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MEMORANDUM
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Arizona Corporation Commission

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SEP 24 2009

DATE: September 24, 2009

DOCKETED BY *MS*

RE: **ADDENDUM** - IN THE MATTER OF THE APPLICATION OF STI PREPAID, LLC AND DIALAROUND ENTERPRISES INC. FOR APPROVAL OF A TRANSFER OF ASSETS AND CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE INTRASTATE TELECOMMUNICATIONS SERVICES AND APPROVAL OF TERMINATION OF SERVICE BY DIALAROUND ENTERPRISES, INC. (DOCKET NOS. T-20517A-07-0135 AND T-04045A-07-0135)

On August 6, 2009, the ALJ issued a Procedural Order requiring Staff to analyze the information provided by the Applicants in a Late Filed Exhibit 1 ("LFE-1") and Post Hearing Exhibit 1 ("PHE-1"). Staff is to file a document listing each company identified in LFE-1 and Post-Hearing Exhibit 1 and provide for each company the following information: (1) whether the company currently holds a Certificate of Convenience and Necessity ("CC&N") authorizing it to provide resold or facilities-based long distance service in Arizona; (2) the number and date for the Decision in which the CC&N was granted; (3) whether the company is authorized under its current tariff(s) to provide intrastate prepaid calling card service; (4) whether the company is currently providing intrastate prepaid calling card service in Arizona; and (5) whether the Commission has imposed on the company the conditions set forth in Exhibit A or conditions substantially similar to those in Exhibit A. In addition, Staff is to include in the filing the results of its test of its prepaid calling cards provided by the Applicant, which shall include at least the categories of information provided in LFE-1, but substituting "Date of Test for "Date/Location Purchased." Finally, Staff is to include in the filing any modifications to Staff's previous recommendations and any new recommendations that Staff may have.

The August 26, 2009 Procedural Order directed Staff to analyze information in PHE-1 as it relates to 39 different telecommunications companies, which appear to offer prepaid calling card services. Also, LFE-1 contained information on 14 additional companies who offer prepaid calling card services and Staff was directed to analyze that information. The deadline for Staff to make its filing required by the Procedural Order of August 6, 2009 was extended from August 27, 2009 to September 24, 2009.

On September 11, 2009, Staff filed a Response to the August 26, 2009 Procedural Order stating that it does not believe that it received 14 prepaid calling cards from the Applicants and that it has no reason to dispute the veracity of STi's findings relating to STi's own test of 14 prepaid calling cards purchased in Arizona. Staff asked that the Hearing Division modify the August 6, 2009 Procedural Order to remove the requirement that Staff test the 14 prepaid calling cards provided by the Applicants. On September 14, 2009, a Procedural Order eliminated the requirement that Staff test prepaid calling cards provided by the Applicants.

Staff reviewed the information pertaining to the 39 companies identified as offering prepaid calling card services in Post Hearing Exhibit 1 and the 14 companies listed in LFE-1. Two of the 14 companies listed in LFE-1 were also listed in Post Hearing Exhibit 1 (IDT America Corp. and Total Call International, Inc.). As a result, Staff reviewed a total of 51 companies (39 + 14 - 2 duplicated = 51). The results of Staff's review are listed in the attached **Tables**.

Tables 1 and 2 show for each company the **Applicants' Name of the Prepaid Calling Card Companies in Arizona**, the **Applicants' Tariff No. and Relevant Pages**, **Type of CC&N** authorized, **Decision Number** of the CC&N, **Decision Date** of the CC&N, **Staff's Confirmation of Applicants' Tariff and Pages**, and **Provides Service Now**. The information obtained by Staff is listed in the last five columns of the two Tables. Staff has also provided a **Summary of Prepaid Calling Cards Services in Arizona**.

Of the 51 companies examined, 39 have a CC&N and are authorized to provide prepaid calling card services in Arizona. For each of the 39 companies, the Commission has granted a resold long distance ("R-LD") and/or a facilities-based long distance ("FB-LD") CC&N that is supported by a specific Decision Number and Decision Date (refer to **Table 1, Column (C), Type of CC&N**). In addition, Staff has verified that the tariff and relevant pages on file for each of the 39 companies authorizes the company to provide prepaid calling card services in Arizona (refer to **Table 1, Column (F), Staff's Confirmation of Applicants' Tariff and Pages**).

Twelve (12) companies, that the Applicants state provide prepaid calling card services in Arizona, do not have an R-LD or FB-LD CC&N (refer to **Table 2 Column (C), Type of CC&N**). Also, these companies are not authorized to provide prepaid calling card services in Arizona (refer to **Table 2, Column (F), Staff's Confirmation of Applicants' Tariff and Pages**).

Twenty one (21) companies, or slightly more than 41 percent of the 51 companies reviewed, are currently providing prepaid calling card services in Arizona (refer to **Tables 1 and 2, Column (G), Provides Service Now**). Ten of the 21 companies providing prepaid calling card services have been authorized by the Commission to provide the service (refer to **Table 1, Column (G), Provides Service Now**). Eleven of the 21 companies providing prepaid calling card services do not have a R-LD or FB-LD CC&N (refer to **Table 2, Column (C), Type of CC&N**).

Among the 51 companies reviewed by Staff, 18 companies or 35.3 percent told Staff that the company is not providing prepaid calling cards in Arizona (refer to **Tables 1 and 2, Column (G), Provides Service Now**). Also, there are 11 companies whose CC&N has been cancelled, will be cancelled, or has been revoked (refer to **Table 1, Cancelled, Will Cancel, and CC&N Revoked in Column (G), Provides Service Now**).

Staff was unable to establish contact with GTC Telcom, Inc. or any person at the company by telephone, e-mail, or website.

Staff reviewed the Decisions in which the Commission granted a CC&N to each of the 39 companies that are authorized to provide prepaid calling card services in Arizona. None of the 39 companies were granted a CC&N with conditions comparable to or similar to the conditions established in Exhibit A.

SMO:JFB:tdp

Originator: John F. Bostwick

Service List For: Sti Prepaid, LLC and Dialaround Enterprises Inc.
Docket Nos. T-20517A-07-0135 and T-04045A-07-0135

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Table 1						
(A)	(B)	(C)	(D)	(E)	(F)	(G)
Applicants' Name of Prepaid Calling Card Companies In Arizona	Applicants' Tariff No. and Relevant Tariff Pages	Type of CC&N	Decision Number	Decision Date	Staff's Confirmation of Applicants' Tariff and Pages	Provides Service Now
1-800-RECONEX Inc.	1 Pgs 21-22	R-LD	64067	10/4/2001	YES - T 2, Pg 21	Will Cancel
Access Point	1 Pgs 7,24-27-33	R-LD	62624	6/9/2000	YES - Pg 25	NO
Airnex Communications Inc.	1 Pgs 7,24-26,29-30	R-LD	61984	10/8/1999	YES - Pg 25	NO
American Fiber Network Inc.	1 Pgs 27-29, 33-34	R-LD	62718	6/30/2000	YES - Pg 27	NO
Americatel Corporation	1 Pgs 24.4-24.11 32.3 & 4	R-LD	61054	8/6/1998	YES - Pg 24.4-24.11 32.3 & 4	YES
AT&T Communications of the Mountain States	Custom Network Services Tariff	FB-LD	55953	4/20/1988	YES - Pg 2,4,6	YES
BCGI Communications Corp.	1 Pgs 5, 17-22	R-LD	62719	6/30/2000	YES - Pg 17	Will Cancel
Budget Phone, Inc.	2 Pgs 7, 24-26, 29-30	R-LD	65759	3/20/2003	YES - Tariff 2 Pg 2, 7 etc.	YES
Comcast Business Communications, Inc.	2 Pgs 35,38,40,47-49	R-LD	61214	10/29/1998	YES - Tariff 2 Pg 48,49	Will Cancel
Covista, Inc.	1 Pgs 7,24-27,29	R-LD	62638	6/9/2000	YES - Pg 7,29	NO
Dancris Telecom, L.L.C.	1 Pgs 7,3435,40 2Pgs 9	R-LD	63540	3/30/2001	YES - Pg 35	Will Cancel
Encompass Communications, L.L.C.	1 Pgs 7, 24-26,29-30	R-LD	63539	3/30/2001	YES - Pg24-26,29	NO
Entrix Telecom, Inc.	1 Pgs 8,25-28,30	R-LD	66233	9/16/2003	YES - Pg 25-28	YES
Excel Telecommunications, Inc.	1 Pgs42,45-46,51-58 etc.	FB & R-LD	65470	12/19/2002	YES - Pg 49-57	Cancelled
Frontier Communications of America, Inc.	1 Pgs3.6-3.7,3.14,4.1, etc.	R-LD	65105	8/22/2002	YES - Pg 6,7,14	NO
GTC Telecom	1 Pgs 7,24-26,29-30	R-LD	62411	4/3/2000	YES - Pg 24-26,30	Not Contacted
HJN Telecom, Inc.	1 Pgs 7,24-26,29	R-LD	61237	11/23/1998	YES - Pg 25,26,29	NO
IDT America Corp.	1 Pgs6,21-24,26	R-LD	61987	10/18/1999	YES - Pg 28	YES
Intelcall Operators Services, Inc.	1 Pgs 7-8, 40-43, 53	R-LD&AOS	59583	3/26/1996	YES - Pgs 7-8, 40-43, 53	NO
ITC DeltaCom Communications, Inc.	1 Pgs 34,36,54-56, 63 etc	R-LD	61933	8/27/1999	YES - Pg 34,,55,56	NO
Legacy Telecommunications Corporation	1 Pgs 7,24-26, 29	R-LD	61988	10/8/1999	YES - Pg 25,26,29	Will Cancel
MCI Communications, Inc.	Tariff 1, 2, & 4 Pgs 6	R-LD	60418	9/26/1997	YES - Tariffs 1, 2, & 4 Pgs 7	YES
Neutral Tandem-Arizona, LLC	2 Pgs 41-42	FB & R-LD	69417	4/16/2007	YES - Tariff 2 Pg 41-42	NO
Nobetel, LLC	1 Pgs 7, 24-26,29,33	R-LD	65989	6/17/2003	YES - Pgs 7, 24-26,29,33	YES
R2C Communications, Inc.	1 Pgs 7,24-26,29,33	R-LD	86730	1/20/2004	YES - Pg 25,26,30	CC&N Revoked
SNIP Link, LLC	1 Pgs 7, 42-43	R-LD	63991	8/30/2001	YES - Pg 7,43	NO
Sprint Communications Company, L. P.	Tariff 2 : <i>Passim</i>	R-LD	59584	3/26/1996	YES - T2 : <i>Passim</i>	YES *
Total Call International, Inc.	1 Pgs 4,2-26,29-30,33	R-LD	64065	10/4/2001	YES - Pg 25,26,30	YES
Trans National Communications Int'l, Inc.	1 Pgs 8,24,29,33	R-LD	64982	6/26/002	YES - Pg 7,	NO
TON Services Inc.	1 Pgs 6,16, 19,20-22,24 etc.	R-LD	62637	6/9/2000	YES - Pgs 6,16,19,20-22,24 etc.	YES
VarTec Telecom	1 Pgs 50-54,58,64,67,68.2 etc.	R-LD	62238	1/12/2000	YES - Pg 50-54,58,64,67,68.2 etc.	Cancelled
Verizon Avenue	2 Pgs 63-64	FB & R-LD	62086	11/19/1999	YES - Tariff 2 Pgs 63-64	Cancelled
Verizon Enterprise Solutions	4 Pgs25,28,34,66-68.01 etc.	R-LD	61603	4/1/1999	YES - T4 Pg 85.3	NO
Verizon Select Services, Inc.	1 Pgs 10.1,14.1,15-24.2, etc.	R-LD	63546	4/4/2001	YES - Pgs 10.1,14.1,15-24.2, etc.	NO
WiTel Communications, LLC	1 Pgs 40,46,51	R-LD	62025	11/2/1999	YES - Pgs 40,46,51	NO
XO Communications Services, Inc.	4 Pgs93 6Pgs 11,28,48, etc	FB & R-LD	67460	1/4/2005	YES - T4 Pgs93 6Pgs 11,28,48	NO
XO Long Distance Services, Inc.	Interexchange Svcs Tariff	R-LD	62770	8/2/2000	YES - Interexchange Svcs Tariff	Cancelled
Xspedius Management Co.	2 Pgs 8, 45-46	R-LD	65124	8/23/2002	YES - Pgs 8, 45-46	Cancelled
Zone Telecom, Inc.	1 Pgs 9,23,31-32	R-LD	63523	3/30/2001	YES - Tariff 2 Pgs 9,23,31-32	NO

* Sprint Communications Company, L.P.'s service provided by STI Prepaid, LLC

Table 2						
(A)	(B)	(C)	(D)	(E)	(F)	(G)
Applicants' Name of Prepaid Calling Card Companies In Arizona	Applicants' Tariff No. and Relevant Tariff Pages	Type of CC&N	Decision Number	Decision Date	Staff's Confirmation of Applicants' Tariff and Pages	Provides Service Now
Dollar Phone distributed by PTI	NONE	NONE	NONE	NONE	NO	YES
GEO Telecom/Locus	NONE	NONE	NONE	NONE	NO	YES
NCP	NONE	NONE	NONE	NONE	NO	YES
iBasis Retail, Inc. d/b/a iBasis	NONE	NONE	NONE	NONE	NO	YES**
ICS International Communications Services	NONE	NONE	NONE	NONE	NO	YES
Epana/Dear/Kare	NONE	NONE	NONE	NONE	NO	YES
Sunnycell - ATI	NONE	NONE	NONE	NONE	NO	YES
ICON	NONE	NONE	NONE	NONE	NO	YES
Nobel Talkhome	NONE	NONE	NONE	NONE	NO	YES
ITG Canada	NONE	NONE	NONE	NONE	NO	YES
Pilot Telecom/Quadrant	NONE	NONE	NONE	NONE	NO	YES
NextG Networks of California, Inc. d/b/a NextG N	NONE	CLEC	68915	8/29/2006	NO	NO

** iBasis Retail, Inc. d/b/a ibasis has an Application for a R-LD CC&N on file with the Commission

Summary of Prepaid Calling Card Services in Arizona					
No. of Companies Reviewed	Sources: List of Companies Obtained From -	No.	Percent	Prepaid Calling Card Services	
				Providing Service Now	Percent
Companies with R-LD or FB-LD CC&N	Post-Hearing Exhibit 1	39	76.5%	10	19.6%
Companies without R-LD or FB-LD CC&N	Late-Filed Exhibit 1	12	23.5%	11	21.6%
Companies Providing Prepaid Calling Card Services Now "YES" Counts				21	41.2%
Companies Not Providing Prepaid Calling Card Services Now "NO" Counts				18	35.3%
Companies with "Cancelled", " Will Cancel" or "CC&N Revoked" Counts				11	21.6%
Companies "Not Contacted " Counts				1	2.0%
Total Number of Companies		51	100.0%	51	100.0%