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BEFORE THE ARIZONA CORPORATION COMMISSION

2012 JUN 15 P 12:34

Arizona Corporation Commission

DOCKETED

JUN 15 2012

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AZ CORP COMMISSION
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IN THE MATTER OF THE REVIEW) Docket No. RT-00000H-97-0137
AND POSSIBLE REVISION OF)
ARIZONA UNIVERSAL SERVICE)
FUND RULES, ARTICLE 12 OF THE)
ARIZONA ADMINISTRATIVE CODE)

IN THE MATTER OF THE) Docket No. T-00000D-00-0672
INVESTIGATION OF THE COST OF)
TELECOMMUNICATIONS ACCESS)

RESPONSIVE COMMENTS OF
tw telecom of arizona llc

tw telecom of arizona llc submits the following comments in response to initial comments filed by parties to this docket on May 15, 2012.

1. Access Reform

In November of 2011, the FCC ordered substantial, uniform and scheduled access rate reductions.¹ These reductions will culminate in “a uniform national bill-and-keep framework as the ultimate end state for all telecommunications traffic exchanged with a LEC.”² This resolves the issues raised in Docket No. T-00000D-00-0672, *In the Matter of the Investigation of the Cost of Telecommunications Access* (“Access Docket”). The Access Docket was opened to investigate the cost of access.³ Access charges are now

¹ *In re Connect America Fund: A National Broadband Plan For Our Future*, WC Docket No. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161 (rel. Nov. 18, 2011) (“CAF Order”).

² CAF Order §34.

³ See Sept. 5, 2000 memo attached as Exhibit A.

under a federally ordered reduction plan and moving toward zero. For this reason, tw telecom agrees with the comments of Eschelon Telecom of Arizona, Inc., Mountain Telecommunications, Inc., Electric Lightwave, LLC, Cox Arizona Telecom, LLC, Arizona Local Exchange Carriers Association, and Qwest Corporation d/b/ CenturyLink-QC that the Commission should work no further on access rate reform.

The Commission should not take any action with respect to any access rate elements, even those not reduced immediately by the CAF Order. Additional access rate elements, such as originating access charges, are the subject of the CAF Order further notice of proposed rulemaking and will be subject to FCC action.⁴ Because the FCC has ordered access rate reform, state action at this stage would cause unnecessary confusion.

2. Supporting Data

The Commission should reject any proposal to require carriers to file with the Commission all underlying data demonstrating compliance with FCC access reforms. Carriers obliged to reduce access rates will submit new tariffs to the Commission through the normal tariff approval process. This process allows Staff to request and review additional data if needed. Commission staff can effectively use the standard tariff review process to “ensure that carriers comply with the transition timing and intrastate access charge reductions”⁵ Indeed, this is already happening. No separate order creating a new regulatory process is required.⁶ The vast majority of all carriers will be filing revised tariffs in many jurisdictions and will be careful and thorough in their compliance efforts. Non-compliance by a subset of carriers will be best handled through targeted compliant proceedings.

⁴ CAF Order, ¶ 813

⁵ CAF Order, ¶¶ 35, 1301.

⁶ In this docket, Qwest has implemented ordered access reductions in phases on a set schedule. Those reductions occurred through the standard tariff filing and review process.

3. Commission Action

The Commission has much to do in connection with implementation of the CAF Order and day-to-day oversight of telecommunications. The Commission remains the arbiter of all disputes between parties regarding interconnection terms and conditions.⁷ Carrier interconnection agreements, and the types of interconnections within the Commission's jurisdiction, are increasingly complex. The Commission also hears and resolves complaints between carriers regarding anti-competitive conduct and non-compliance with past orders. With respect to the CAF Order, the Commission is reviewing tariffs, as discussed above, and the Commission must evaluate and certify Eligible Telecommunications Carriers ("ETC"). ETC certification is required for the receipt of funds to provide universal broadband service in high cost areas. Deadlines associated with federal CAF fund disbursements are near and the Commission must work quickly to certify ETC applicants or those carriers will not be eligible for federal funding.

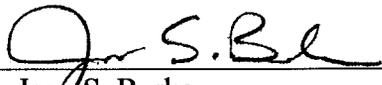
4. Arizona Universal Service Fund Modifications

tw telecom expects that the Commission may choose to revise the AUSF rules to more closely parallel federal broadband goals and funding systems. The Commission may wish to open a fresh new docket connected to AUSF rule changes prompted by and consistent with the CAF Order. The record in this docket does not support any such rule revisions – which is not surprising given that the CAF Order was issued in November of 2011 and the AUSF docket was opened in 1997.

Should the Commission move forward with changes to the AUSF rules, tw telecom recommends that any changes be: (1) competitively neutral, (2) narrowly targeted and (3) broadly funded. tw telecom reserve the right to offer additional comments as a more definite plan to amend the AUSF rules develops.

⁷ See 47 U.S.C. §251 and 252.

Respectfully submitted this 15th day of June 2012.

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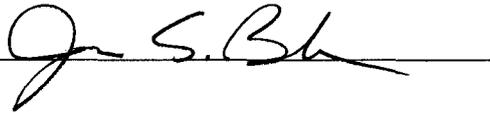
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4815-8761-6783, v. 1

Exhibit A



0000020500

NEW APPLICATION



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EXECUTIVE SECRETARY

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RECEIVED

ARIZONA CORPORATION COMMISSION

2000 SEP -5 P 1:55

MEMORANDUM

AZ CORP COMMISSION
DOCUMENT CONTROL

DOCKET NO. T-00000D 00-0672

TO: [REDACTED]

FROM: Deborah Scott
Director, Utilities Division

DATE: September 5, 2000

RE: REQUEST FOR AN INVESTIGATORY DOCKET REGARDING THE COSTS OF ACCESS

At the Open Meeting held on August 22, 2000, Chairman Kunasek requested that a docket be opened to investigate the cost of telecommunications access to determine if access charges currently in effect for Arizona telecommunications utilities reflect the cost of access.

Please open a docket regarding this matter.

DRS:LAJ:mi