

ORIGINAL



0000143511

MEMORANDUM RECEIVED

2013 MAR 15 A 10:30

Arizona Corporation Commission

DOCKETED

TO: Docket Control

FROM: Steven M. Olea  
Director  
Utilities Division

ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

MAR 15 2013

DOCKETED BY	
-------------	--

DATE: March 15, 2013

RE: **STAFF RESPONSE TO FEBRUARY 27, 2013, PROCEDURAL ORDER - IN THE MATTER OF THE APPLICATION OF SPECTROTEL, INC. DBA ONETOUCH COMMUNICATIONS DBA TOUCH BASE COMMUNICATIONS FOR APPROVAL OF A CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE RESOLD LONG DISTANCE AND FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES (DOCKET NO. T-20821A-11-0385)**

On February 27, 2013, the Administrative Law Judge issued a Procedural Order which ordered Staff to file, by March 15, 2013, a response to Spectrotel, Inc.'s ("Spectrotel") Post-Hearing Brief and Clarification of Authority Requested, filed December 20, 2012. Specifically, Staff was directed to respond to Spectrotel's current request to provide facilities-based local exchange, resold local exchange, resold long distance, and switched access telecommunications services in Arizona. Staff's response is to also include recommendations that address Spectrotel's proposed plans to provide Unbundled Network Element-Platform ("UNE-P") services in Arizona and the calculation of the performance bond or irrevocable sight draft letter of credit for the requested services, as well as any additional Staff recommendations related to the Company's proposed services.

Staff would like to clarify the role of UNE-P. UNE-P is a service product provided by Incumbent Local Exchange Carriers ("ILEC"), such as CenturyLink, only to carriers that have been authorized to provide facilities-based local exchange telecommunications services. By obtaining facilities-based local exchange telecommunications services authority, Spectrotel would be allowed to obtain UNE-P from CenturyLink (known as CenturyLink's Local Services Platform ("CLSP")), which would be used in the provision of local exchange services to Spectrotel's end users. CLSP is a complete service that requires neither CLEC collocation nor a local exchange service network. Access to UNE-P is not available to carriers that possess resold local exchange authority. As stated by Spectrotel,<sup>1</sup> under UNE-P, Spectrotel would lease from CenturyLink all the underlying network elements used to provide telecommunications services and then have CenturyLink combine these elements to allow Spectrotel to provide local exchange service.

<sup>1</sup> See "Post-Hearing Brief and Clarification of Authority Requested", page 1, line 25-27 and page 2, lines 1-9, filed December 20, 2012, Docket No. T-20821A-11-0385.

Staff recommends approval of Spectrotel's request to provide facilities-based local exchange, resold local exchange, resold long distance, and switched access telecommunications services in Arizona, under the same conditions contained in the Staff Report filed on September 14, 2012, with the exception of the amount of required performance bond or irrevocable sight draft letter of credit ("ISDLC"). The amount of performance bond or ISDLC for each service is calculated as follows: \$10,000 for resold long distance service; \$25,000 for resold local exchange service and \$100,000 for facilities-based local exchange line. Based on the services Spectrotel is currently requesting authority to provide, the minimum recommended performance bond or ISDLC should be \$135,000. The performance bond or ISDLC coverage should increase in increments equal to 50 percent of the total minimum performance bond or ISDLC amount when the total amount of the advances and/or deposits is within 10 percent of the total minimum performance bond or ISDLC amount. Thus, the performance bond or ISDLOC amount should be increased in increments of \$67,500 when the total amount of advances and/or deposits is within \$13,500 of the bond or ISDLOC amount.

SMO:LLM:red/BH

Originator: Lori Morrison

SERVICE LIST FOR: Spectrotel, Inc. dba Onetouch Communications dba Touch Base  
Communications

DOCKET NO. T-20821A-11-0385

Mr. Michael W. Patten  
Attorney for Spectrotel, Inc.  
One Arizona Center  
400 East Van Buren Street, Suite 800  
Phoenix, Arizona 85004

Mr. Steven M. Olea  
Director, Utilities Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Ms. Janice Alward  
Chief Counsel, Legal Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Ms. Lyn Farmer  
Chief Administrative Law Judge, Hearing Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007