

OPEN MEETING ITEM



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COMMISSIONERS
GARY PIERCE - Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS



ARIZONA CORPORATION COMMISSION

Executive Director
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2011 MAY 25 P 12: 52

AZ CORP COMMISSION
DOCKET CONTROL

DATE: - MAY 25, 2011
DOCKET NO.: T-20611A-11-0129

TO ALL PARTIES:

Enclosed please find the recommendation of Administrative Law Judge Sarah N. Harpring. The recommendation has been filed in the form of an Order on:

RELiance COMMUNICATIONS INTERNATIONAL, INC.
(CANCEL CC&N)

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Administrative Law Judge by filing an original and thirteen (13) copies of the exceptions with the Commission's Docket Control at the address listed below by **4:00** p.m. on or before:

JUNE 3, 2011

The enclosed is NOT an order of the Commission, but a recommendation of the Administrative Law Judge to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Open Meeting to be held on:

JUNE 21, 2011 and JUNE 22, 2011

For more information, you may contact Docket Control at (602) 542-3477 or the Hearing Division at (602)542-4250. For information about the Open Meeting, contact the Executive Director's Office at (602) 542-3931.

Arizona Corporation Commission
DOCKETED

MAY 25 2011

DOCKETED BY

ERNEST G. JOHNSON
EXECUTIVE DIRECTOR

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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

GARY PIERCE – Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

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

DOCKET NO. T-20611A-11-0129

DECISION NO. _____

ORDER

Open Meeting
June 21 and 22, 2011
Phoenix, Arizona

BY THE COMMISSION:

* * * * *

Having considered the entire record herein and being fully advised in the premises, the Arizona Corporation Commission (“Commission”) finds, concludes, and orders that:

FINDINGS OF FACT

1. On August 6, 2009, in Decision No. 71225, issued in Docket No. T-20611A-08-0405 (“CC&N Docket”), Reliance Communications International, Inc. (“Reliance”) was granted a Certificate of Convenience and Necessity (“CC&N”) to provide competitive resold long distance telecommunications services in Arizona. In the Decision, Reliance was required to docket conforming tariffs within 365 days after the effective date of the Decision or within 30 days before providing service, whichever came first, and to procure a \$10,000 performance bond or irrevocable sight draft letter of credit (“ISDLOC”) and file proof of the performance bond/ISDLOC with the Business Office and Docket Control within 30 days after the effective date of the Decision. The Decision ordered that Reliance’s CC&N become null and void after due process if Reliance failed to comply with these requirements within the timeframes stated.

2. Reliance never made any filings in the CC&N Docket after Decision No. 71225 was

1 issued.

2 3. On March 23, 2011, in this Docket, Reliance filed a letter requesting immediate
3 cancellation of its authority granted in the CC&N Docket and withdrawal of its tariff. Reliance stated
4 that it has no intrastate operations and no customers and no plans to enter the intrastate market at this
5 time.

6 4. On April 29, 2011, in this Docket, the Commission's Utilities Division ("Staff") filed
7 a Staff Report recommending approval of Reliance's request for cancellation of its CC&N and that
8 Reliance be granted a waiver of the requirement to publish notice contained in Arizona
9 Administrative Code ("A.A.C.") R14-2-1107(A)(2). Staff explained that Reliance has never offered
10 any services in Arizona and thus has no customers to notify and that Reliance has requested (in the
11 form of an undocketed data response provided to Staff) that it be granted a waiver of such notice
12 requirements. Because Reliance has never had any customers in Arizona, Reliance also has never
13 collected any advances, deposits, or prepayments from customers in Arizona. Staff recommends that
14 the cancellation become effective only after issuance of a Decision by the Commission, which should
15 also grant Reliance's request to cancel and withdraw its Arizona tariff. Staff observed that after
16 CC&N cancellation, Reliance will no longer be authorized to provide resold telecommunications
17 services in Arizona and will no longer be subject to the requirements of Decision No. 71225.

18 5. Staff's Consumer Services Section reports that there have been no complaints,
19 inquiries, or opinions against Reliance.

20 6. The Commission's Corporations Division reports that Reliance is in good standing.

21 7. Staff's Compliance Section reports the following three current compliance
22 delinquencies for Reliance: (1) not filing conforming tariffs as required in Decision No. 71225; (2)
23 not posting a \$10,000 performance bond/ISDLOC as required in Decision No. 71225; and not filing
24 with the Commission all financial and other reports the Commission may require, in a form and at
25 such times as the Commission may designate, as ordered in Decision No. 71225.

26 8. A.A.C. R14-2-1107(A)(2) requires that an application to discontinue service include
27 verification that all affected customers have been notified of the proposed discontinuance and that all
28 affected customers will have access to an alternative provider. Because Reliance has never had any

1 Arizona customers, Reliance would be unable to identify any affected customers.

2 9. A.A.C. R14-2-1107(A)(4) requires that an application to discontinue service include a
3 list of all alternative utilities providing the same or similar service within the affected geographic
4 area. Because Reliance has never had any Arizona customers, there is no practical use for such a list
5 if produced.

6 10. A.A.C. R14-2-1107(B) requires a competitive telecommunications provider to publish
7 legal notice of its application to discontinue service in all counties affected by its application within
8 20 days after filing the application. Because Reliance has never provided intrastate
9 telecommunications services anywhere in Arizona, it is unclear what counties, if any, would be
10 affected by Reliance's application, and it appears that there is currently no benefit to be gained from
11 requiring Reliance to publish notice of its application for cancellation of its CC&N.

12 11. Staff's recommendations to cancel Reliance's CC&N to provide competitive resold
13 interexchange telecommunications services, to grant Reliance a waiver of the notice requirement of
14 A.A.C. R14-2-1107(A)(2), and to cancel any Arizona tariff filed by Reliance are reasonable and
15 appropriate and should be adopted. In addition, it is reasonable and appropriate to grant Reliance
16 waivers of the requirements of A.A.C. R14-2-1107(A)(4) and (B). Also, it is reasonable and
17 appropriate to close the CC&N Docket.

18 **CONCLUSIONS OF LAW**

19 1. Reliance is a CC&N holder authorized to provide service as a public service
20 corporation within the meaning of Article XV of the Arizona Constitution and A.R.S. §§ 40-281 and
21 40-282.

22 2. The Commission has jurisdiction over Reliance and the subject matter of the
23 application.

24 3. Because Reliance has never had any Arizona customers, it is reasonable and
25 appropriate and in the public interest to grant Reliance waivers of the requirements of A.A.C. R14-2-
26 1107(A)(2), (A)(4), and (B).

27 4. It is reasonable and appropriate and in the public interest to cancel Reliance's CC&N
28 to provide competitive resold long distance telecommunications services in Arizona and to cancel any

1 tariff that Reliance has filed with the Commission for such services.

2 5. It is also reasonable and appropriate and in the public interest to close the CC&N
3 Docket.

4 **ORDER**

5 IT IS THEREFORE ORDERED that Reliance Communications International, Inc.'s
6 Certificate of Convenience and Necessity to provide competitive resold long distance
7 telecommunications services in the State of Arizona, granted in Decision No. 71225 (August 6,
8 2009), is hereby cancelled.

9 IT IS FURTHER ORDERED that Reliance Communications International, Inc. is hereby
10 granted a waiver of the requirements of A.A.C. R14-2-1107(A)(2), (A)(4), and (B).

11 IT IS FURTHER ORDERED that any Reliance Communications International, Inc. tariffs on
12 file with the Commission are hereby cancelled.

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IT IS FURTHER ORDERED that Docket No. T-20611A-08-0405 is hereby closed.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

CHAIRMAN

COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,
Executive Director of the Arizona Corporation Commission,
have hereunto set my hand and caused the official seal of the
Commission to be affixed at the Capitol, in the City of Phoenix,
this ____ day of _____, 2011.

ERNEST G. JOHNSON
EXECUTIVE DIRECTOR

DISSENT _____

DISSENT _____

SNH:db

1 SERVICE LIST FOR: RELIANCE COMMUNICATIONS INTERNATIONAL, INC.

2 DOCKET NO.: T-20611A-11-0129

3

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