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BEFORE THE ARIZONA CORPORATION COMMISSION

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

Arizona Corporation Commission

DOCKETED

JUL 30 2012

DOCKETED BY NR

IN THE MATTER OF THE APPLICATION )  
OF CITIZENS TELECOMMUNICATIONS )  
COMPANY OF THE WHITE MOUNTAINS, )  
INC. TARIFF FILING TO INTRODUCE )  
IDENTIFICATION AND RATING OF VOIP- )  
PSTN TRAFFIC. )

DOCKET NO. T-03214A-11-0451

DECISION NO. 73276

ORDER

Open Meeting  
July 18 and 19, 2012  
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. Citizens Telecommunications Company of the White Mountains, Inc. ("Frontier - White Mountains") is certificated to provide telecommunications service as a public service corporation in the State of Arizona.

2. On December 15, 2011, Frontier - White Mountains filed tariff revisions to introduce its Identification and Rating of VoIP-PSTN Traffic tariff:

Access Service

- Arizona Access Tariff No. 1, Page 1, 11th Revised
- Arizona Access Tariff No. 1, Page 3, 2nd Revised
- Arizona Access Tariff No. 1, Page 4, 1st Revised
- Arizona Access Tariff No. 1, Page 40, 1st Revised
- Arizona Access Tariff No. 1, Pages 40.1 through 40.5, Original



1           7.       The USF-ICC Order also makes clear that on a going-forward basis payment  
2 obligations apply to VoIP traffic and adopts a transitional intercarrier compensation framework for  
3 VoIP.<sup>3</sup> Under the transitional framework<sup>4</sup>:

- 4           •       Default charges for “toll” VoIP-PSTN traffic will be equal to interstate access  
5 rates applicable to non-VoIP traffic, both in terms of the rate level and rate  
6 structure;
- 7           •       Default charges for other VoIP-PSTN traffic will be the otherwise-applicable  
8 reciprocal compensation rates; (footnote omitted); and
- 9           •       LECs are permitted to tariff these default charges for toll VoIP-PSTN traffic in  
10 relevant federal and state tariffs in the absence of an agreement for different  
11 intercarrier compensation.

12       Based on the above language and Staff’s interpretation of the USF-ICC Order, Staff believes that  
13 interstate access rates are applicable to both originating and terminating VoIP-PSTN traffic.

14           8.       Frontier Communications Corp. (“Frontier”), the parent of Frontier – White  
15 Mountains, filed a Petition for Clarification and/or Reconsideration (“Petition”) at the FCC to  
16 clarify, or reconsider its decision to state that initially the interstate access charges for VoIP-PSTN  
17 calls will apply only for the termination of such calls and intrastate charges will apply for the  
18 origination of such calls.

19           9.       On January 31, 2012, Verizon filed objections to Frontier - White Mountains’  
20 proposed tariff revisions. Verizon requests that the Commission require Frontier - White  
21 Mountains to revise and refile its proposed tariffs to reflect application of interstate switched  
22 access rates to all PSTN-VoIP traffic, including PSTN-originating/VoIP-terminating traffic.

23           10.      On March 21, 2012, AT&T Services, Inc. (“AT&T”) filed objections to Frontier -  
24 White Mountains’ proposed tariff revisions. AT&T requests that the Commission require Frontier  
25 - White Mountains to amend the proposed tariff to apply interstate rates to both IP-originating and  
26 IP-terminating traffic (including traffic that originates or terminates in the company’s own network  
27 IP format), calculate the PVU factor based solely on intrastate minutes of use, and to apply the  
28 rates retroactively to December 29, 2011.

<sup>3</sup> The USF-ICC Order at para. 652.

<sup>4</sup> The USF-ICC Order at para. 944.



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ORDER

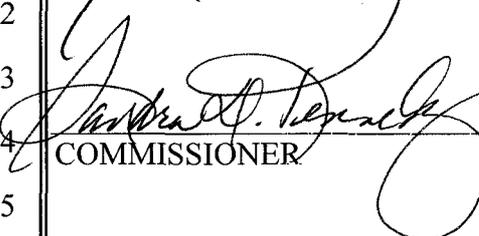
IT IS THEREFORE ORDERED that the Citizens Telecommunications Company of the White Mountains, Inc. proposed tariff revisions, as amended, with the requirement that Citizens Telecommunications Company of the White Mountains, Inc. revise its proposed tariff to include a mechanism to address VoIP-PSTN traffic that its customers originate or terminate in IP format, even if that traffic is zero (0) be and hereby are approved, as discussed herein.

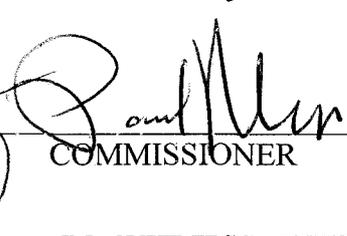
IT IS FURTHER ORDERED that this Decision shall become effective immediately.

**BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

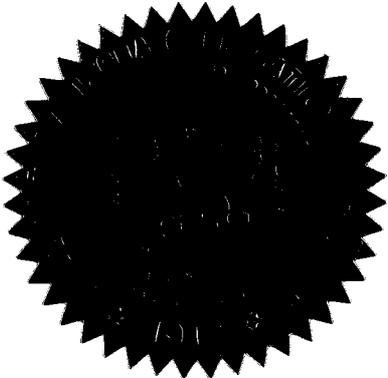
  
CHAIRMAN

  
COMMISSIONER

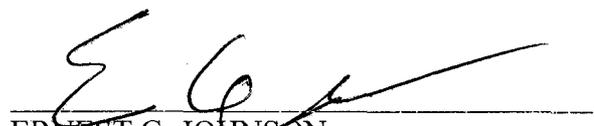
  
COMMISSIONER

  
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 this Commission to be affixed at the Capitol, in the City of Phoenix, this 30<sup>th</sup> day of July, 2012.

  
ERNEST G. JOHNSON  
EXECUTIVE DIRECTOR

DISSENT: \_\_\_\_\_

DISSENT: \_\_\_\_\_

SMO:WMS:sms

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MOUNTAINS, INC.

2 DOCKET NO.: T-03214A-11-0451

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