

OCT. 28



NAL

ORIGINAL

TO 9160238260700560 P.02/03



RECEIVED

2002 OCT 29 P 12:46

AZ CORP COMMISSION
DOCUMENT CONTROL

GVMW CONSULTING, INC.

8050 SW WARM SPRINGS STREET
SUITE 200
P.O. BOX 2330
TUALATIN, OR 97062
TEL 503.612.4400
FAX 503.612.4401
www.gvmw.com

T-02556A-01-0931

VIA OVERNIGHT MAIL
August 8, 2002

Mr. Steve Olea
Acting Director, Utilities
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Arizona Corporation Commission
DOCKETED

OCT 29 2002

DOCKETED BY	CAR
-------------	-----

Dear Mr. Olea:

RE: SBI request for additional ETC authority

Mr. John Hayes, General Manager of the Table Top Telephone Company (TTTC), has requested that I file this letter on behalf of TTTC. The Arizona Corporation Commission (ACC) has requested additional input pertaining to the request of Smith Bagley (SBI) to expand its ETC status within the state of Arizona. While it would appear, based on several of the comments at the recent hearing that the Commission is predisposed to granting such a request, we appreciate the opportunity to add to the record certain public policy issues that may have been overlooked in the rush to promote Smith Bagley's competitive experiment.

The ACC should implement certain administrative procedures prior to granting additional authority to Smith Bagley

As the ACC and its staff may be aware, the National Telecommunications Cooperative Association (NTCA) filed an important Petition for Expedited Rulemaking with the FCC on July 26, 2002.

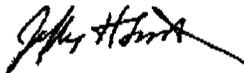
The purpose of this filing is, *inter alia*, to provide clarification for which lines should be eligible for support for a competitive eligible telecommunications carrier (CETC). NTCA documented its legitimate concerns as to the rapid growth in the federal universal service support mechanism due to certain duplicative support currently provided to CETCs.

CETCs, including Smith Bagley, are currently receiving support for service to customers who already receive the "federally supported" services from ILECs. Since current FCC rules do not clearly define terms such as "captured" or "new" subscriber lines, the recent rapid growth in federal high-cost support will be exacerbated especially if the ACC grants SBI's instant request without first considering the impact of the NTCA Petition.

We encourage the ACC to initiate an investigation of what additional administrative procedures may be required of its staff prior to increasing the scope of authority for a CETC whose eligibility may be impacted if in fact the FCC determines to grant NTCA's request as outlined in its July 26 petition.

We are available to answer any additional questions, and have attached a copy of the NTCA petition for your reference.

Respectfully submitted,



Jeffrey H. Smith
Consulting Manager

Enclosures - copy of summary items from NTCA July 26, 2002 FCC filing
Copy to Mr. John Hayes, TTTC
Ms. L. Marie Guillory, NTCA counsel (without attachment)
Mr. Jeff Crockett, TTTC counsel (email copy)