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MEMORANDUM
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TO: Docket Control
FROM: Ernest G. Johnson
Director
Utilities Division

EA for EGJ
2009 MAY 20 P 12: 23
AZ CORP COMMISSION
DOCKET CONTROL

DATE: May 20, 2009

RE: **STAFF UPDATE**-IN THE MATTER OF THE APPLICATION OF SANTRAC TECHNOLOGIES INC. TO CANCEL THE CERTIFICATE OF CONVENIENCE & NECESSITY EFFECTIVE IMMEDIATELY DUE TO NO LONGER SERVING CUSTOMERS IN THE STATE OF ARIZONA (DOCKET NO. T-04126A-07-0476)

On August 14, 2007, SanTrac Technologies ("SanTrac" or "Applicant") filed with the Arizona Corporation Commission ("Commission") an application to cancel its Certificate of Convenience and Necessity ("CC&N") to provide resold local exchange telecommunications services in the State of Arizona. The Commission granted SanTrac its CC&N on October 6, 2003, in Decision No. 66392. On April 22, 2009, the Administrative Law Judge issued a Procedural Order which required Staff to file an update on SanTrac's application with any appropriate recommendation no later than May 20, 2009.

On August 27, 2007, Staff sent its First Set of Data Request to SanTrac. On, November 15, 2007, Staff sent its Second Set of Data Requests to SanTrac. Staff has also requested on numerous occasions, via email, responses to Staff's Data Requests. Staff has not received responses to either the Data Requests or the emails that have been sent to the Applicant. However, since the initial application has been filed, Staff has had several conversations with Mr. Abdullah Sanders, President of SanTrac regarding the information requested from the Applicant.

Staff recommends that this matter not be administratively closed. In addition, Staff has attached its Staff Report recommending cancellation of the Applicant's CC&N.

The applicant is applying for approval to cancel its Certificate of Convenience and Necessity ("CC&N") to provide the following services:

- Resold Local Exchange

EGJ:CA:tdp

Originator: Candrea Allen

Arizona Corporation Commission

DOCKETED

MAY 20 2009

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SERVICE LIST FOR: SANTRAC TECHNOLOGIES INC.
DOCKET NO.: T-04126A-07-0476

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STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

SANTRAC TECHNOLOGIES INC.
DOCKET NO. T-04126A-07-0476

IN THE MATTER OF THE APPLICATION OF
SANTRAC TECHNOLOGIES INC.
TO CANCEL THE CERTIFICATE OF CONVENIENCE & NECESSITY
EFFECTIVE IMMEDIATELY DUE TO NO LONGER
SERVING CUSTOMERS IN THE STATE OF ARIZONA

MAY 20, 2009

STAFF ACKNOWLEDGEMENT

The Staff Report for the application of SanTrac Technologies, Docket No. T-04126A-07-0476, for approval to cancel its Certificate of Convenience and Necessity to provide resold local exchange telecommunications 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
Public Utilities Analyst

INTRODUCTION

On August 14, 2007, SanTrac Technologies Inc. ("SanTrac" or "Applicant") filed with the Arizona Corporation Commission ("Commission") an application to cancel its Certificate of Convenience and Necessity ("CC&N") to provide resold local exchange telecommunications services in the State of Arizona.

On October 6, 2003, the Commission, in Decision No. 66392, granted SanTrac a CC&N to provide resold local exchange telecommunications services within the State of Arizona.

STAFF'S ANALYSIS

The Applicant has stated via telephone that it has never provided service to customers in Arizona. In addition, according to the Applicant's 2005 Annual Report, SanTrac indicated that it does not have any customers. Therefore, although the Applicant has not requested a waiver of Arizona Administrative Code ("A.A.C.") R14-2-1107, Staff believes that a waiver of A.A.C R14-2-1107 is appropriate in this matter.

Because SanTrac never provided service in Arizona, the company indicated via telephone that it has never collected any advanced payments, deposits, and/or prepayments from customers. Therefore, there is no risk that any advanced payments, deposits, and /or prepayments would be lost by canceling SanTrac's CC&N. In addition, SanTrac has not procured the \$25,000 performance bond as required by Decision No. 66392.

Consumer Services Staff has indicated that from January 1, 2004 to current, there have been zero complaints, inquiries, or opinions filed for SanTrac. However, the Corporations Division reports that as of August 23, 2007, SanTrac is not in good standing due to not filing the company's 2007 annual report and was administratively dissolved as of November 7, 2008.

Since there are numerous other carriers offering the same or similar services as SanTrac and SanTrac has never provided service to any customers in Arizona, Staff believes that approval of SanTrac's request to cancel its CC&N and withdraw its tariff is in the public interest.

RECOMMENDATIONS

Staff recommends approval of SanTrac's application to cancel its CC&N as discussed herein. SanTrac has never provided service to customers in Arizona. In addition, Staff recommends a waiver of A.A.C. R14-2-1107 in this matter. Upon cancellation of its CC&N, SanTrac will no longer be authorized to provide resold local exchange telecommunications services in Arizona. Staff further recommends the withdrawal of SanTrac's tariffs on file with the Commission. Therefore, SanTrac will no longer be subject to the requirements of Decision No. 66392.