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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

**COX ARIZONA TELCOM'S COMMENTS ON PROCESS  
AND PROPOSED PROTECTIVE ORDER**

Cox Arizona Telcom, LLC ("Cox"), through undersigned counsel, submits its comments on procedural recommendations and the proposed protective order submitted by Commission Staff on January 16, 2009.

**A. Cox's Procedural Recommendations.**

Cox continues to believe that an examination of intrastate switched access rates in Arizona is premature and that any substantive action in these dockets should await further action by the FCC. There are still pending dockets at the FCC concerning review of Intercarrier Compensation that will ultimately set the stage for federal reform. See In the Matter of Universal Service Contribution Methodology, WC Docket No. 06-112; In the Matter of the High-Cost Universal Service Support and Federal-State Joint Board on Universal Service, WC Docket 05-337, CC Docket 96-45; In the Matter of Developing a Unified Intercarrier Compensation Regime, WC Docket No. 01-92; and In the Matter of Access Charge Reform, CC Docket No. 96-262.

1 Although the FCC did not act on these dockets before the end of 2008, the dockets remain open  
2 and Cox believes that the FCC will act on these issues in due course. Cox continues to believe  
3 that any state proceedings should at least follow the federal scheme because moving forward at  
4 the state level at this time has the potential to result in conflicting reforms. Waiting until the FCC  
5 takes action will prevent all parties from expending unnecessary time and resources on a possibly  
6 conflicting state proposal.

7 Should the Commission decide to move forward on these issues at this time, Cox believes  
8 the Commission should consider several elements in shaping the appropriate process. There are  
9 numerous potentially affected carriers whose access charges may be reduced. Depending on the  
10 bases for potential access charge reductions, each carrier would present different facts that must  
11 be considered for any proposed reductions. It would be unwieldy and resource intensive to  
12 attempt to conduct carrier-specific proceedings at this point.

13 Initially, the Commission should conduct a generic process to determine the policy of the  
14 Commission on access charges, including basic issues such as whether the access charges should  
15 be entirely cost-based and how changes in access charges should affect other rates or support  
16 received by carriers, whether from the AUSF or federal universal service subsidies.. This  
17 approach would most likely involve workshops leading to a rulemaking. As has been done in  
18 other states such as California, the rulemaking would address the issues raised in this docket and  
19 could set forth a process for setting access charges on a going-forward basis. The rulemaking also  
20 could reduce potential due process issues for the many carriers that have chosen not to participate  
21 in this generic docket but which may be asked to modify their access charges.

22 If the Commission is not inclined to conduct a rulemaking at this time, then its initial  
23 phase of access charge reform should focus on the Rural ILECs. Those entities are fewer in  
24 number and have rates that are ostensibly set on cost, not market and the Commission has ample  
25 cost data to evaluate each carrier's situation. This phasing would be less resource intensive,  
26 particularly if separate hearings are required for each carrier. Given the complexity and variety of  
27 the numerous CLECs operating in Arizona, reform of CLEC access charges should be the last to

**ROSHKA DeWULF & PATTEN, PLC**  
ONE ARIZONA CENTER  
400 EAST VAN BUREN STREET - SUITE 800  
PHOENIX, ARIZONA 85004  
TELEPHONE NO 602-256-6100  
FACSIMILE 602-256-6800

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
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proceed.

**B. Comments on Proposed Protective Order**

Cox finds the proposed protective order to be acceptable except that the last sentence of Section 1(c) is confusing to the extent it references "states". Cox does not understand that any information provided in this docket would be used outside of Arizona and, therefore, that sentence should be removed or clarified.

RESPECTFULLY SUBMITTED this 23<sup>rd</sup> day of January 2009.

**COX ARIZONA TELCOM, LLC**

By 

Michael W. Patten  
Roshka DeWulf & Patten, PLC  
One Arizona Center  
400 East Van Buren Street, Suite 800  
Phoenix, Arizona 85004  
(602) 256-6100

**ORIGINAL and 15 COPIES** of the foregoing filed this 23<sup>rd</sup> day of January 2009 with:

Docket Control  
ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, Arizona 85007

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Docket Control  
ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, Arizona 85007

1 **COPIES** of the foregoing mailed/  
2 emailed this 23<sup>rd</sup> day of January 2009 to:

3 Dan Pozefsky  
4 Residential Utilities Consumer Office  
5 1110 West Washington, Suite 220  
6 Phoenix, Arizona 85007  
[dpozefsky@azruco.gov](mailto:dpozefsky@azruco.gov)

7 Norm Curtright  
8 Qwest Corporation  
9 20 East Thomas Road, 16<sup>th</sup> Floor  
10 Phoenix, Arizona 85012

11 Reed Peterson  
12 Qwest Corporation  
13 20 East Thomas Road  
14 16<sup>th</sup> Floor  
15 Phoenix, Arizona 85012

16 Craig A. Marks  
17 Craig A. Marks, PLC  
18 10645 N. Tatum Blvd.  
19 Suite 200-676  
20 Phoenix, AZ 85028  
21 [Craig.Marks@azbar.org](mailto:Craig.Marks@azbar.org)  
22 Attorney for ALECA

23 Michael M. Grant  
24 Gallagher & Kennedy  
25 2575 East Camelback Road  
26 Phoenix, AZ 85016  
27 [mmg@gknet.com](mailto:mmg@gknet.com)  
Attorneys for AT&T

Isabelle Salgado  
AT&T Nevada  
645 E. Plumb Lane, B132  
P.O. Box 11010  
Reno, NV 89520  
[dan.foley@att.com](mailto:dan.foley@att.com)  
[gcl831@att.com](mailto:gcl831@att.com)

Joan S. Burke  
Osborn Maledon, PA  
2929 North Central Avenue,  
Suite 2100  
Phoenix, AZ 85012  
[iburke@omlaw.com](mailto:iburke@omlaw.com)  
Attorneys for Time Warner Telecom  
Attorneys for XO Communications

Lyndall Nipps  
Vice President, Regulatory  
Time Warner Telcom  
845 Camino Sur  
Palm Springs , CA 92262  
[Lyndall.Nipps@twtelecom.com](mailto:Lyndall.Nipps@twtelecom.com)

Dennis D. Ahlers  
Associate General Counsel  
Eschelon Telecom, Inc.  
6160 Golden Hills Drive  
Golden Valley, MN 55416  
Attorneys for Eschelon Telecom, Inc.  
Attorneys for Integra Telecom, Inc.  
[ddahlers@eschelon.com](mailto:ddahlers@eschelon.com)

Thomas Campbell  
Michael Hallam  
Lewis and Roca LLP  
40 North Central  
Phoenix , Arizona 85004  
[tcampbell@lrlaw.com](mailto:tcampbell@lrlaw.com)  
[mhallam@lrlaw.com](mailto:mhallam@lrlaw.com)  
Attorneys for Verizon

Rex Knowles  
Executive Director — Regulatory  
XO Communications, Suite 1000  
111 E. Broadway  
Salt Lake City, UT 84111  
[Rex.knowles@xo.com](mailto:Rex.knowles@xo.com)

**ROSHKA DEWULF & PATTEN, PLC**  
ONE ARIZONA CENTER  
400 EAST VAN BUREN STREET - SUITE 800  
PHOENIX, ARIZONA 85004  
TELEPHONE NO 602-256-6100  
FACSIMILE 602-256-6800

1 Charles H. Carrathers, III  
2 General Counsel, South Central Region  
3 Verizon, Inc.  
4 HQE03H52  
5 600 Hidden Ridge  
6 Irving, Texas 75015-2092  
7 chuck.carrathers@verizon.com

6 Thomas W. Bade, President  
7 Arizona Dialtone, Inc.  
8 717 W. Oakland St.  
9 Chandler, Arizona 85226  
10 Tombade@arizonadialtone.com

9 Brad VanLeur, President  
10 OrbitCom, Inc.  
11 1701 N. Louise Ave.  
12 Sioux Falls, SD 57107  
13 bvanleur@svtv.com

13 Karen E. Nally  
14 Moyes Sellers & Sims, Ltd.  
15 1850 North Central Ave, Ste 1100  
16 Phoenix, Arizona 85004  
17 kenally@lawms.com

16 Nathan Glazier  
17 Regional Manager  
18 Alltel Communications, Inc.  
19 4805 E. Thistle Landing Dr.  
20 Phoenix, Arizona 85044  
21 Nathan.glazier@alltel.com

21 Mark A. DiNunzio  
22 Cox Arizona Telcom, LLC  
23 1550 West Deer Valley Road  
24 MS DV3-16, Bldg C  
25 Phoenix, AZ 85027  
26 mark.dinunzio@cox.com

25  
26 By   
27

William A. Haas  
Deputy General Counsel  
McLeodUSA Telecommunications Services,  
1 Martha's Way  
Hiawatha, Iowa 52233  
william.haas@paetec.com

Chris Rossie  
President, Local 7019  
Communication Workers of America  
11070 N. 24<sup>th</sup> Avenue  
Phoenix, Arizona 85029

Greg L. Rogers  
Senior Corporate Counsel  
Level 3 Communications, LLC  
1025 Eldorado Boulevard  
Broomfield, Colorado 80021

Jane Rodda, Esq.  
Utilities Division  
Arizona Corporation Commission  
400 West Congress  
Tucson, Arizona 85701

Ms. Janice Alward, Esq.  
Chief Counsel  
Legal Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Ernest G. Johnson, Esq.  
Director, Utilities Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007