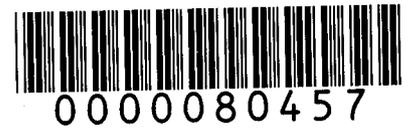


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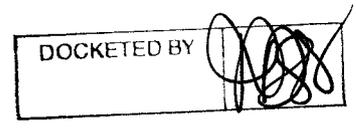


Arizona Corporation Commission

DOCKETED

JAN 11 2008

January 10, 2008



**Via Federal Express**

Arizona Corporation Commission  
Docket Control  
1200 W. Washington Street  
Phoenix, AZ 85007-2927

**Re: Docket Nos. T-20517A-07-0135 and T-04045A-07-0135,  
Joint Application of STi Prepaid, LLC and Dialaround Enterprises Inc.**

Dear Sir or Madam:

As requested by the Procedural Order issued by the Arizona Corporation Commission ("Commission") on December 24, 2007, Dialaround Enterprises Inc. ("Dialaround") hereby responds to the Motion to Bifurcate Matter ("Motion") filed by Commission Staff on December 21, 2007 in the above-referenced matter. On March 2, 2007, STi Prepaid, LLC ("STi Prepaid") and Dialaround filed a joint application with the Commission to approve (1) the transfer of Dialaround's Certificate of Convenience and Necessity ("CC&N") to provide resold interexchange services to STi Prepaid and (2) the termination of resold long distance services by Dialaround upon transfer of the CC&N. STi Prepaid also provided the necessary information to demonstrate its fitness to provide service in Arizona.

In its Motion, Staff requests that the joint application be bifurcated so that STi Prepaid's application for a CC&N is considered in one docket and the transfer of Dialaround's CC&N and permission for Dialaround to discontinue service is considered in a separate docket. Staff states that bifurcating the docket in this manner will simplify the administrative process and the respective records.

Dialaround supports any action that will accelerate conclusion of this matter so that the Parties can close their pending transaction. The joint application has been pending for more than ten (10) months and Arizona is the last remaining state required to act on the transaction.<sup>1/</sup> Accordingly, Dialaround supports bifurcation if doing so will enable the Commission to more quickly act on the pending issues raised by the joint application.

<sup>1/</sup> The majority of states that have approved the transaction are waiting for action in Arizona to take the necessary steps to finalize the transaction in their records.

To the extent STi Prepaid obtains a CC&N separate and apart from Dialaround's transfer request, Dialaround will withdraw its request to transfer its CC&N to STi Prepaid. Once STi Prepaid obtains its own, independent CC&N, the transfer of Dialaround's CC&N to STi Prepaid will no longer be necessary. Dialaround's request to discontinue service would remain open for Commission consideration.

An original and fourteen (14) copies of this letter are enclosed. Please date-stamp the additional copy of this letter and return it in the enclosed envelope. If you have any questions concerning this letter, please contact any of the undersigned.

Respectfully submitted,



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cc: Sarah N. Harpring, Administrative Law Judge  
Christopher Kempley, Chief Counsel  
Ernest G. Johnson, Utilities Division  
Richard Rebetti, STi Prepaid, LLC