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AZ CORP COMMISSION
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Arizona Corporation Commission
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OCT -7 2008

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IN THE MATTER OF THE REVIEW AND
POSSIBLE REVISION OF ARIZONA
UNIVERSAL SERVICE FUND RULES,
ARTICLE 12 OF THE ARIZONA
ADMINISTRATIVE CODE.

Docket No. RT-00000H-97-0137

IN THE MATTER OF THE
INVESTIGATION OF THE COST OF
TELECOMMUNICATIONS ACCESS.

Docket No. T-00000D-00-0672

RUCO'S NOTICE OF FILING ISSUE MATRIX

The Residential Utility Consumer Office ("RUCO") hereby submits the following issues regarding AUSF and Access Charges, as required by the Procedural Order dated August 20, 2008.

RUCO submits that the outstanding issues are as follows:

Procedural Issues:

- 1) Which carriers' access rates should be the subject of this proceeding?
 - A. Just rural ILECs?
 - B. Should CLECs be included?

1 2) If CLEC access rates are to be deferred until a later phase, should work on those
2 issues begin in parallel with this phase, or wait until this phase is
3 completed?

4 3) What procedures should be used to ensure that AUSF changes and newly
5 implemented rates are fair, just, reasonable and fully compliant with Arizona law?

6 4) What method should be used to estimate the impact of specific proposals and
7 alternatives for resolving specific issues?

8 5) What amendments to the AUSF rules and other regulations will be required to
9 implement the ultimate resolution of the issues in this proceeding?

10 **Rate Comparison Issues:**

11 6) What should be the role of local rate comparisons, and how should these
12 comparisons be used?

13 7) What should be the role of access rate comparisons, and how should these
14 comparisons be used?

15 **Access Issues:**

16 8) How much of existing access cost recovery, if any, should be shifted to end
17 users?
18

19 9) How much access cost recovery, if any, should be shifted to the AUSF?

20 10) How should access rates be developed?

21 A. Use Interstate rates?

22 B. Use a multiple of interstate rates (e.g., 120%)?

23 C. Use Qwest's intrastate access rates?

24 D. Use a multiple of Qwest's current intrastate access rates?

1 E. Should a CCL be retained, and if so at what level?

2 11) Should access charge reductions be phased-in or flash-cut?

3 12) Should the beneficiaries of access rate reductions be required to pass their
4 savings through to their customers, and if so, how should this requirement be enforced?

5 **Universal Service Fund Issues:**

6 Scope of ASUF

7 13) Which carriers should contribute to the AUSF?

8 14) Which carriers should be eligible to receive AUSF support?

9 Contribution Calculations

10 15) What rate structure or methodology should be used in determining AUSF
11 contributions?

12 16) In administering the fund, how should specific contributions from each carrier be
13 determined and billed?

14 17) Should contributions to the AUSF be recovered as an ordinary cost of doing
15 business, or as a separate charge? Should carriers be prevented from billing customers for
16 more than their actual contribution, and if so, how should this requirement be enforced?

17 Support Calculations

18 18) What should be supported by the AUSF?

19 A. High loop costs?

20 B. Access replacement?

21 C. Line extensions?

22 D. Centralized administration?

23 E. Automatic enrollment for Lifeline and Link-Up?

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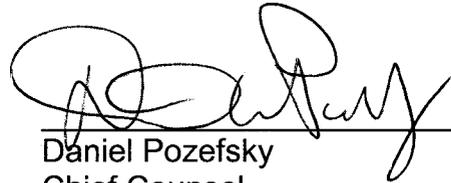
1 19) How much statewide uniformity should be required in calculating each LEC's
2 AUSF support?

3 20) Should AUSF support be calculated at the exchange level, or should it be
4 calculated on a more granular basis, to target outlying areas or high cost areas (zones) within
5 an exchange?

6 21) Should AUSF support be based on an economic cost model, embedded cost
7 calculations, rate comparisons/benchmarks, or some other approach?

8 22) What process should be used in developing and updating the cost data, rate
9 comparisons, or other calculations used to determine AUSF payments.

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11 RESPECTFULLY SUBMITTED this 7th day of October, 2008.

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14 Daniel Pozefsky
Chief Counsel

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16 AN ORIGINAL AND FIFTEEN COPIES
17 of the foregoing filed this 7th day
18 of October, 2008 with:

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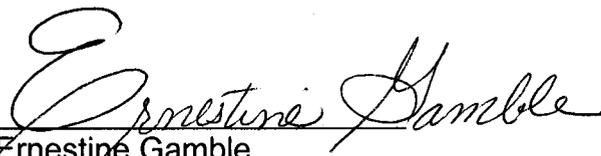
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