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BOB STUMP - Chairman  
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OPEN MEETING ITEM



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ARIZONA CORPORATION COMMISSION

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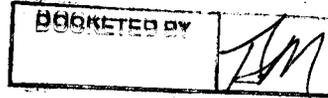
Arizona Corporation Commission  
COMMISSION  
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MAY 09 2013

DATE: MAY 9, 2013

DOCKET NO.: T-20821A-11-0385



TO ALL PARTIES:

Enclosed please find the recommendation of Administrative Law Judge Yvette B. Kinsey. The recommendation has been filed in the form of an Opinion and Order on:

SPECTROTEL, INC. DBA ONETOUCH COMMUNICATIONS  
DBA TOUCH BASE COMMUNICATIONS  
(CC&N/RESELLER/FACILITIES-BASED)

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:

MAY 17, 2013

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 11, 2013 AND JUNE 12, 2013

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.

JODI JERICH  
EXECUTIVE DIRECTOR

1200 WEST WASHINGTON STREET; PHOENIX, ARIZONA 85007-2927 / 400 WEST CONGRESS STREET; TUCSON, ARIZONA 85701-1347  
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1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 **COMMISSIONERS**

3 BOB STUMP - Chairman  
4 GARY PIERCE  
5 BRENDA BURNS  
6 BOB BURNS  
7 SUSAN BITTER SMITH

8 IN THE MATTER OF THE APPLICATION OF  
9 SPECTROTEL, INC. DBA ONETOUCH  
10 COMMUNICATIONS DBA TOUCH BASE  
11 COMMUNICATIONS FOR APPROVAL OF A  
12 CERTIFICATE OF CONVENIENCE AND  
13 NECESSITY TO PROVIDE RESOLD LONG  
14 DISTANCE AND FACILITIES-BASED LOCAL  
15 EXCHANGE TELECOMMUNICATIONS  
16 SERVICES IN ARIZONA.

DOCKET NO. T-20821A-11-0385

DECISION NO. \_\_\_\_\_

**OPINION AND ORDER**

12 DATE OF HEARING: December 14, 2012  
13 PLACE OF HEARING: Phoenix, Arizona  
14 ADMINISTRATIVE LAW JUDGE: Yvette B. Kinsey  
15 APPEARANCES: Mr. Michael W. Patten, ROSKA DEWULF &  
16 PATTEN, P.L.C., on behalf of Applicant; and  
17 Ms. Bridget Humphrey, Staff Attorney, Legal Division,  
18 on behalf of the Utilities Division of the Arizona  
19 Corporation Commission.

19 **BY THE COMMISSION:**

20 On October 18, 2011, Spectrotel, Inc. dba OneTouch Communications dba Touch Base  
21 Communications ("Spectrotel" or "Company" or "Applicant") filed with the Arizona Corporation  
22 Commission ("Commission") an application for approval of a Certificate of Convenience and  
23 Necessity ("CC&N") to provide resold long distance, facilities-based local exchange, and  
24 switched access telecommunication services within the State of Arizona. Spectrotel's application  
25 also requests a determination that its proposed services are competitive in Arizona.

26 On May 11, 2011, Spectrotel filed a supplement to its application.

27 On September 14, 2012, Staff filed a Staff Report recommending approval of Spectrotel's  
28 application subject to certain conditions.

1 On October 4, 2012, by Procedural Order, a hearing was scheduled for December 14, 2012,  
2 and other filing deadlines were established. The Procedural Order also directed Spectrotel to publish  
3 notice of its application and the hearing date by November 5, 2012.

4 On October 31, 2012, Spectrotel filed an Affidavit of Publication showing that notice  
5 of Spectrotel's application and the hearing date had been published in the *Arizona Republic*, a  
6 newspaper of general circulation, on October 19, 2012.

7 On December 14, 2012, a full public hearing was held as scheduled before a duly authorized  
8 Administrative Law Judge of the Commission. Spectrotel and Staff appeared through counsel and  
9 presented testimony and evidence. At the hearing, Spectrotel requested to amend its application to  
10 provide only resold local exchange and resold long distance in Arizona. Staff testified that Staff had  
11 no objections to the Company's request to amend its requested authority. At the conclusion of the  
12 hearing, the Company and Staff were directed to file late-filed exhibits.

13 On December 14, 2012, Staff filed a Notice of Filing, which contained two Orders issued by  
14 the by the Federal Communications Commission ("FCC") involving Spectrotel.

15 On December 20, 2012, Spectrotel filed a Post-Hearing Brief and Clarification of Authority  
16 Requested ("Brief").

17 On February 27, 2013, by Procedural Order, Staff was directed to file a response to  
18 Spectrotel's post hearing brief and clarification of authority requested.

19 On March 15, 2013, Staff filed its response.

20 Upon receipt of the late-filed exhibits, this matter was taken under advisement pending  
21 submission of a Recommended Opinion and Order to the Commission.

22  
23 \* \* \* \* \*

24 Having considered the entire record herein and being fully advised in the premises, the  
25 Commission finds, concludes, and orders that:

26 ...  
27 ...  
28 ...

**FINDINGS OF FACT**

1  
2       1.     Spectrotel is a foreign “C” corporation organized under the laws of Delaware and  
3 authorized to transact business in Arizona.<sup>1</sup>

4       2.     Spectrotel’s headquarters is located in Neptune, New Jersey.<sup>2</sup>

5       3.     By its amended application, Spectrotel seeks to provide facilities-based local  
6 exchange; resold local exchange; resold long distance; and switched access telecommunication  
7 services in Arizona.<sup>3</sup> Spectrotel states it intends to offer facilities-based and resold local exchange  
8 voice communication services as well as resold interexchange voice communication services to  
9 business customers, using Qwest (“CenturyLink”) network elements.<sup>4</sup>

10      4.     Notice of Spectrotel’s application was given in accordance with the law.

11      5.     Staff recommends approval of Spectrotel’s amended application for a CC&N to  
12 provide intrastate telecommunication services in Arizona, subject to conditions.

13      6.     Staff further recommends that:

14           a.     Spectrotel comply with all Commission Rules, Orders, and other requirements  
15 relevant to the provision of intrastate telecommunications services;

16           b.     Spectrotel comply with federal laws, federal rules and A.A.C. R14-2-1308(A),  
to make number portability available;

17           c.     Spectrotel abides by the quality of service standards that were approved by the  
18 Commission for Qwest in Docket No. T-01051B-93-0183;

19           d.     Spectrotel be prohibited from barring access to alternative local exchange  
20 service providers who wish to serve areas where Spectrotel is the only local  
provider of local exchange service facilities;

21           e.     Spectrotel provide all customers with 911 and E911 service, where available,  
22 or will coordinate with incumbent local exchange carriers (“ILECs”) and  
23 emergency service providers to provide 911 and E911 service in accordance  
with A.A.C. R14-2-1201(6)(d) and Federal Communications Commission 47  
CFR Sections 64.3001 and 64.3002;

24 \_\_\_\_\_  
<sup>1</sup> Exhibit A-1, Attachment A.

25 <sup>2</sup> Exhibit A-1.

26 <sup>3</sup> In its Post-Hearing Brief, Spectrotel determined that it would “resell” CenturyLink’s local exchange services in two  
27 ways: 1) by reselling CenturyLink’s services at a wholesale discount and 2) through leases with CenturyLink using  
Unbundled Network Element-Platform (“UNE-P”) network elements. Spectrotel stated that use of UNE-P services  
requires facilities-based local exchange authority and therefore, the Company was amending its request for authority to  
provide facilities-based local exchange, resold local exchange, resold long distance, and switched access  
28 telecommunication services in Arizona.

<sup>4</sup> Exhibit A-1 at A-17.

- 1 f. Spectrotel notify the Commission immediately upon changes to Spectrotel's  
name, address or telephone number;
- 2 g. Spectrotel cooperate with Commission investigations including, but not limited  
3 to customer complaints;
- 4 h. The rates proposed by Staff are for competitive services. In general, rates for  
5 competitive services are not set according to rate of return regulation. Staff  
6 obtained information from Spectrotel and has determined that its fair value rate  
7 base is zero. Staff has reviewed the rates to be charged by Spectrotel and  
8 believes they are just and reasonable as they are comparable to other  
9 competitive local carriers, local incumbent carriers and major long distance  
10 companies offering service in Arizona and comparable to the rates Spectrotel  
11 charges in other jurisdictions. The rate to be ultimately charged by Spectrotel  
12 will be heavily influenced by the market. Therefore, while Staff considered the  
13 fair value rate base information submitted by the Company, the fair value  
14 information provided was not given substantial weight in Staff's analysis;
- 15 i. In the event Spectrotel requests to discontinue and/or abandon its service area,  
it must provide notice to both the Commission and its customers. Such  
16 notice(s) shall be in accordance with A.A.C. R14-2-1107;
- 17 j. Spectrotel offer Caller ID with the capability to toggle between blocking and  
unblocking the transmission of the telephone number at no charge;
- 18 k. Spectrotel offer Last Call Return service that will not return calls to telephone  
19 numbers that have the privacy indicator activated; and
- 20 l. The Commission authorize Spectrotel to discount its rates and service charges  
21 to the marginal cost of providing the services.

22 7. Staff further recommends that Spectrotel's CC&N be considered null and void after  
23 due process if Spectrotel fails to comply with the following conditions:

- 24 a. Spectrotel shall docket conforming tariffs for each service within its CC&N  
25 within 365 days from the date of an Order in this matter or 30 days prior to  
26 providing service, whichever comes first. The tariffs submitted shall coincide  
27 with the application.
- 28 b. Spectrotel shall:
- i. Procure either a performance bond or irrevocable sight draft letter of  
credit ("ISDLC") equal to \$135,000.<sup>5</sup> The minimum bond or ISDLC of  
\$135,000 should be increased if at any time it would be insufficient to  
cover advances, deposits, and/or prepayments collected for Spectrotel's  
customers. The bond or ISDLC should be increased in increments of  
\$67,500. This increase should occur when the total amount of  
advances, deposits, and/or prepayments is within \$13,500 of the total  
\$135,000 bond or ISDLC amount.
- ii. Docket the original performance bond or ISDLC with the  
Commission's Business Office and 13 copies of the performance bond  
or ISDLC with Docket Control, as a compliance item in this docket,  
within 90 days of the effective date of a Decision in this matter or 10

<sup>5</sup> Staff Response docketed March 15, 2013.

1 days before the first customer is served, whichever comes earlier. The  
 2 performance bond or ISDLC must remain in effect until further order of  
 3 the Commission. The Commission may draw on the performance bond  
 4 or ISDLC on behalf of and for the benefit of the Company's customers,  
 5 if the Commission finds, in its discretion, that the Company is in  
 6 default of its obligations arising from its Certificate. The Commission  
 7 may use the performance bond or ISDLC funds, as appropriate, to  
 8 protect the Company's customers and the public interest and take any  
 9 and all actions the Commission deems necessary, in its discretion,  
 10 including, but not limited to returning prepayments or deposits  
 11 collected from the Company's customers.

12 iii. Spectrotel shall notify the Commission as a compliance filing when the  
 13 first customer is served.

14 iv. If at some time in the future Spectrotel does not collect advances,  
 15 deposits and/or prepayments from its customers, Staff recommends that  
 16 Spectrotel be allowed to file a request for cancellation of its established  
 17 performance bond or ISDLC regarding its resold long distance,  
 18 facilities-based local exchange and switched access telecommunication  
 19 services. Staff recommends that the Commission require that such a  
 20 request reference the Decision in this docket and explain Spectrotel's  
 21 plans for canceling those portions of the performance bond or ISDLC.

22 c. Spectrotel should abide by the Commission adopted rules that address  
 23 Universal Service in Arizona. A.A.C. R14-2-1204(A) indicates that all  
 24 telecommunications service providers that interconnect into the public  
 25 switched network shall provide funding for the Arizona Universal Service  
 26 Fund ("AUSF"). Spectrotel will make the necessary monthly payments  
 27 required by the A.A.C. R14-2-1204(B).

### 28 Technical Capability

1 8. Spectrotel states that its top four executives possess more than a combined total of 60  
 2 years' experience in the telecommunication industry.<sup>6</sup>

3 9. At hearing, Spectrotel's witness testified that Spectrotel has been approved to provide  
 4 its proposed services in 47 states.<sup>7</sup>

5 10. Spectrotel states it will not have offices or employees in Arizona and that all customer  
 6 service calls will be handled through a national dispatch company.<sup>8</sup> Further, the Company plans to  
 7 utilize CenturyLink's repair services department.<sup>9</sup>

8 11. Based on the above facts, Staff believes Spectrotel has the technical capabilities to

9 <sup>6</sup> Exhibit A-1 at Attachment C.

10 <sup>7</sup> Tr. at 8.

11 <sup>8</sup> Tr. at 10.

12 <sup>9</sup> Id.

1 provide its proposed services in Arizona.<sup>10</sup>

2 **Financial Capabilities**

3 12. According to Staff, Spectrotel provided unaudited financial statements for the years  
4 2010 and 2011. For the calendar year ending December 31, 2010, Spectrotel listed total assets of  
5 \$4,231,577; total equity of negative \$674,518; and a net income of \$599,946.<sup>11</sup> For the calendar year  
6 ending December 31, 2011, Spectrotel submitted unaudited financial statements showing total assets  
7 of \$5,528,820; total equity of \$1,051,978; and a net income of \$408,703.<sup>12</sup>

8 13. Spectrotel is requesting authority to provide facilities-based local exchange, resold  
9 local exchange, resold long distance, and switched access telecommunications in Arizona. Spectrotel  
10 intends to “resell” CenturyLink’s local exchange service in two ways by: 1) reselling all of  
11 CenturyLink’s services (which entails buying service from CenturyLink at a wholesale discount); and  
12 2) obtaining from CenturyLink Unbundled Network Element Platform (“UNE-P”) products.<sup>13</sup>

13 14. Staff explained that UNE-P is a service product provided ILECs like CenturyLink,  
14 only to carriers that been authorized by the Commission to provide facilities-based local exchange  
15 telecommunication services in Arizona.<sup>14</sup> Based on Spectrotel’s request to provide UNE-P services  
16 and the Commission’s policy that UNE-P providers obtain facilities-based authority, Staff  
17 recommends that Spectrotel procure a minimum performance bond or ISDLC in the amount of  
18 \$135,000.<sup>15</sup>

19 **Rates and Charges**

20 15. Staff believes that Spectrotel will have to compete with other ILECs, and various  
21 competitive local exchange (“CLECs”), and interexchange carriers (“IXCs”) in Arizona in order to  
22 gain new customers.<sup>16</sup>

23 16. Spectrotel projects that for the first twelve months of operation in Arizona, it will have  
24

25 <sup>10</sup> Exhibit S-1 at 1.

26 <sup>11</sup> Exhibit S-1 at 2.

27 <sup>12</sup> Id.

<sup>13</sup> Spectrotel Post Hearing Brief and Clarification of Authority Requested docketed December 20, 2012.

<sup>14</sup> Staff Response docketed March 15, 2013.

<sup>15</sup> Id.

28 <sup>16</sup> Exhibit S-1 at 3.

1 total revenues of \$6,000 and a net book value of zero.<sup>17</sup>

2 17. Staff states that rates for competitive services are not set according to rate of return  
3 regulation and based on the Company's projected net book value or fair value rate base of zero, the  
4 rate to be charged will be heavily influenced by the market.<sup>18</sup> Staff reviewed Spectrotel's proposed  
5 tariff pages, rate comparison information of other CLECs and believes that Spectrotel's proposed  
6 rates are comparable to the rates charged by CLECs and ILECs providing service in Arizona.<sup>19</sup>  
7 Therefore, Staff states that while it considered the fair value rate base information submitted by  
8 Spectrotel, it did not accord that information substantial weight in Staff's analysis.<sup>20</sup>

9 **Local Exchange Carrier Specific Issues**

10 18. Pursuant to A.A.C. R14-2-1308(A) and federal laws and rules, Spectrotel will make  
11 number portability available to facilitate the ability of customers to switch between authorized local  
12 carriers within a given wire center without changing their telephone number and without impairment  
13 to quality, functionality, reliability or convenience of use.

14 19. Pursuant to A.A.C. R14-2-1204(A) all telecommunication service providers that  
15 interconnect to the public switched network shall provide funding for the AUSF. Spectrotel shall  
16 make payments to the AUSF described under A.A.C. R14-2-1204(B).

17 20. In Commission Decision No. 59421 (December 20, 1995), the Commission approved  
18 quality of service standards for Qwest which imposed penalties due to an unsatisfactory level of  
19 service. In this matter, Staff believes Spectrotel does not have a similar history of service quality  
20 problems, and therefore the penalties in that decision should not apply.

21 21. In the areas where the Company is the only local exchange service provider, Staff  
22 recommends that Spectrotel be prohibited from barring access to alternative local exchange service  
23 providers who wish to serve the area.

24 22. Spectrotel will provide all customers with 911 and E911 service where available, or  
25 will coordinate with ILECs, and emergency service providers to facilitate the service.

26 \_\_\_\_\_  
27 <sup>17</sup> Exhibit A-1 at Attachment E.

28 <sup>18</sup> Exhibit S-1 at 3.

<sup>19</sup> Id.

<sup>20</sup> Id.

1 23. Pursuant to prior Commission Decisions, Spectrotel may offer customer local area  
2 signaling services such as Caller ID and Call Blocking, so long as the customer is able to block or  
3 unblock each individual call at no additional cost.

4 24. Spectrotel must offer Last Call Return service, which will not allow the return of calls  
5 to the telephone numbers that have the privacy indicator activated.

6 **Complaint Information**

7 25. Spectrotel is in good standing with the Commission's Corporations Division.

8 26. According to Staff, the Commission's Consumer Services Section reports that no  
9 complaints have been filed against Spectrotel in Arizona for the period beginning January 1, 2009  
10 through August 22, 2012.

11 27. Spectrotel's application states that none of the Company's officers, directors, partners,  
12 nor managers have been, or are currently involved in any formal or informal complaint proceedings  
13 before any state or federal regulatory agency, commission, administrative agency or law enforcement  
14 agency.<sup>21</sup> Further, Spectrotel stated that none of the Company's officers, directors, partners or  
15 managers have been involved in any civil or criminal investigations, or had judgments entered in any  
16 civil matter, or by any administrative or regulatory agency, or been convicted of any criminal acts  
17 within the last ten (10) years.<sup>22</sup>

18 28. Staff contacted six state commissions/jurisdictions where Spectrotel indicated it has  
19 been authorized to provide telecommunication services.<sup>23</sup> Staff's review showed that in two  
20 jurisdictions<sup>24</sup> Spectrotel had a total of fifteen (15) complaints from 2011 to 2012.<sup>25</sup> Staff reported  
21 that none of the complaints involved slamming and cramming, and that all but one of the complaints  
22 had been resolved.<sup>26</sup> Staff states that the one remaining complaint involves a customer whose service  
23 was discontinued for nonpayment.<sup>27</sup>

24 29. According to Staff, the FCC's website showed that two informal complaints involving

25 <sup>21</sup> Exhibit A-1 (A-11).

26 <sup>22</sup> Exhibit A-1 (A-12).

27 <sup>23</sup> Exhibit S-1 at 5.

<sup>24</sup> In Pennsylvania four complaints had been filed and in New York eleven complaints had been filed.

<sup>25</sup> Id.

28 <sup>26</sup> Exhibit S-1 at 5.

<sup>27</sup> Id.

1 slamming had been filed against Spectrotel.<sup>28</sup> Staff stated that in both complaints the FCC granted  
 2 the complainant's complaint.<sup>29</sup>

3 30. Under Section 258 of the Communications Act of 1934 ("Act"), as amended by the  
 4 Telecommunications Act of 1996 ("1996 Act"), telecommunication providers are prohibited from the  
 5 practice of "slamming" which is the "submission or execution of an unauthorized change in a  
 6 subscriber's selection of a provider of telephone exchange service or telephone toll service."<sup>30</sup>

7 31. In the FCC complaint filed on January 10, 2011, the complainant alleged that  
 8 Spectrotel dba Surfstone failed to get proper authorization to switch the customer's phone service.<sup>31</sup>  
 9 According to the FCC Order, Spectrotel failed to respond to the complaint.<sup>32</sup> The FCC found  
 10 Spectrotel dba Surfstone was in violation of the 1996 Act and Surfstone was directed to absolve the  
 11 customer of all charges incurred during the first thirty days after the unauthorized change occurred.<sup>33</sup>

12 32. In the second FCC complaint filed on May 17, 2009, the complainant alleged that  
 13 Spectrotel switched the complainant's telecommunication services without authorization.<sup>34</sup> In its  
 14 response to the complaint, Spectrotel contended that it had confirmed the switch using a third party  
 15 verification ("TPV") process.<sup>35</sup> The FCC found that the TPV abruptly ended the call before the  
 16 subscriber could ask all of its questions and that Spectrotel had violated the Section 258 of 1996  
 17 Act.<sup>36</sup> Spectrotel was directed to absolve the customer of all charges incurred during the first thirty  
 18 days after the unauthorized change occurred.<sup>37</sup>

19 33. Spectrotel's witness, Vice President of Marketing and Corporate Development, Elena  
 20 Mondini, testified that although she did not know the exact details of the two complaints filed with  
 21 the FCC she recounted that at one point Spectrotel had a telemarketing arm that formerly handled  
 22 both residential and business customers and that sometimes the Company believed that they had  
 23

24 <sup>28</sup> Exhibit S-1 at 5.

25 <sup>29</sup> Id.

26 <sup>30</sup> 47 U.S.C. § 258 (a).

27 <sup>31</sup> *In re the Matter of Spectrotel dba Surfstone*, 26 F.C.C.R. 6333.

28 <sup>32</sup> Id.

<sup>33</sup> Id.

<sup>34</sup> *In re the Matter of Spectrotel*, 26 F.C.C.R. 17110.

<sup>35</sup> Id.

<sup>36</sup> Id.

<sup>37</sup> Id.

1 obtained authorization and then the customer complained that authorization was not given.<sup>38</sup> The  
 2 witness stated that the Company is “very vigilant in responding to any kind of complaint.”<sup>39</sup> She  
 3 stated that Spectrotel does not “want business that, or try to slam business that we aren’t legally  
 4 contracted to do.”<sup>40</sup> Mondini stated that “it is in our best interest as a business to show ourselves as a  
 5 great corporate citizen.”<sup>41</sup>

6 34. Spectrotel’s witness testified that Spectrotel will not serve residential customers in  
 7 Arizona and that every commercial customer will be required to sign a contract for the services the  
 8 Company will be providing, which will give Spectrotel authorization to provide the service.

9 35. The witness testified that she was not aware of any new complaints that had been filed  
 10 against the Company.<sup>42</sup>

11 36. Staff’s witness stated that while Staff considered the information regarding the  
 12 complaints, Staff continues to recommend approval of the CC&N and that Staff believes granting  
 13 Spectrotel the authorization to provide its proposed services in Arizona is in the public interest.<sup>43</sup>

14 **Competitive Analysis**

15 37. Spectrotel is requesting that its telecommunication services in Arizona be classified as  
 16 competitive. Staff believes Spectrotel’s proposed services should be classified as competitive because  
 17 Spectrotel will have to compete with other CLECs and ILECs to gain customers; there are alternative  
 18 providers to Spectrotel’s proposed services; IXCs and ILECS hold a virtual monopoly in  
 19 interexchange and local exchange markets; and Spectrotel has no ability to adversely affect the local  
 20 exchange service market as several ILECs provide local exchange services.<sup>44</sup>

21 38. Given the above factors, Staff concludes that Spectrotel’s proposed services should be  
 22 classified as competitive.<sup>45</sup>

25 <sup>38</sup> Tr. at 12.

26 <sup>39</sup> Id.

27 <sup>40</sup> Id.

28 <sup>41</sup> Id.

<sup>42</sup> Tr. at 13.

<sup>43</sup> Tr. at 18.

<sup>44</sup> Exhibit S-1 at 6.

<sup>45</sup> Exhibit S-1 at 11.

1 **Resolution**

2 39. Spectrotel's top executives possess more than sixty (60) years of combined  
3 telecommunication experience; Spectrotel has been authorized to provide its proposed services in  
4 forty-seven (47) states/jurisdictions; Staff believes that granting Spectrotel authorization to provide  
5 its proposed services is in the public interest and that Spectrotel's proposed tariffs will result in just  
6 and reasonable rates. We find that Spectrotel has the technical capabilities to provide its proposed  
7 services in Arizona; that Spectrotel will be operating in a competitive environment; that Spectrotel's  
8 proposed tariffs will result in just and reasonable rates; and that granting Spectrotel authority to  
9 provide its proposed services is in the public interest.

10 40. Staff's recommendations, as set forth herein, are reasonable and should be adopted.

11 **CONCLUSIONS OF LAW**

12 1. Spectrotel is a public service corporation within the meaning of Article XV of the  
13 Arizona Constitution, A.R.S. §§ 40-281 and 40-282.

14 2. The Commission has jurisdiction over Spectrotel and the subject matter of the  
15 application.

16 3. Notice of the application was given in accordance with the law.

17 4. A.R.S. § 40-282 allows a telecommunications company to file an application for a  
18 CC&N to provide competitive telecommunication services.

19 5. Pursuant to Article XV of the Arizona Constitution, as well as the Arizona Revised  
20 Statutes, it is in the public interest for Spectrotel to provide the telecommunication services set forth  
21 in its application.

22 6. The telecommunication services Spectrotel intends to provide are competitive within  
23 Arizona.

24 7. Pursuant to Article XV of the Arizona Constitution as well as the Competitive Rules,  
25 it is just and reasonable and in the public interest for Spectrotel to establish rates and charges that are  
26 not less than Spectrotel's total service long-run incremental costs of providing the competitive  
27 services approved herein.  
28



1 IT IS FURTHER ORDERED that if Spectrotel, Inc. dba OneTouch Communications dba  
2 Touch Base Communications fails to comply with the Staff conditions described in Finding of Fact  
3 No. 7, the Certificate of Convenience and Necessity granted herein shall be considered null and void  
4 after due process.

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

6 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.  
7  
8

9 CHAIRMAN \_\_\_\_\_ COMMISSIONER \_\_\_\_\_

10  
11 COMMISSIONER \_\_\_\_\_ COMMISSIONER \_\_\_\_\_ COMMISSIONER \_\_\_\_\_

12  
13 IN WITNESS WHEREOF, I, JODI JERICH, Executive  
14 Director of the Arizona Corporation Commission, have  
15 hereunto set my hand and caused the official seal of the  
16 Commission to be affixed at the Capitol, in the City of Phoenix,  
17 this \_\_\_\_\_ day of \_\_\_\_\_ 2013.

18  
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20 \_\_\_\_\_  
21 JODI JERICH  
22 EXECUTIVE DIRECTOR

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1 SERVICE LIST FOR: SPECTROTEL, INC. DBA ONETOUCH  
2 COMMUNICATIONS DBA TOUCH BASE  
COMMUNICATIONS

3 DOCKET NO.: T-20821A-11-0385

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