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MEMORANDUM

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TO: Docket Control

FROM: Steven M. Olea
Director
Utilities Division

DATE: February 16, 2010

RE: **STAFF UPDATE - IN THE MATTER OF THE APPLICATION OF BUSINESS PRODUCTIVITY SOLUTIONS, INC. FOR APPROVAL TO CANCEL ITS CERTIFICATE OF CONVENIENCE AND NECESSITY (DOCKET NO. T-04280A-09-0011)**

On January 6, 2010, the Administrative Law Judge issued a Procedural Order which required Staff to file an update on the Business Productivity Solutions, Inc. ("BPS") Application along with any appropriate recommendations no later than February 15, 2010. Attached is the Staff Report on the above Application to cancel the Certificate of Convenience and Necessity ("CC&N") held by Business BPS. Staff recommends cancellation of the CC&N.

SMO:PJG:red

Originator: Pamela J. Genung

Arizona Corporation Commission
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SERVICE LIST FOR: BUSINESS PRODUCTIVITY SOLUTIONS, INC.
DOCKET NO. T-04280A-09-0011

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STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

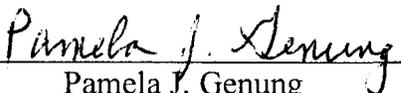
BUSINESS PRODUCTIVITY SOLUTIONS, INC.
DOCKET NO. T-04280A-09-0011

IN THE MATTER OF THE APPLICATION OF BUSINESS PRODUCTIVITY
SOLUTIONS, INC. FOR APPROVAL TO CANCEL ITS CERTIFICATE OF
CONVENIENCE AND NECESSITY

FEBRUARY 16, 2010

STAFF ACKNOWLEDGMENT

The Staff Report for Business Productivity Solutions, Inc., Docket No. T-04280A-09-0011, was the responsibility of the Staff member listed below: Pamela J. Genung was responsible for the review and analysis of Business Productivity Solutions, Inc.'s Application to cancel its Certificate of Convenience and Necessity.



Pamela J. Genung
Public Utilities Analyst V

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INTRODUCTION

On January 12, 2009, Business Productivity Solutions, Inc. ("BPS") submitted an Application to cancel its Certificate of Convenience and Necessity ("CC&N") to provide telecommunications services in Arizona. In the Application, BPS has indicated that, as of August 31, 2008, it was no longer offering telecommunications services in the State of Arizona.

BACKGROUND

On March 29, 2005, the Commission, in Decision No. 67727, granted BPS a CC&N to provide competitive resold intrastate interexchange telecommunications services within the State of Arizona. In addition, BPS was ordered to procure a performance bond in the minimum amount of \$10,000. On May 5, 2006, the Commission, in Decision No. 68692, approved BPS' proposed tariff revisions that eliminated provisions related to customer deposits and advance payments and its request that the Commission grant it the authority to cancel and withdraw its \$10,000 surety bond.

STAFF'S ANALYSIS

In its Application, BPS stated that as of August 31, 2008, it was no longer offering telecommunications services in Arizona. Staff issued its First Set of Data Requests to BPS on February 13, 2009.

On January 6, 2010, the Administrative Law Judge issued a Procedural Order directing Staff to file an update on BPS' Application along with any appropriate recommendations no later than February 15, 2010. On January 26, 2010, Staff was able to reach a Regulatory Contact for BPS by email. On February 8, 2010, Staff received Responses to Staff's First Set of Data Requests. In its Response to Staff Data Request PJG 1.3, BPS stated that it has not provided service to residential or business customers since September 2008.

Pursuant to A.A.C. R14-2-1107 and Decision No. 67727, BPS is required to notify each of its customers and the Commission of the proposed discontinuance of service sixty (60) days prior to filing an Application and to also verify that all affected customers will have access to an alternative local exchange service provider or interexchange service provider. BPS has indicated to Staff that it did not provide customer notifications because it had no residential or business customers to notify and no customers were transferred to other telecommunications carriers. BPS' customers had already switched to other service providers.

BPS stated in response to Staff's First Set of Data Requests that no advances, deposits, or prepayments were ever collected from its Arizona customers. BPS does not have any assets, facilities, or employees in Arizona. BPS indicated that it is no longer providing telecommunications services in any other state. BPS also stated that its affiliate, MetTel, is currently offering telecommunications services in Arizona, pursuant to Decision No. 63927, dated August 6, 2001.

Pursuant to A.A.C. R14-2-1107(B), BPS is required to publish legal notice of an Application to discontinue or abandon local exchange or interexchange services in all counties affected by the Application. In response to Staff's First Set of Data Requests, BPS indicated that it has not published the legal notice and respectfully requests a waiver¹ of this requirement since BPS has not been providing service within the State of Arizona since September 2008.

The Compliance Section of the Utilities Division reports no delinquencies for BPS. The Consumer Services Section of the Utilities Division reports that there were zero (0) complaints, inquiries, or opinions filed against BPS from January 1, 2007 through January 20, 2010. Consumer Services also states that BPS is not in good standing with the Corporations Division of the Commission. BPS' 2009 Corporations Annual Report that was due October 27, 2009 remains outstanding.

RECOMMENDATIONS

For the above stated reasons, Staff recommends approval of BPS's Application to cancel its CC&N to provide competitive resold intrastate interexchange telecommunications services in Arizona and a waiver of the legal notice requirement. Upon cancellation of its CC&N, BPS will no longer be authorized to provide resold intrastate interexchange telecommunications services within the State of Arizona and therefore, will no longer be subject to the requirements of Decision No. 67727.

¹ Staff informed BPS that it should amend its Application to request a waiver. BPS has indicated that it will do so by February 17, 2010.