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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

GARY PIERCE - Chairman
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AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

NOV 29 2011

DOCKETED BY

IN THE MATTER OF THE REVIEW AND
POSSIBLE REVISION OF ARIZONA
UNIVERSAL SERVICE FUND RULES, ARTICLE
12 OF THE ARIZONA ADMINISTRATIVE CODE.

DOCKET NO. RT-00000H-97-0137

IN THE MATTER OF THE INVESTIGATION OF
THE COST OF TELECOMMUNICATIONS
ACCESS.

DOCKET NO. T-00000D-00-0672

PROCEDURAL ORDER

BY THE COMMISSION:

On October 27, 2011, the Federal Communications Commission ("FCC") adopted its long-awaited Order addressing the federal Universal Service Fund ("USF") and Intercarrier Compensation ("ICC").¹

The *USF/ICC Order* requires local exchange carriers to reduce their intrastate switched access rate elements to parity with their interstate rates by July 1, 2013,² with the ultimate goal of reaching bill and keep for price cap carriers in six years, and for rate of return carriers in nine years. The FCC's Order concludes that a uniform, national framework for the transition of ICC to bill and keep, with an accompanying federal recovery mechanism is the best way to achieve the goal of broadband deployment, facilitating conversion to IP networks and providing certainty and predictability to carriers and investors.³ The Order provides that states will have a role in overseeing the tariffing of intrastate reductions during the transition period as well as interconnection negotiation and arbitration

¹ *In the Matter of Connect America Fund, A National Broadband Plan for Our Future, Establishing Just and Reasonable Rates for Local Exchange Carriers, High-Cost Universal Service Support, Developing an Unified Intercarrier Compensation Regime, Federal-State Joint Board on Universal Service, Lifeline and Link-Up*, WC Docket No. 10-90, GN Docket No. 09-51, WC Docket No. 07-135, WC Docket No. 05-337, CC Docket No. 01-92, CC Docket No. 96-45, WC Docket No. 03-109, WT No. 10-208, Report and Order and Further Notice of Proposed Rulemaking ("*USF/ICC Order*") FCC 11-13, (rel. November 18, 2011).

² *Id.* at ¶ 801.

³ *Id.* at ¶ 790.

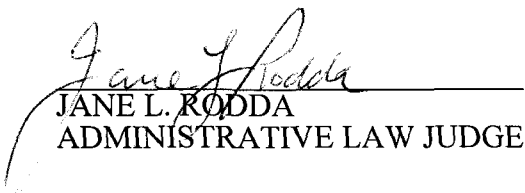
1 pursuant to sections 251 and 252 of the Telecommunications Act of the 1996, and will have
2 responsibility for determining the network "edge" for purposes of bill and keep.⁴

3 The FCC's *USF/ICC Order*, issued after the hearing and briefing in this matter were
4 completed but prior to a Commission Decision, addresses many of the issues raised in these dockets.
5 Consequently, we will convene a Procedural Conference for the purpose of discussing how to
6 proceed with ICC and USF reform in Arizona in light the FCC's Order.

7 IT IS THEREFORE ORDERED that a **telephonic Procedural Conference** in this matter
8 shall commence on **December 16, 2011, at 10:00 am**, or as soon thereafter as is practical, at the
9 Commission's **Tucson office, Room 218**, 400 West Congress, Tucson, Arizona. Parties may appear
10 telephonically by contacting the Hearing Division at 602 542-4250, by December 14, 2011, to obtain
11 instructions.

12 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive
13 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

14 DATED this 25th day of November, 2011.

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18 JANE L. RODDA
ADMINISTRATIVE LAW JUDGE

19 Copies of the foregoing mailed
this 25th day of November, 2011 to:

20 Dan Pozefsky, Chief Counsel
21 Residential Utility Consumer Office
1110 West Washington, Suite 220
Phoenix, AZ 85007
22 dpozefsky@azruco.gov *

Norm Curtright
Qwest Corporation
20 East Thomas Road, 16th Floor
Phoenix, Arizona 85012

23
24
25 ⁴ *Id.* See also ¶ 803 (states will oversee changes to intrastate access tariffs to ensure that modifications to intrastate tariffs
26 are consistent with the FCC's Order, and will , for example, help guard against carriers improperly moving costs between
or among different rate elements to reap a windfall from reform).

1 Reed Peterson
2 Qwest Corporation
3 20 East Thomas Road
4 16th floor
5 Phoenix, Arizona 85012
6
7 Michael W. Patten
8 Roshka DeWulf & Patten, PLC
9 One Arizona Center
10 Phoenix, AZ 85004
11 mpatten@rdp-law.com *
12 Attorneys for Cox Arizona Telecom, LLC
13 Attorneys for McLeodUSA
14
15 Craig A. Marks
16 Craig A. Marks, PLC
17 10645 N. Tatum Blvd.
18 Suite 200-676
19 Phoenix, AZ 85028
20 Craig.Marks@azbar.org
21 Attorney for ALECA
22
23 Michael M. Grant
24 Gallagher & Kennedy
25 2575 East Camelback Road
26 Phoenix, AZ 85016
27 mmg@gknet.com *
28 Attorneys for AT&T
29
30 Isabelle Salgado
31 AT&T Nevada
32 645 E. Plumb Lane, B132
33 PO Box 11010
34 Reno, NV 89520
35 dan.foley@att.com *
36 gc1831@att.com *
37
38 Joan S. Burke
39 Law Office of Joan S. Burke
40 1650 N. First Avenue
41 Phoenix, AZ 85003
42 joan@jsburkelaw.com *
43 Attorney for Time Warner Telecom
44 Attorney for XO Communications
45
46 Lyndall Nipps
47 Vice President, Regulatory
48 Time Warner Telcom
49 845 Camino Sur
50 Palm Springs, CA 92262
51 Lyndall.Nipps@twtelecom.com *

Dennis D. Ahlers
Associate General Counsel
Eschelon Telecom, Inc.
730 Second Avenue, Suite 900
Minneapolis, MN 55402
ddahlers@eschelon.com

Dennis D. Ahlers
Associate General Counsel
Integra Telecom, Inc.
730 Second Avenue, Suite 900
Minneapolis, MN 55402
ddahlers@eschelon.com

Thomas Campbell
Michael Hallam
Lewis and Roca LLP
40 North Central
Phoenix, Arizona 85004
tcampbell@lrlaw.com *
mhallam@lrlaw.com *
Attorneys for Verizon

Rex Knowles
Executive Director – Regulatory
XO Communications
Suite 1000
111 E. Boradway
Salt Lake City, UT 84111
Rex.knowles@xo.com *

Charles H. Carrathers, III
General Counsel, South Central Region
Verizon, inc.
HQE03H52
600 Hidden Ridge
Irving, Texas 75015-2092
chuck.carrathers@verizon.com *

Arizona Dialtone, Inc.
Thomas W. Bade, President
6115 S. Kyrene Rd. #103
Chandler, Arizona 85283
Tombade@arizonadialtone.com *

OrbitCom, Inc.
Brad VanLeur, President
1701 N. Louise Ave.
Sioux Falls, SD 57107
bvanleur@svtv.com

Arizona Payphone Association
c/o Gary Joseph
Sharenet Communications
4633 West Polk Street
Phoenix, Arizona 85043
garyj@nationalbrands.com *

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2
3
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25
26
27
28

Nathan Glazier
Regional Manager
Alltel Communciations, inc.
4805 E. Thistle Landing Dr.
Phoenix, Arizona 85044
Nathan.glazier@alltel.com *

Mark A. DiNunzio
Cox Arizona Telcom, LLC
1550 West Deer Valley Road
MS DV3-16, Bldg C
Phoenix, AZ 85027
mark.dinunzio@cox.com *

William A. Haas
Deputy General Counsel
McLeodUSA Telecommunications Services, Inc.
6400 C. Street SW
Cedar Rapids, Iowa 52406
Bill.Haas@mcleodusa.com *

Paul Castaneda
President, Local 7019
Communication Workers of America
2501 West Dunlap, Suite 103
Phoenix, Arizona 85021
pcastaneda@cwa7019.org

Greg L. Rogers
Senior Corporate Counsel
Level 3 Communications, LLC
1025 Eldorado Boulevard
Broomfield, Colorado 80021
Greg.rogers@level3.com

Stephen H. Kukta
Director and Counsel
Sprint Nextel
201 Mission Street, Suite 1500
San Francisco, CA 94105
Stephen.h.kukta@aprint.com

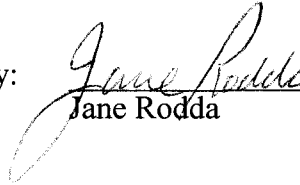
Frontier Communications
Charlie Born
Manager, Government and External Affairs
PO Box 340
Elk Grove, CA 95759
Charlie.Born@ftr.com

Fronteir Communications
Phyllis A. Whitten
Associate General Counsel
PO Box 340
Elk Grove, CA 95739
Phyllis.Whitten@ftr.com

Ms. Janice Alward, Chief Counsel
Legal Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

Mr. Steve Olea, Director
Utilities Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

ARIZONA REPORTING SERVICE, INC.
2200 North Central Avenue, Suite 502
Phoenix, Arizona 85004-1481

By: 
Jane Rodda