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MEMORANDUM

TO: Docket Control
FROM: Steven M. Olea
Director
Utilities Division

EA for SMD

Arizona Corporation Commission
DOCKETED

APR 29 2011

DOCKETED BY *[Signature]*

DATE: April 29, 2011

RE: IN THE MATTER OF THE APPLICATION OF RELIANCE COMMUNICATIONS INTERNATIONAL, INC. FOR APPROVAL TO CANCEL THEIR CERTIFICATE OF CONVENIENCE AND NECESSITY. (DOCKET NO. T-20611A-11-0129)

Attached is the Staff Report for the above referenced application. The applicant is applying for approval to cancel its Certificate of Convenience and Necessity ("CC&N") to provide the following services:

- Competitive Resold Interexchange Services

Staff recommends cancellation of the CC&N.

SMO:LLM:red

Originator: Lori L. Morrison

Attachment: Original and Thirteen Copies

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

2011 APR 29 A 10:10

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SERVICE LIST FOR: RELIANCE COMMUNICATIONS INTERNATIONAL, INC.
DOCKET NO. T-20611A-11-0129

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STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

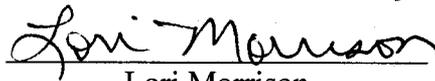
RELIANCE COMMUNICATIONS INTERNATIONAL, INC.
DOCKET NO. T-20611A-11-0129

IN THE MATTER OF THE APPLICATION OF RELIANCE COMMUNICATIONS
INTERNATIONAL, INC. FOR APPROVAL TO CANCEL THEIR CERTIFICATE
OF CONVENIENCE AND NECESSITY

APRIL 29, 2011

STAFF ACKNOWLEDGEMENT

The Staff Report for the application of Reliance Communications International, Inc., Docket No. T-20611A-11-0129, for approval to cancel its Certificate of Convenience and Necessity was the responsibility of the staff member listed below. Lori Morrison was responsible for the review and analysis of the application.

A handwritten signature in cursive script that reads "Lori Morrison". The signature is written in black ink and is positioned above a horizontal line.

Lori Morrison
Utilities Consultant

INTRODUCTION

On March 23, 2011, Reliance Communications International, Inc. ("Reliance" or "Company") submitted a letter requesting cancellation of its Certificate of Convenience and Necessity ("CC&N") to provide resold long distance telecommunications services within the State of Arizona effective immediately. Reliance also requested the withdrawal of its tariff.

BACKGROUND

On August 6, 2009, in Decision No. 71225, the Commission granted Reliance a CC&N to provide resold interexchange telecommunications services within the State of Arizona.

STAFF'S ANALYSIS

In its March 23, 2011 letter, Reliance stated that it had no customers or facilities in Arizona. On April 15, 2011, in response to Staff Data Request ("SDR") STF 1.1(a), Reliance stated that it had not begun providing services in Arizona. The Company also states in response to SDR STF 1.1(b) that since it had never offered services in Arizona, there were no customers to notify and it requests a waiver of the notice requirements in Arizona Administrative Code ("A.A.C.") R14-2-1107(A)(2). At Staff's request, Reliance submitted an affidavit attesting that it has no customers for intrastate telecommunications services in Arizona. Reliance has affirmed, in response to SDR STF 1.6, that it did not collect advances, deposits, and/or prepayments from customers in Arizona because it never provided service in Arizona.

The Consumer Services Section of the Utilities Division reports that there have been zero (0) complaints, inquiries, or opinions against Reliance from January 1, 2008 to March 30, 2011. According to the Corporations Division, Reliance is in good standing. The Compliance Section reports that there are three (3) current compliance delinquencies for Reliance. The delinquencies were: (1) not filing conforming tariffs as required in Decision No. 71225; (2) not posting a \$10,000 performance bond or irrevocable sight draft Letter of Credit ("ISDLC") as required in Decision No. 71225 and (3) not filing with the Commission all financial and other reports that the Commission may require, in a form and at such times as the Commission may designate as ordered in Decision No. 71225.

RECOMMENDATION

Reliance is not currently providing resold interexchange telecommunications services to any customers in Arizona and it never collected deposits, advances or prepayments from Arizona customers. As such, Staff recommends approval of Reliance's request for a waiver of the requirement to publish notice contained in A.A.C. R14-2-1107(A)(2). Staff further recommends that Reliance's CC&N to provide resold, interexchange telecommunications services be cancelled. In addition, Staff recommends that the cancellation not become effective until a decision is issued by the Commission authorizing such cancellation. Upon cancellation of its CC&N, Reliance will no longer be authorized to provide resold interexchange

Reliance Communications International, Inc.

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telecommunications services in Arizona. Therefore, Reliance will no longer be subject to the requirements of Decision No. 71225. In addition, Staff recommends approval of Reliance's request to cancel and withdraw its Arizona tariff.