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MEMORANDUM
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2009 MAY 21 P 3: 26

TO: Docket Control

Arizona Corporation Commission

FROM: Ernest G. Johnson
Director
Utilities Division

EA for EGJ

AZ CORP COMMISSION
DOCKET CONTROL

DOCKETED

MAY 21 2009

DATE: May 21, 2009

DOCKETED BY	
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RE: **AMENDED UPDATE - IN THE MATTER OF THE APPLICATION OF US LEC COMMUNICATIONS INC. FOR APPROVAL TO RELINQUISH ITS CERTIFICATE OF CONVENIENCE AND REQUEST FOR A WAIVER OF COMMISSION RULE 14-2-1107.B (DOCKET NO. T-04194A-07-0624)**

On October 30, 2007, US LEC Communications Inc. ("Company") filed an Application for approval to relinquish its Certificate of Convenience and Necessity ("CC&N") to provide resold interexchange telecommunications services within the State of Arizona. The Company further stated that it has no customers and, therefore, request a waiver of the notice required of Arizona Administrative Code R14-2-1107.

On December 26, 2007, Staff sent a Letter of Insufficiency and Staff's First Set of Data Requests to Grace R. Chiu of VENABLE LLP, Counsel to US LEC Communications Inc. On March 10, 2008, Staff discovered that it's Letter of Insufficiency and Staff's First Set of Data Requests was sent to an old address captured on the service list. Staff resent its Letter of Insufficiency and Staff's First Set of Data Requests to Ms. Chiu's correct address on June 25, 2008.

On July 21, 2008, Staff received the Company's responses to Staffs First Set of Data Requests. On July 17, 2008, Staff e-mailed the Company and requested clarification of its response to Staff's data request. The Company answered Staff's request on August 13, 2008.

On September 18, 2008, Staff contacted Ms. by telephone and inquired about the merger listed in the Securities and Exchange Form 10-Q for the quarterly period ending June 30, 2007. On September 22, 2008, Staff contacted Ms. Chiu and requested information about the transfer of customers. The Company provided information Staff requested on September 22, 2008.

On January 7, 2009, Staff contacted Ms. Chiu requested clarification of the Company response to Staff's data requests and to provide evidentiary data or documents to support Company statements. On January 28, 2009, the Company provided clarification to its responses and furnished requested documentation.

On April 22, 2009, the Hearing Division of the Commission issued a Procedural Order requesting Staff to provide an update on this matter. The Procedural Order also instructed Staff

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to include any appropriate recommendations as to how this matter should be resolved and state whether this matter should be administratively closed.

Staff continues to process and review the Application and a Staff Report will be issued. Therefore, Staff recommends that this matter not be closed.

EGJ:JFB:kdh

Originator: John F. Bostwick

Attachment: Original and Thirteen Copies

SERVICE LIST FOR: US LEC COMMUNICATIONS INC.
DOCKET NO.: T-04194A-07-0624

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