NON-FACILITIES *
BASED INTRASTATE INTERLATA ALTERNATIVE * DOCKET NO. U-2612-91-175
OPERATOR SERVICE WITHIN THE STATE OF *
ARIZONA *

Dear Commissioners:

Enclosed for filing is the response of Operator Service Company ("OSC") to the Residential Utility Consumer Office's ("RUCO") first set of data requests, dated June 4, 1991. Please file these in accordance with the rules of the Commission.

GENERAL OBJECTIONS

OSC objects to RUCO's First Set of Data Requests insofar as the Definitions and Explanations section of the Data Requests and the cover letter of Mr. Roger A. Schwartz, Chief Counsel, RUCO, purport to expand or enlarge in any way OSC's obligation to provide discovery in the context of this proceeding.

OSC objects to any data requests which seeks or requests information regarding privileged materials, including but not limited to the attorney client privilege, attorney work product privilege, and privileges relating to nondisclosure of trade secrets and confidential and proprietary business information.

OSC objects to each and every data request which seeks trade secrets or proprietary or confidential business information of OSC.

RESPONSE OF OSC
TO RUCO DATA REQUEST NUMBER 1

1. Q. Indicate whether your company or any affiliates of your company intend to offer intrastate IntraLATA or intrastate interLATA or both in the state of Arizona. If so, provide a copy of the intrastate intraLATA and intrastate interLATA rate schedules you will propose. If your company intends to provide intrastate

services, indicate and describe all inter-and intraLATA services that are to be introduced within the next three years. Indicate how these services differ from those available presently from existing interexchange or local exchange carriers.

1. A. As stated in its application and tariff filed with the Arizona Corporation Commission on May 24, 1991, OSC intends to provide only intrastate interLATA services in Arizona.

With regard to the second part of the question regarding services to be introduced over the next three years and a description of how these services differ from those of OSC's competitors, OSC objects to this data request as irrelevant and unlikely to lead to the discovery of admissible evidence. Specifically, services to be introduced in the future are irrelevant because OSC is before this Commission requesting to provide only those services listed in the instant application and tariff. Furthermore, to compare OSC's services to those of its competitors is without justification. On April 5, 1991 the Arizona Commission determined that the provision of interLATA alternative operator services is in the public interest in Docket U-2507-88-045. The purpose of this proceeding is to assess the applicant's ability to provide the proposed services, which is no way related to a comparison of OSC's services to those offered by its competitors.

2. Q. Does your company expect to provide service using resold interstate facilities, resold intrastate facilities, company provided facilities or a combination of those facilities?

2. A. As a switchless reseller of operator assisted services, OSC resells the transmission and switching services of its underlying carriers. The services provided by these carriers may consist of interstate and/or intrastate facilities and services.

3. Q. Provide a diagram and description of all facility plans for the first three years of operation, including the location of all service switches and operator location. Show how you will obtain access to exchange carrier loop facilities on the diagram.

3. A. This question is not applicable to OSC. OSC is a non-facilities based, switchless reseller and has no plans to install any switches. Access facilities are obtained by OSC's underlying carriers.

4. Q. Presently, does your company or any affiliated companies complete any calls that originate or terminate within the state of Arizona? If so indicate what entity provides such service. Also, provide copies of any and all customer billings made for such calls

which originated and terminated in Arizona for the past two years. Breakdown the data already provided this question between inter- and intraLATA traffic.

4. A. OSC objects to this data request as it seeks irrelevant information. Without waiving its objection, OSC states that it does currently provide service within the State of Arizona having begun to provide said services on July 26, 1991.

5. Q. Does your company have the capability of blocking intrastate and or intraLATA calls processed by your operators or switch? If not, what rate and under what authority are you charging the customer for completing such intrastate or intraLATA calls? How are you compensating the local exchange carrier for lost traffic?

5. A. Yes, OSC does have the capability of blocking intrastate and or intraLATA calls. The balance of the question is not applicable.

6. Q. Indicate what level of blocking your company's network is designed for during a busy hour.

6. A. Blocking level is entirely dependent of the equipment and facilities used by the OSC subscriber and OSC's underlying carrier(s). (P.01 G.O.S.??)

7. Q. What does your company estimate would be the volume of inter- and intraLATA intrastate Arizona calls handled by it during each of the first three years of operation? Provide copies of any and all documents your company has and studies anticipated demand for such service during this period.

7. A. OSC objects to this data requests because it asks for confidential and business proprietary information and trade secrets. Without waiving the foregoing objections, OSC estimates that it will process approximately 36,000 minutes per month currently and anticipates that its volume by the end of this year will be approximately 200,000 minutes per month by the end of this year. OSC does not currently know the breakdown of these calls between be intrastate and intraLATA and interstate calls.

8. Q. How often does your company expect to change its rates for intrastate services? What will be the basis for making these changes and what are your company's rate plans for the next five years?

8. A. OSC objects to this question as it will not lead to the discovery of information pertinent to this proceeding and it seeks

information which is confidential and proprietary in nature. Without waiving its objection, OSC will attempt to remain competitive within the marketplace and if at any time it determines that a rate change is required, it will proceed with same in accordance with the rules and regulations of the Commission.

9. Q. State whether your company has obtained or made application to obtain any services from any interexchange carrier operating in Arizona. Mountain Bell Telephone Company, or any independent telephone company located in Arizona. Provide a listing showing the exact location or any services that are provided as well as a list of specific services that your company has subscribed to or intends to subscribe to. Also, indicate all services that your company obtained on an intrastate basis which are used to provide intrastate services in the state of Arizona.

9. A. Yes, three interexchange carriers may be used, including NTS, CTI and Feature Group D from U.S. West Communications. The services which OSC intends to provide are referenced in its application which is incorporated herein by reference.

10. Q. Under what applicable tariff does your company intend to provide to obtain access in the state of Arizona for inter- and/or intraLATA service? How will your company identify intrastate intraLATA usage, interstate interLATA and interstate for the purpose of paying an access tariff?

10. A. Not applicable. OSC is a switchless, non facilities based carrier. All access services are purchased by OSC's underlying carriers.

11. Q. Has your company advertised its services in Arizona markets or has it engaged in any sales efforts to customers located in Arizona for any intrastate services? If so, provide copies of all such advertisements, correspondence as well as dates and addresses of all such entities to which all correspondence was directed.

11. A. No.

12. Q. Has your company entered into any written contracts, agreements, that are standing either oral or written either existing, prospective, contingent, or otherwise, with any customer or prospective customer, received any form of consideration from any customer or any prospective customer with regard to the provision of inter-or intraLATA services in the state of Arizona? If so provide a copy of all such contracts, agreements, understandings, etc. and if oral, provide the names and addresses of such customers or prospective customers, and the effective date of the understanding. Where services are provided for a COCOT or

a COCOT location provide the phone number of the COCOT, the local exchange carrier providing service to the underlying COCOT, the name of the COCOT owner.

12. A. OSC objects to this data request as it seeks proprietary and confidential business information and trade secrets.

13. Q. Provide a list of all applications your company has made in all jurisdictions. Also provide copies of your testimony, exhibits and comments filed in each such jurisdiction, any briefs filed by your company, any order or interim order issued by that commission, and copies of any petitions for reconsideration or appeals filed by your company. Indicate with these applications which are for services on an inter- or intraLATA basis.

13. A. OSC objects to this question as overly burdensome and unlikely to lead to the discovery of evidence pertinent to this proceeding. Without waiving any of its objections, should OSC be required to provide this information, pursuant to Rule 33(c) of the Rules of Civil Procedure, OSC will make available to RUCO its business files and records containing said information from which RUCO can as easily extract these documents as can OSC. The burden of deriving or ascertaining the answer to this data request is substantially the same for RUCO as it would be for OSC. OSC will allow RUCO reasonable opportunity to make copies, summaries or compilations of said documents.

14. Q. Provide a list of all public utility commissions or state proceedings where your company or an affiliated company has intervened. For each proceeding, provide any copies of any comments your company has filed, a copy of any testimonies and exhibits you may have filed. All briefs you have filed and copies of any orders or interim orders that were issued and copies of any appellate decisions.

14. A. OSC objects to this question as it is irrelevant and unlikely to lead to the discovery of evidence pertinent to this proceeding.

15. Q. Provide a copy of your company's tariffs, in any jurisdictions where you are permitted to operate as well as your company's interstate tariff or rates.

15. A. OSC objects to this question as it is irrelevant and unlikely to lead to the discovery of evidence pertinent to this proceeding.

16. Q. If your company intends to provide service to areas served by independent telephone companies or accessible on a toll

free basis, indicate by what means you will compensate that telephone company for access or any loss of toll revenues or settlements.

16. A. Where appropriate, access is obtained through the utilization of FGA, FGB or FGD access services from the intrastate access tariffs of local exchange carriers. In some cases, OSC accesses the underlying carrier through access codes using the host location's standard business lines. In these cases, access charges are paid by the underlying carrier based on intrastate access tariffs. OSC does not need to identify jurisdictional usage because the underlying carrier has both the originating ANI and the terminating number for determining jurisdiction.

17. Q. Provide a nationwide list of any and all hotels, motels, hospitals, universities or any other institutions with which your company or affiliated company has a contract or understanding, either formal or informal, to provide service. Provide copies of all such documents.

17. A. OSC objects to this question as it is overbroad, burdensome, irrelevant and unlikely to lead to the discovery of evidence pertinent to this proceeding. OSC further objects to said data requests insofar as it seeks confidential and business proprietary information and trade secrets.

18. Q. Provide a list of all billing contracts or understandings your company has with local exchange carriers, interstate carriers, or any credit card companies such as American Express, Mastercard, etc.

18. A. OSC objects to this data request because it is overbroad, seeks irrelevant information and is not designed to lead to the discovery of admissible or relevant information. OSC further objects to said data requests insofar as it seeks confidential and business proprietary information and trade secrets. Without waiving its objections, OSC provides copies of any such agreements which would affect its provision of services in Arizona.

19. Q. Provide a copy of all customer complaints received by your company. Indicate the disposition of each complaint and any regulatory action taken.

19. A. OSC objects to this data request because it is overbroad, seeks irrelevant information and is not designed to lead to the discovery of admissible or relevant information. OSC has not been the subject of any state or federal investigations or actions in connection with any complaints.

20. Q. How does your company intend to handle emergency calls? How will they transfer on a 0- basis, on a 911 basis, and how will they transfer calls to the emergency agency?

20. A. OSC does not process emergency 911 calls. In the unlikely event that an emergency call is routed to an OSC operator, a detailed procedure for expeditious call handling has been established. When identified as an emergency call, the call will be routed to the local police, fire department or other emergency service.

21. Q. Provide a list of all the states in which you currently resell services.

21. A. OSC objects to this data requests as overbroad and seeking irrelevant information. Without waiving its objections, OSC states that it is currently providing and is authorized to provide service in the following states: Texas, New Mexico and Oklahoma.

22. Q. For each state listed in Response 21, provide a copy of the state regulatory commissions decision authorizing your service.

22. A. OSC objects to this data request as overbroad and seeking irrelevant information. Without waiving its objections, OSC states that it is in compliance with the regulatory requirements of each jurisdiction within which it provides service.

23. Q. Provide a list of states in which you applied to offer resoled services but in which the state regulatory commission did not grant your application for these services.

23. A. OSC objects to this data request as overbroad and seekikng irrelevant information. Without waiving its objection, OSC states that it has not been denied authority to operate in any state to which it has applied for certification.

24. Q. For each state listed in Response 23, provide a copy of the state regulatory commission's decision denying authority for the provision of your services.

24. A. Not Applicable.

25. Q. In those states where certification is not required, provide a copy of the state regulatory commission's decision or statues indicating such.

25. A. OSC objects to this question as overly broad and unduly

burdensome, calls for OSC to make legal conclusions and to perform legal research for RUCO. Without waiving its objections, OSC states that it is in compliance with the regulatory requirements of each jurisdiction within which it provides service.

26. Q. For each state listed in Response No. 21, provide a list of each of the services you provide in each state.

26. A. OSC objects to this data request as it is overbroad and seeks irrelevant information. Without waiving its objections, OSC states that it provides operator services and associated resold long distance services in those states.

27. Q. Indicate whether you currently provide interstate service for traffic originating from Arizona, when you began providing this service, and the most recent monthly volume of traffic carried.

27. A. Yes on June 26, 1991, and a full month of service has not yet been provided so no monthly figures are available.

28. Q. Indicate whether you currently provide intrastate, interLATA traffic in Arizona and when you began providing this service.

28. A. Yes on June 26, 1991.

29. Q. Discuss in detail the potential benefits to Arizona end users for your services.

29. A. OSC objects to this request as it is irrelevant and is not likely to lead to the discovery of evidence admissible evidence pertinent to this proceeding. In addition, the Arizona Commission determined that intrastate interLATA operator services is in the public interest in Decision 57339. The purpose of this docket is to assess OSC's ability to provide the services in question.

30. Q. Describe the differences, if any, between those services that are now being provided by currently authorized providers of telecommunications services and the services you provide.

30. A. OSC objects to this request as it is irrelevant and is not likely to lead to the discovery of evidence admissible evidence pertinent to this proceeding. In addition, the Arizona Commission determined that intrastate interLATA operator services is in the public interesting Decision 57339. The purpose of this docket is to assess OSC's ability to provide the services in question.

31. Q. Indicate whether your customers will be able to designate your company as their primary interexchange carrier in areas where equal access has been implemented.

31. A. Yes, but only through OSC's utilization of Feature Group D access services for "0" traffic for public LEC payphones.

32. Q. Indicate whether you intend to provide alternate operator services to end users in Arizona.

32. A. OSC does not market its services directly to end users. Rather, the services are sold to Subscriber locations that provide telecommunications services to their guests and others.

33. Q. Identify those areas in which you intend to market your services, initially. (e.g. statewide, Phoenix only, Flagstaff only, Phoenix and Tucson only, etc.)

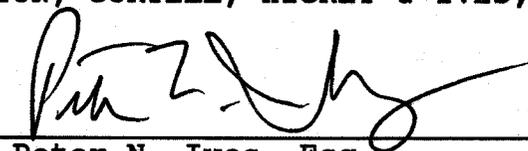
33. A. OSC intends to market its services statewide.

34. Q. Describe your proposed deposit regulations.

34. A. OSC does not require deposits from subscribers or end users.

Respectfully submitted:

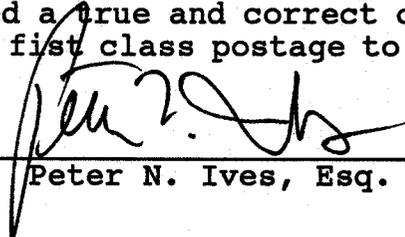
COMPTON, CORYELL, HICKEY & IVES, PA

By: 

Peter N. Ives, Esq.
P.O. Drawer 9730
Santa Fe, NM 87504-9730
505/988-4300

CERTIFICATE OF SERVICE

I hereby certify that I caused a true and correct copy of the foregoing pleading to be mailed by first class postage to counsel of record July 9, 1991.


Peter N. Ives, Esq.

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