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**ORIGINAL**

**MEMORANDUM**

TO: Docket Control

FROM: Ernest G. Johnson  
Director  
Utilities Division

DATE: December 12, 2008

*EA for EGJ*

RE: IN THE MATTER OF THE APPLICATION OF TELEFYNE INCORPORATED FOR APPROVAL TO CANCEL THEIR CERTIFICATE OF CONVENIENCE AND NECESSITY FOR RESOLD LONG DISTANCE AND ALTERNATIVE OPERATOR SERVICES (DOCKET NO. T-04027A-06-0061)

Attached is the Staff Report for the above referenced application. The applicant is applying for approval to cancel its Certificate of Convenience and Necessity ("CC&N") to provide the following services:

- Resold Long Distance Services
- Alternative Operator Services

Staff recommends cancellation of the CC&N.

EGJ:CLA:red

Originator: Candrea Allen

Attachment: Original and Thirteen Copies

Arizona Corporation Commission  
**DOCKETED**

DEC 12 2008

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AZ CORP COMMISSION  
DOCKET CONTROL

2008 DEC 12 A 11: 54

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SERVICE LIST FOR: Telefyne Incorporated  
DOCKET NO. T-04027A-06-0061

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STAFF REPORT  
UTILITIES DIVISION  
ARIZONA CORPORATION COMMISSION

TELEFYNE INCORPORATED  
DOCKET NO. T-04027A-06-0061

IN THE MATTER OF THE APPLICATION OF TELEFYNE INCORPORATED FOR  
APPROVAL TO CANCEL THEIR CERTIFICATE OF CONVENIENCE AND NECESSITY  
FOR RESOLD LONG DISTANCE AND ALTERNATIVE OPERATOR SERVICES

DECEMBER 12, 2008

## STAFF ACKNOWLEDGEMENT

The Staff Report for the application of Telefyne Incorporated, Docket No. T-04027A-06-0061, for approval to cancel its Certificate of Convenience and Necessity to provide Resold Long Distance and Alternative Operator Services was the responsibility of the Staff member listed below. Candrea Allen was responsible for the review and analysis of the application.

A handwritten signature in black ink, appearing to read 'Candrea Allen', written over a horizontal line.

Candrea Allen  
Executive Consultant I

## **INTRODUCTION**

On February 1, 2006, Telefyne Incorporated (“Telefyne” or “Applicant” or “Company”) filed an application to cancel its Certificate of Convenience and Necessity (“CC&N”) to provide resold long distance and alternative operator services within the State of Arizona.

## **BACKGROUND**

On November 20, 2002, the Commission, in Decision No. 65410, granted Telefyne a CC&N to provide resold long distance and alternative operator services within the state of Arizona.

## **STAFF’S ANALYSIS**

Telefyne filed an application to cancel its CC&N on February 1, 2006, stating that the Company no longer intends to provide telecommunications services in Arizona. According to its responses to Staff’s First Set of Data Requests, the Company states that it has never provided services to customers in Arizona. In addition, Telefyne’s 2005 annual report indicates that the Company had no customers. In Decision No. 65410, which granted Telefyne a CC&N to provide resold long distance and alternative operator services, the Commission did not require the Company to procure a performance bond. In its application to cancel its CC&N, Telefyne states that the Company never collected advanced payments and/or deposits from customers. Therefore, there is no risk that any prepayments would be lost by cancelling Telefyne’s CC&N. The Company also stated in its responses to Staff’s Data Requests that it does not have any employees or facilities in Arizona.

Consumer Services Staff has indicated that from February 7, 2006 to April 29, 2008, there have been no complaints, inquiries, or opinions filed for Telefyne. The Corporations Division reports that Telefyne is not in good standing. The Company’s authority to transact business in Arizona was revoked, effective August 7, 2006, for failure to file its 2005 annual report. In addition, Compliance Staff has indicated that Telefyne has not filed conforming tariffs in accordance with Decision No. 65410. Since there are numerous other carriers offering the same or similar services as Telefyne and Telefyne has never provided service to customers in Arizona, Staff believes that approval of Telefyne’s request to cancel its CC&N is in the public interest.

## **RECOMMENDATIONS**

Staff recommends approval of Telefyne’s application to cancel its CC&N. According to Telefyne, the Company is not conducting business and has never provided services to customers in Arizona. Because Telefyne has never provided service to customers in Arizona, Staff recommends a waiver of Arizona Administrative Code R14-2-1107. Upon cancellation of its CC&N, Telefyne will no longer be authorized to provide resold long distance or alternative

Telefyne Incorporated  
Docket No. T-04027A-06-0061  
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operator services in Arizona. Therefore, Telefyne will no longer be subject to the requirements of Decision No. 65410.