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Transcript Exhibit(s)

Docket #(s): T-20097A12-0325

Exhibit #: A1, A2, S1

Arizona Corporation Commission
DOCKETED
JUL 26 2013

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ARIZONA CORPORATION COMMISSION
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Marta T. Hetzer
Administrator/Owner

Suite 502
2200 North Central Avenue
Phoenix, AZ 85004-1481
MAIN (602) 274-9944
FAX (602) 277-4264

HAND DELIVERED

July 26, 2013

~~Ms. Yvette B. Kinsey
Administrative Law Judge
ACC – HEARING DIVISION
1200 West Washington, 1st Floor
Phoenix, AZ 85007~~

Case: Transtelco, Inc.
Number: T-20697A-12-0325
Date: July 11, 2013
Transcript No.: UTIL 16943

Dear ALJ Kinsey:

This letter is to confirm that you retained Exhibit A-3 to the above-referenced evidentiary hearing. This exhibit was designated confidential during the above-referenced matter.

We are filing Exhibits A-1, A-2, and S-1, along with the original transcript, with Docket Control today.

Please let us know if you have any questions or if we may be of any further assistance.

Very truly yours,

Marta T. Hetzer
Administrator/Owner

Enclosure

Copy to: Docket Control
Scott Hesla, Esq. – Staff
Matthew G. Bingham, Esq. – Transtelco, Inc.

**COPY FOR YOUR
INFORMATION**

ORIGINAL

NEW APPLICATION



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2012 JUL 16 P 3:33

July 13, 2012
Via Overnight Delivery

AZ CORP COMMISSION
DOCKET CONTROL

Docket Control Center
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

T-20697A-12-0325

RE: Transtelco, Inc.
Application and Petition for Certificate of Convenience and Necessity to Provide Intrastate Telecommunications Services

Dear Sir or Madam:

Enclosed for filing please find the original and thirteen (13) copies of the application and petition for certificate of convenience and necessity to provide facilities based local exchange telecommunications services submitted on behalf of Transtelco, Inc. The company is currently certificated as a local exchange reseller and submits this application for the purposed of expanding its authority in Arizona. Transtelco plans no changes to its current tariff on file with the Commission and for that reason is not submitting a proposed tariff with this application.

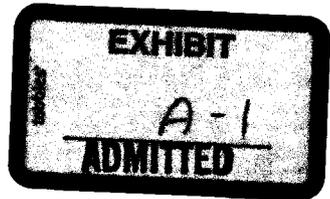
Prior to submitting the required financial information, issuance of a protective order by staff is respectfully requested. Please send the document to the attention of the undersigned at Rnorton@tminc.com.

Please acknowledge receipt of this filing by date-stamping the extra copy of this cover letter and returning it to me in the self-addressed, stamped envelope provided for that purpose.

Any questions you may have regarding this filing should be directed to my attention at 407-740-3004 or via email to rnorton@tminc.com. Thank you for your assistance in this matter.

Sincerely,

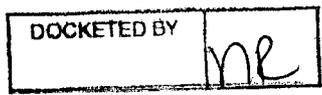
Robin Norton
Consultant to Transtelco, Inc.



Arizona Corporation Commission
DOCKETED

JUL 16 2012

cc: Julio Acevedo - Transtelco
file: Transtelco - Arizona - Local
tms: AZ11200



Enclosures

ARIZONA CORPORATION COMMISSION

**Application and Petition for Certificate of Convenience and Necessity to Provide
Intrastate Telecommunications Services**

Mail original plus 13 copies of completed application to: For Docket Control Only:
(Please Stamp Here)

Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007-2927

Please indicate if you have current applications pending
in Arizona as an Interexchange reseller, AOS provider,
or as the provider of other telecommunication services.

Type of Service: _____

Docket No.: _____ Date: _____ Date Docketed: _____

Type of Service: _____

Docket No.: _____ Date: _____ Date Docketed: _____

A. COMPANY AND TELECOMMUNICATION SERVICE INFORMATION

(A-1) Please indicate the type of telecommunications services that you want to provide in Arizona and mark the appropriate box(s).

- Resold Long Distance Telecommunications Services (Answer Sections A, B).
- Resold Local Exchange Telecommunications Services (Answer Sections A, B, C).
- Facilities-Based Long Distance Telecommunications Services (Answer Sections A, B, D).
- Facilities-Based Local Exchange Telecommunications Services (Answer Sections A, B, C, D, E)
- Alternative Operator Services Telecommunications Services (Answer Sections A, B)
- Other _____ (Please attach complete description)

(A-2) The name, address, telephone number (including area code), facsimile number (including area code), e-mail address, and World Wide Web address (if one is available for consumer access) of the Applicant:

Transtelco, Inc.
500 West Overland Avenue Suite 310
El Paso, Texas 79901
Phone: 915-534-8100
Fax: 915-534-9001
www.transtelco.net

(A-3) The d/b/a ("Doing Business As") name if the Applicant is doing business under a name different from that listed in Item (A-2):

Not Applicable.

(A-4) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Management Contact:

Julio Acevedo

500 West Overland Avenue Suite 310 EI Paso, Texas 79901

Phone: 915-534-8100

Fax: 915-534-9001

E-mail: jaj@transtelco.net

(A-5) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Attorney and/or Consultant:

Robin Norton, Consultant to Transtelco, Inc.

2600 Maitland Center Parkway, Suite 300

Maitland, FL 32751

Telephone : (407) 740-3004

Fax Number:(407)740-0613

Rnorton@tminc.com

(A-6) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Complaint Contact Person:

Miguel Fernandez

500 West Overland Avenue Suite 310 EI Paso, Texas 79901

Phone: 915-534-8100

Fax: 915-534-9001

E-mail: mfs@transtelco.net

(A-7) What type of legal entity is the Applicant? Mark the appropriate box(s) and category.

Sole proprietorship

Partnership: Limited, General, Arizona, Foreign

Limited Liability Company: Arizona, Foreign

Corporation: "S", "C", Non-profit

Other, specify: _____

(A-8) Please include "Attachment A":

Attachment "A" must include the following information:

1. A copy of the Applicant's Certificate of Good Standing as a domestic or foreign corporation, LLC, or other entity in Arizona.
2. A list of the names of all owners, partners, limited liability company managers (or if a member managed LLC, all members), or corporation officers and directors (specify).
3. Indicate percentages of ownership of each person listed in A-8.2.

See Attachment A for Certificate of Good Standing in Arizona and listings of the Applicant's Officers and Directors.

(A-9) Include your Tariff as "Attachment B".

Your Tariff must include the following information:

1. Proposed Rates and Charges for each service offered (reference by Tariff page number).
2. Tariff Maximum Rate and Prices to be charged (reference by Tariff page number).
3. Terms and Conditions Applicable to provision of Service (reference by Tariff page number).
4. Deposits, Advances, and/or Prepayments Applicable to provision of Service (reference by Tariff page number).
5. The proposed fee that will be charged for returned checks (reference by Tariff page number).

See Attachment B.

(A-10) Indicate the geographic market to be served:

Statewide. (Applicant adopts statewide map of Arizona provided with this application).

See Attachment F.

Other. Describe and provide a detailed map depicting the area.

(A-11) Indicate if the Applicant or any of its officers, directors, partners, or managers has been or are currently involved in any formal or informal complaint proceedings before any state or federal regulatory commission, administrative agency, or law enforcement agency.

Describe in detail any such involvement. Please make sure you provide the following information:

1. States in which the Applicant has been or is involved in proceedings.
2. Detailed explanations of the Substance of the Complaints.
3. Commission Orders that resolved any and all Complaints.
4. Actions taken by the Applicant to remedy and/or prevent the Complaints from re-occurring.

Neither applicant, nor any of its officers, directors, partners or managers are or have been involved in any formal or informal complaint proceedings before any federal or state regulatory commission, administrative agency or law enforcement agency since the inception of the company.

(A-12) Indicate if the Applicant or any of its officers, directors, partners, or managers has been or are currently involved in any civil or criminal investigation, or had judgments entered in any civil matter, judgments levied by any administrative or regulatory agency, or been convicted of any criminal acts within the last ten (10) years.

Describe in detail any such judgments or convictions. Please make sure you provide the following information:

1. States involved in the judgments and/or convictions.
2. Reasons for the investigation and/or judgment.
3. Copy of the Court order, if applicable.

None of the Applicant's officers directors, partners or managers have been involved in any civil or criminal investigation or had judgments entered in any civil matter, judgments levied by any administrative or regulatory agency, or been convicted of any criminal acts within the last ten (10) years.

(A-13) Indicate if the Applicant's customers will be able to access alternative toll service providers or resellers via 1+101XXXX access.

Yes

No

(A-14) Is Applicant willing to post a Performance Bond? Please check appropriate box(s).

For Long Distance Resellers, a \$10,000 bond will be recommended for those resellers who collect advances, prepayments or deposits.

Yes

No

If "No", continue to question (A-15).

For Local Exchange Resellers, a \$25,000 bond will be recommended.

Yes

No

If "No", continue to question (A-15).

For Facilities-Based Providers of Long Distance, a \$100,000 bond will be recommended.

Yes

No

If "No", continue to question (A-15).

For Facilities-Based Providers of Local Exchange, a \$100,000 bond will be recommended.

Yes

No

If any box in (A-14) is marked "No", continue to question (A-15).

Note: Amounts are cumulative if the Applicant is applying for more than one type of service.

(A-15) If any box in (A-14) is marked "No", provide the following information. Clarify and explain the Applicant's deposit policy (reference by tariff page number). Provide a detailed explanation of why the Applicant's superior financial position limits any risk to Arizona consumers.

(A-16) Submit copies of affidavits of publication that the Applicant has, as required, published legal notice of the Application in all counties where the Applicant is requesting authority to provide service.

Note: For Resellers, the Applicant must complete and submit an Affidavit of Publication Form as Attachment "C" before Staff prepares and issues its report. Refer to the Commission's website for Legal Notice Material (Newspaper Information, Sample Legal Notice and Affidavit of Publication). For Facilities-Based Service Providers, the Hearing Division will advise the Applicant of the date of the hearing and the publication of legal notice. Do not publish legal notice or file affidavits of publication until you are advised to do so by the Hearing Division.

See Attachment C

(A-17) Indicate if the Applicant is a switchless reseller of the type of telecommunications services that the Applicant will or intends to resell in Arizona:

Yes No

If "Yes", provide the name of the company or companies whose telecommunications services the Applicant resells.

Applicant is already certified as a CLEC reseller. A resale agreement with Qwest is on file with the Commission. (T-01051B-12-0029)

(A-18) List the States in which the Applicant has had an application approved or denied to offer telecommunications services similar to those that the Applicant will or intends to offer in Arizona:

Note: If the Applicant is currently approved to provide telecommunications services that the Applicant intends to provide in Arizona in less than six states, excluding Arizona, list the Public Utility Commission ("PUC") of each state that granted the authorization. For each PUC listed provide the name of the contact person, their phone number, mailing address including zip code, and e-mail address.

The Applicant has never had an application to offer telecommunications services denied. Also see Attachment G. The Company's California CPCN was recently revoked on the basis of late filing of certain surcharge reports. Applicant is in the process of reinstating its authority.

(A-19) List the States in which the Applicant currently offers telecommunications services similar to those that the Applicant will or intends to offer in Arizona.

Note: If the Applicant currently provides telecommunication services that the Applicant intends to provide in Arizona in six or more states, excluding Arizona, list the states. If the Applicant does not currently provide telecommunications services that the Applicant intends to provide in Arizona in five or less states, list the key personnel employed by the Applicant. Indicate each employee's name, title, position, description of their work experience, and years of service in the telecommunications services industry.

See Attachment G.

(A-20) List the names and addresses of any alternative providers of the service that are also affiliates of the telecommunications company, as defined in R14-2-801.

None.

(A-21) Check here if you wish to adopt as your petition a statement that the service has already been classified as competitive by Commission Decision:

Decision # 64178 Resold Long Distance

Decision # 64178 Resold LEC

Decision # 64178 Facilities Based Long Distance

Decision # 64178 Facilities Based LEC

B. FINANCIAL INFORMATION

(B-1) Indicate if the Applicant has financial statements for the two (2) most recent years.

Yes No

If "No," explain why and give the date on which the Applicant began operations.

Included are the most recent balance sheet and income statements, which demonstrate that the Applicant has sufficient resources to initiate operations and provide the services for which it seeks authority.

(B-2) Include "Attachment D".

Provide the Applicant's financial information for the two (2) most recent years.

1. A copy of the Applicant's balance sheet.
2. A copy of the Applicant's income statement.
3. A copy of the Applicant's audit report.
4. A copy of the Applicant's retained earnings balance.
5. A copy of all related notes to the financial statements and information.

Note: Make sure "most recent years" includes current calendar year or current year reporting period.

See Attachment D. Since Transtelco is a private company, it does not have an audit report.

(B-3) Indicate if the Applicant will rely on the financial resources of its Parent Company, if applicable.

Not applicable.

(B-4) The Applicant must provide the following information.

1. Provide the projected total revenue expected to be generated by the provision of telecommunications services to Arizona customers for the first twelve months following certification, adjusted to reflect the maximum rates for which the Applicant requested approval. Adjusted revenues may be calculated as the number of units sold times the maximum charge per unit.
2. Provide the operating expenses expected to be incurred during the first twelve months of providing telecommunications services to Arizona customers following certification.
3. Provide the net book value (original cost less accumulated depreciation) of all Arizona jurisdictional assets expected to be used in the provision of telecommunications service to Arizona customers at the end of the first twelve months of operation. Assets are not limited to plant and equipment. Items such as office equipment and office supplies should be included in this list.
4. If the projected value of all assets is zero, please specifically state this in your response.
5. If the projected fair value of the assets is different than the projected net book value, also provide the corresponding projected fair value amounts.

See Attachment E.

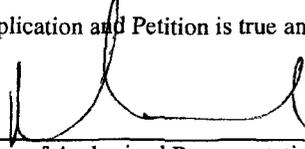
C. RESOLD AND/OR FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES	
(C-1)	<p>Indicate if the Applicant has a resale agreement in operation,</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If "Yes", please reference the resale agreement by Commission Docket Number or Commission Decision Number.</p>
D. FACILITIES-BASED LONG DISTANCE AND/OR FACILITIES BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES	
(D-1)	<p>Indicate if the Applicant is currently selling facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services in Arizona. This item applies to an Applicant requesting a geographic expansion of their CC&N:</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If "Yes," provide the following information:</p> <ol style="list-style-type: none"> The date or approximate date that the Applicant began selling facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services in Arizona. Identify the types of facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services that the Applicant sells in Arizona. <p>If "No," indicate the date when the Applicant will begin to sell facilities-based long distance telecommunications AND/OR facilities-based local exchange telecommunications services in Arizona.</p> <p>Not applicable.</p>
E. FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES	
(E-1)	<p>Indicate whether the Applicant will abide by the quality of service standards that were approved by the Commission in Commission Decision Number 59421:</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
(E-2)	<p>Indicate whether the Applicant will provide all customers with 911 and E911 service, where available, and will coordinate with incumbent local exchange carriers ("ILECs") and emergency service providers to provide this service:</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
(E-3)	<p>Indicate that the Applicant's switch is "fully equal access capable" (i.e., would provide equal access to facilities-based long distance companies) pursuant to A.A.C. R14-2-1111 (A):</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Applicant will not utilize its own switching facilities but where applicable will rely on the switching facilities of its underlying carriers, which are fully equal-access capable.</p>

STATE OF TEXAS

§
§
§

COUNTY EL PASO

I certify that if the applicant is an Arizona corporation, a current copy of the Articles of Incorporation is on file with the Arizona Corporation Commission and the applicant holds a Certificate of Good Standing from the Commission. If the company is a foreign corporation or partnership, I certify that the company has authority to transact business in Arizona. I certify that all appropriate city, county, and/or State agency approvals have been obtained. Upon signing of this application, I attest that I have read the Commission's rules and regulations relating to the regulations of telecommunications services (A.A.C. Title 14, Chapter 2, Article 11) and that the company will abide by Arizona state law including the Arizona Corporation Commission Rules. I agree that the Commission's rules apply in the event there is a conflict between those rules and the company's tariff, unless otherwise ordered by the Commission. I certify that to the best of my knowledge the information provided in this Application and Petition is true and correct.



(Signature of Authorized Representative)

07/09/2012

(Date)

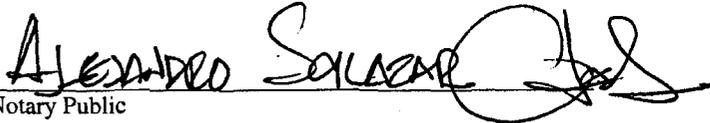
MIGUEL FERNANDEZ

(Print Name of Authorized Representative)

CEO

(Title)

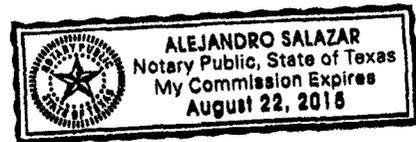
SUBSCRIBED AND SWORN to before me this 07 day of JULY, 2012.



Notary Public

August 22, 2015

My Commission Expires:



**APPLICATION OF
TRANSTELCO, INC.**

ATTACHMENT A
Certificate of Good Standing
Ownership
Corporate Officers and Directors

STATE OF ARIZONA



Office of the
CORPORATION COMMISSION
CERTIFICATE OF GOOD STANDING

To all to whom these presents shall come, greeting:

I, Ernest G. Johnson, Executive Director of the Arizona Corporation Commission, do hereby certify that

*****TRANSTELCO, INC.*****

a foreign corporation organized under the laws of Texas did obtain authority to transact business in the State of Arizona on the 16th day of July 2009.

I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said corporation has not had its authority revoked for failure to comply with the provisions of the Arizona Business Corporation Act; and that its most recent Annual Report, subject to the provisions of A.R.S. sections 10-122, 10-123, 10-125 & 10-1622, has been delivered to the Arizona Corporation Commission for filing; and that the said corporation has not filed an Application for Withdrawal as of the date of this certificate.

This certificate relates only to the legal authority of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 26th Day of June, 2012, A. D.



A handwritten signature in black ink, appearing to read "E G Johnson".

Executive Director

By: _____ 780189

OWNERSHIP

<u>Ownership</u>	<u>Percent Ownership</u>	<u>Address</u>
Transtelco Holdings, Inc.	100%	500 W Overland Ave Ste 310 El Paso, TX 79901

OFFICERS & DIRECTORS

All officers and directors may be reached at the Company's headquarters address:

500 W Overland Ave Ste 310
El Paso, TX 79901

<u>Officers/Directors</u>	<u>Title</u>
Miguel Fernandez	CEO and President
Rodrigo Fernandez	CFO and Secretary
Arturo Iglesias	CTO and Treasurer

**APPLICATION OF
TRANSTELCO, INC.**

ATTACHMENT B
Tariff

The Applicant's tariff is approved and is currently on file with the Corporation Commission pursuant to Docket No. T-20697A-09-0395/Decision No. 71633 issued on April 14, 2012.

**APPLICATION OF
TRANSTELCO, INC.**

ATTACHMENT C
Affidavit of Publication Form

Applicant will file the Affidavit of Publication after this application is filed and Applicant is advised of the hearing date and the Publication of legal notice.

**APPLICATION OF
TRANSTELCO, INC.**

ATTACHMENT D
Financial Statements

Financial statements will be submitted separately under seal following the issuance of a protective order.

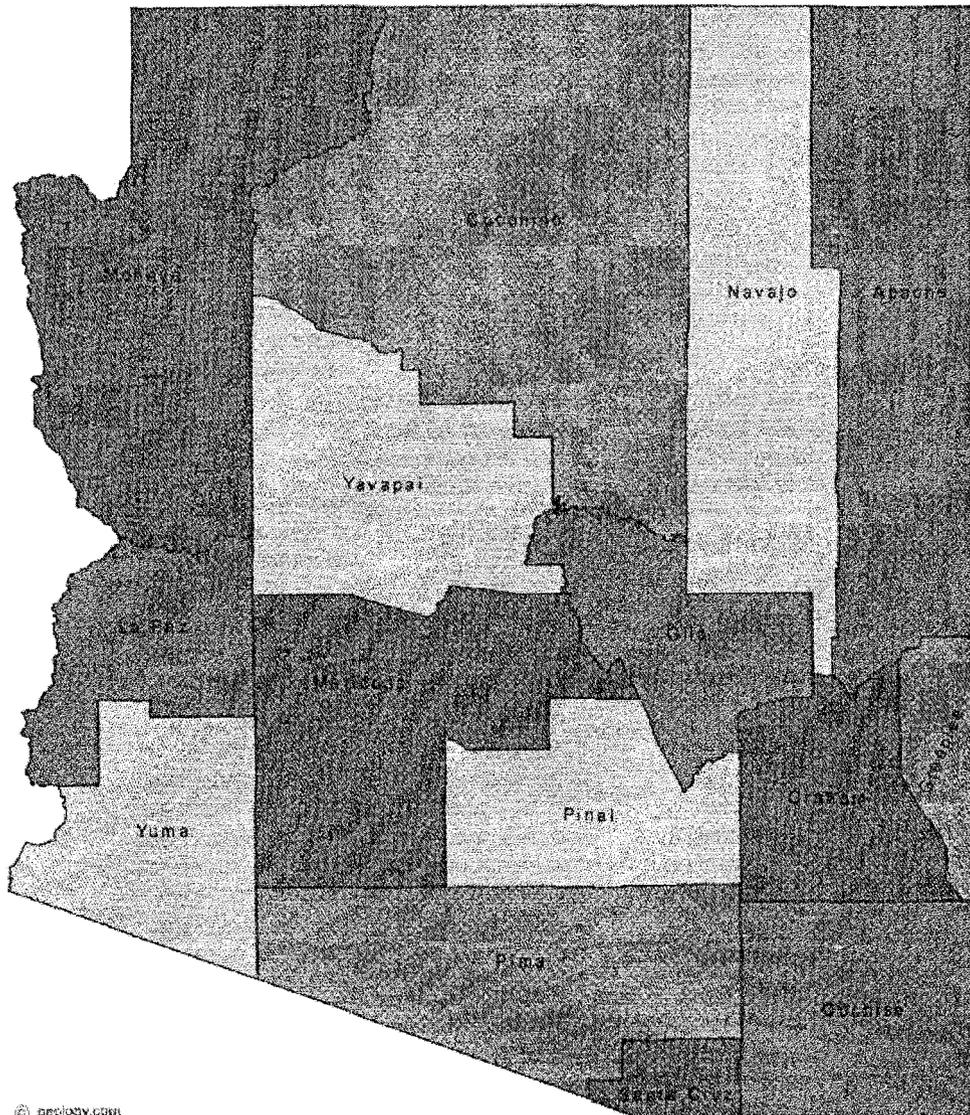
**APPLICATION OF
TRANSTELCO, INC.**

ATTACHMENT E
Financial Projections

1. Projected total revenue for the first 12 months: \$182,000.00
2. Operating expenses during the first 12 months: \$109,440.00
3. Net book value of Arizona jurisdictional assets used to provide service in Arizona: \$0
4. See response to Item 3.
5. Not Applicable.

APPLICATION OF
TRANSTELCO, INC.

ATTACHMENT F
Arizona Map



**APPLICATION OF
TRANSTELCO, INC.**

ATTACHMENT G
Certification Status

Applicant currently is a certified CLEC in Arizona, Texas and New Mexico. Applicant was granted a CCN to provide resold local and long distance services in Arizona in Decision No. 71633/Docket number T-20697A-09-0395. Applicant has never had any other applications denied. Applicant currently does business in Texas only.

Applicant's key personnel are as follows:

Miguel Fernandez ~ CEO and President

Rodrigo Fernandez ~ CFO

Arturo Iglesias ~ CTO

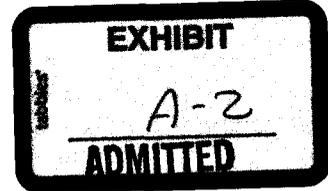


AZ CORPORATION COMMISSION
DOCKETED

January 21, 2013
Via Overnight Delivery

2013 JAN 22 10:01 AM

Docket Control Center
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007



RE: Transtelco, Inc.
Application and Petition for Certificate of Convenience and Necessity to Provide Intrastate
Telecommunications Services
Docket Number T-20697A-12-0325

Dear Sir or Madam:

Enclosed for filing please find the original and thirteen (13) copies of a local exchange and interexchange tariff submitted on behalf of Transtelco, Inc. This filing is made at the request of Staff in connection with the above referenced docket number.

Please acknowledge receipt of this filing by date-stamping the extra copy of this cover letter and returning it to me in the self-addressed, stamped envelope provided for that purpose.

Any questions you may have regarding this filing should be directed to my attention at 407-740-3004 or via email to morton@tminc.com.

Sincerely,

Robin Norton
Consultant to Transtelco, Inc.

cc: Julio Acevedo - Transtelco
file: Transtelco - Arizona - Local
tms: AZ11200a

Enclosures
RN/lm

Arizona Corporation Commission
DOCKETED

JAN 22 2013



Transtelco, Inc.

Arizona Tariff No. 1
Original Sheet No. 1

AR 0000 0000 00
0000 0000

2013 JAN 22 09:27:23

LOCAL EXCHANGE AND TOLL TARIFF APPLICABLE TO
TELECOMMUNICATIONS SERVICE
WITHIN THE STATE OF ARIZONA

By

Transtelco, Inc.
500 West Overland Avenue Suite 310
El Paso, Texas 79901

TELEPHONE: 915-534-8100

FAX: 915-534-8100

Toll Free: 888-816-4706

Describing All Services Offered; and All Prices, Charges, Terms and Conditions
Pertaining Thereto.

Issued: January 22, 2013
Issued by:

Arturo Iglesias, Chief Technology Officer
Transtelco, Inc.
500 West Overland Avenue Suite 310
El Paso, Texas 79901

Effective:

CHECK SHEET

The Sheets I through 31 inclusive of this Tariff are effective as of the date shown at the bottom of the respective sheet(s).

PAGE	REVISION		PAGE	REVISION	
1	Original	*	26	Original	*
2	Original	*	27	Original	*
3	Original	*	28	Original	*
4	Original	*	29	Original	*
5	Original	*	30	Original	*
6	Original	*	31	Original	*
7	Original	*			
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21	Original	*			
22	Original	*			
23	Original	*			
24	Original	*			
25	Original	*			

* - indicates those pages included with this filing

Issued: January 22, 2013
Issued by:

Arturo Iglesias, Chief Technology Officer
Transtelco, Inc.
500 West Overland Avenue Suite 310
El Paso, Texas 79901

Effective:

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Issued: January 22, 2013

Issued by:

Arturo Iglesias, Chief Technology Officer
Transtelco, Inc.
500 West Overland Avenue Suite 310
El Paso, Texas 79901

Effective:

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Issued: January 22, 2013

Issued by:

Arturo Iglesias, Chief Technology Officer
Transtelco, Inc.
500 West Overland Avenue Suite 310
El Paso, Texas 79901

Effective:

EXPLANATION OF TERMS

- (C) - To signify changed condition or regulation
- (D) - To signify deleted or discontinued rate, regulation or condition
- (I) - To signify a change resulting in an increase to a Customer's bill
- (K) - To signify that material has been moved to another Tariff location
- (M) - To signify that material has been moved from another Tariff location
- (N) - To signify a new rate, regulation, condition, or sheet
- (R) - To signify a change resulting in a reduction to a Customer's bill
- (T) - To signify a change in text but no change to rates or charge

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Issued by:

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TARIFF FORMAT

- A. Sheet Numbering - Sheet numbers appear in the heading of each sheet. Sheets are numbered sequentially. However, occasionally, when a new sheet is added between sheets already in effect, a decimal point is added. For example, a new sheet added between sheets 14 and 15 would be 14. 1.
- B. Sheet Revision Numbers - Revision numbers also appear in the upper right corner of each sheet. These numbers are used to determine the most current sheet version on file with the Commission. For example, the 4th Revised Sheet 14 cancels the 3rd Revised Sheet 14. Because of various suspension periods, deferrals, etc. the Commission follows in its Tariff approval process, the most current sheet number on file with the Commission is not always the sheet in effect. Consult the Check Sheet for the sheet currently in effect.
- C. Paragraph Numbering Sequence - There are nine levels of paragraph coding. Each level of code is subservient to its next higher level:
- 2.0
 - 2.1.
 - 2.1.1.
 - 2.1.1.A.
 - 2.1.1.A.i.
 - 2.1.1.A.i.a.
- D. Check Sheets - When a Tariff filing is made with the Commission, an updated Check Sheet accompanies the Tariff filing. The Check Sheet lists the sheets contained in the Tariff with a cross-reference to the current revision number. When new sheets are added, the Check Sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this sheet if these are the only changes made to it (i.e., the format, etc., remains the same, just revised revision levels on some sheets). The Tariff user should refer to the latest Check Sheet to find if a particular sheet is the most current on file with the Commission

1.0 - DEFINITIONS

Advance Payment - Part or all of a payment for basic Service required before the start of Service.

Claims - Any and all claims or demands made against Company or Customer by the other or by any other person or entity, including, but not limited to claims or demands:

- (a) For losses, damages, expenditures, loss of use, loss of profits, liability, judgments or costs (including attorney's fees, if awarded),
- (b) For any personal injury, death or damage to tangible or intangible property or rights, Arising directly or indirectly out of any acts, omissions, mistakes of Company, its employees, agents officers or directors, or caused by any interruptions, delays, errors or defects, or the condition, operation or failure of equipment, used to provide Service or Company Facilities hereunder,
- (c) Regardless of whether the claim or demand is asserted in an arbitration, suit, action, administrative proceeding or any other dispute resolution proceeding, or on any appeal there from.

Commission - The Arizona Corporation Commission.

Company - Transtelco, Inc.

Company Facilities - All cable and equipment owned or controlled by Company and utilized by Company to provide Service.

Conversion Date - The date the Company commences supplying telecommunication services to the Customer

Customer - The person, firm, corporation or other entity which orders or uses Service and is responsible for payment of charges and compliance with the terms and conditions of this Tariff.

Premises - The space occupied by a Customer in a building or buildings and the land upon which such building(s) sit.

Service - Any service offered by Company as set out in this Tariff.

State - The state of Arizona.

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2.0 - RULES AND REGULATIONS

2.1 Undertaking of the Company

- A. Company undertakes to furnish telecommunications Service under this Tariff in connection with the transmission of one-way and/or two-way communications which originate and/or terminate within the State.
- B. Company's service offerings consist of any of the Services offered pursuant to this Tariff, either individually or in combination. Each Service is offered independent of the others, unless otherwise noted. Service is offered via Company Facilities, via resold services, or via facilities provided by other communications providers or any combination thereof.
- C. Company is responsible only for the Services and Company Facilities it provides under this Tariff, and it assumes no responsibility for any service provided by any other entity that provides access to Company Services or Facilities in order to originate and/or terminate its own services
- D. Company may undertake to use reasonable efforts to make available Services to a Customer on or before a particular date, subject to the provisions of, and compliance by, the Customer with the provisions of this Tariff. Company does not guarantee availability by any such date and shall not be liable for any delays in commencing Service to any Customer.
- E. Company will not unjustly discriminate among and between consumers in the provision of local exchange telecommunications services within its operating area.

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2.0 - RULES AND REGULATIONS (continued)

2.2 Limitations of Service

- A. Service is offered subject to the availability of necessary facilities and subject to the provisions of this Tariff
- B. Company reserves the right at its sole discretion to discontinue Service, or to limit the use of Service when necessitated by conditions beyond its control, when the Customer is using the Service in violation of the law or the provisions of this Tariff, or for nonpayment by the Customer.
- C. All Company Facilities provided under this Tariff are directly controlled by Company and the Customer may not assign or transfer the use of the Services or Company Facilities to another, except with the prior consent of Company,
- D. Company Service may not be used for any unlawful purpose.
- E. Company reserves the right to block traffic to or from certain countries, NPAs, cities or NXX exchanges.
- F. Company Services may be restricted from originating calls to other telephone companies' caller-paid information services (e.g., 900, 976). Calls to those numbers and other numbers may be blocked by Company at Company's sole discretion without prior notice.
- G. Application for service may be made verbally or in writing. The following Customer information will be required at the time of the application:
 - i. The name of the party responsible for the payment of the services provided;
 - ii. The billing address and the Service address(es) of the Customer and Customer's location(s);
 - iii. Information and authorization for the Company to properly determine creditworthiness.

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2.0 - RULES AND REGULATIONS (continued)

2.3 Application for and Establishment of Service and Credit

- A. The Customer shall notify TRANSTELCO of a pending transfer of Service to a new party that will become responsible for payment of the Service provided. The new Customer will be required to complete a transfer of Service application. However, failure of the new Customer to comply with this requirement shall not prevent liability for charges, including termination charges, if the new Customer has accepted use of the Service and/or made payments. The original Customer shall also remain liable for all charges, including early termination charges, if the Service is transferred without notice to, and approval by, the Company. In no event shall TRANSTELCO collect more than total charges owed.
- B. Company may conduct a credit investigation of each new Customer prior to accepting a written application or oral request for Service. Company reserves the right to reject a written application or oral request for Service if its investigation reveals that the applicant is a poor credit risk.
- C. A Customer whose Service from Company was discontinued for nonpayment of bills will not be entitled to restoration of Service or new Service until all past due amounts have been paid, or satisfactory payment arrangements have been agreed upon and made in a timely manner.

2.3.1 Deposits

- A. The Company does not require customers to pay deposits.

2.0 - RULES AND REGULATIONS (continued)

2.4 Credit Limit

Company may, at any time and at its sole discretion, set a credit limit for any Customer's consumption of Services for any period.

2.5 Notice

Notice shall be deemed properly given:

- A. upon delivery, if delivered in person;
- B. on the third day after depositing the notice or communication, prepaid and properly addressed, with a private delivery service or in the U.S. mail, unless deposited in the U.S. mail on a Sunday or holiday in which case notice is deemed to be given on the third day from the next business day, or
- C. upon actual receipt or when refused by the addressee, whichever of the above occurs first.

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2.0 - RULES AND REGULATIONS (continued)**2.6 Payment and Service Cancellation****2.6.1 Billing and Payment of Charges**

- A. Unless otherwise indicated in this Tariff, Service is billed on a monthly basis. The Customer is responsible for the payment of all charges for Service furnished by the Company. Customer shall pay the amounts as specified in the Tariff for the Services. Toll charges and one-time charges are billed in arrears, and fixed monthly and recurring charges are billed one month in advance.
- B. Unless otherwise indicated in this Tariff, bills are due and payable seventeen (17) days from the date of mailing by Company, or later if required by law. Balances that remain unpaid after the due date will be charged a late fee of one and one-half (1.5) percent per month of the unpaid balance, or the maximum fee allowed by law, whichever is less.
- C. A charge in an amount to be determined by Company (which shall be equal to or less than the maximum lawful rate) will apply whenever a check or draft presented for payment of Services is not accepted by the institution on which it is written.
- D. Customer is responsible for reviewing each invoice promptly, and notifying Company promptly of any discrepancies. If Company receives no notice within ninety (90) days after a bill has been rendered to the Customer, the billing will be considered correct and binding. Bills disputed by a Customer shall be handled as set out in Section 2.11.
- E. Company is responsible for rendering each invoice promptly, and notifying Customer promptly of any discrepancies. If Customer receives no notice within ninety (90) days after a bill has been rendered by the Company, the billing will be considered correct and binding.
- F. Initial billing for set-up and installation charges or monthly Service fees will not commence for any new Customer until the Customer has actually been placed in service.

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2.0 - RULES AND REGULATIONS (continued)**2.6 Payment and Service Cancellation (continued)****2.6.1 Billing and Payment of Charges (continued)**

- G. If the Customer disconnects Services without providing proper notice to the Company, or is disconnected for violation of the terms and conditions of this tariff (e.g., disconnection for non-payment), the Customer shall be responsible for all charges for the remainder of the bill cycle in which the disconnection occurs.
- H. The Company will print and mail monthly, summary bills, which will include total amounts due, broken out by local service, long distance and data service charges, and a tax summary. Service (type) level, and call detail will be available via the Internet to all Customers. The Company will provide printed detailed bills only at the request of the Customer,

2.6.2 Taxes

- A. The Customer is responsible for payment of all federal, state and local taxes, franchise, excise and other fees applicable to the Services, including, but not limited to: sales, use, excise, franchise, subscriber line, low income, universal service, access, 911 service, relay service, and handicapped service.

2.6.3 Cancellation of Service by Customer

- A. The Customer may cancel Service prior to commencement by giving notice to Company up to the day prior to the day Service is scheduled to commence.
- B. The Customer may cancel Service at any time after Service commences by giving Company five (5) days' prior notice. A Reconnection Fee of \$25.00 will apply if the Customer requests that Service be temporarily discontinued.
- C. If Customer fails to notify Company and fails to cancel Service on the day prior to the day Service is scheduled to commence, Customer may be responsible for paying the appropriate installation charge, basic local Service charges and all applicable taxes and fees.

2.0 - RULES AND REGULATIONS (continued)

2.6 Payment and Service Cancellation (continued)

2.6.4 Cancellation or Discontinuance of Service by Company

A. Discontinuance Without Notice

Company reserves the right to immediately and without notice discontinue furnishing Service to Customers without incurring liability in any of the following circumstances:

- i. In the event of a condition determined to be hazardous to the Customer, to other Customers of Company, to Company Facilities, the public, or to employees of Company; or
- ii. When necessary for Company to comply with any order or request of any governmental authority having jurisdiction; or
- iii. If Company deems such refusal necessary to protect itself or third parties against fraud or to otherwise protect its personnel, agents, Facilities or Services; or
- iv. For unlawful use of the Service or use of the Service for unlawful purposes; or
- v. If the Customer provides false information to Company regarding the Customer's identity, address, credit-worthiness, past, current or planned use of Company's Services; or
- vi. Upon proper verification of the Customer having vacated or abandoned the Premises; or
- vii. Any other reason for which discontinuation of Service without notice is justified under existing Commission rules and regulations.

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2.0 - RULES AND REGULATIONS (continued)

2.6 Payment and Service Cancellation (continued)

2.6.4 Cancellation or Discontinuance of Service by Company (continued)

B. Discontinuance With Notice

Company may discontinue Service for the following reasons upon five (5) days' written notice (or the longer period of time that is required by law, if any):

- i. For violation of Company's filed Tariffs; or
- ii. For the non-payment of any proper charge when due; or
- iii. Failure to meet or maintain Company's credit requirements; or
- iv. For Customer's breach of the contract for Service between Company and Customer; or
- v. Unauthorized resale of equipment or Service; or
- vi. Any other reason for which discontinuation of Service with notice is justified under existing Commission rules and regulations.

C. If all or any significant portion of Company Facilities or associated equipment used to provide Service to Customer shall be taken for any public or quasi-public purpose by any lawful power or authority by the exercise of the right of condemnation or eminent domain, Company shall be entitled to elect to terminate Service upon written notice to Customer and without incurring any liability therefore.

D. Upon the Customer filing for bankruptcy or reorganization or failing to discharge an involuntary petition therefore within the time permitted by law, Company may immediately discontinue or suspend service under this tariff without incurring any liability.

2.6.5 Reconnection Fee

Reconnection Fee will apply whenever a Customer requests to be reconnected to the Services after Company has temporarily or permanently suspended or discontinued Services to Customer for any reason allowed by this Tariff.

2.0 - RULES AND REGULATIONS (continued)**2.7 Liability**

- A. In no event shall Company or the Customer, including any subscribers to or users of any Services provided to or resold by the Customer, be liable to each other in connection with the provision and use of Company Services for indirect, incidental, consequential, reliance or special damages, including without limitation damages for lost profits, regardless of the form of action whether in contract, indemnity warranty, strict liability or tort, including without limitation negligence of any kind whether active or passive.
- B. Except as provided otherwise in this Tariff, the Company shall not be liable to the Customer, including any subscribers to or users of any Services provided to or resold by the Customer, or any other person, firm or entity for any failure or performance hereunder unless such failure is due to the gross negligence or willful act of Company. In no event shall Company be liable to the Customer, including any subscribers to or users of any Services provided to or resold by the Customer, or any other person, firm or entity for any failure or performance hereunder if such failure is due to any cause or causes beyond the reasonable control of the Company. Such causes shall include, without limitation, acts of God, fire, explosion, vandalism, cable cut, storm or other similar occurrence, any law, order, regulation, direction, action or request of the United States government or of any other government or of any civil or military authority, national emergencies, insurrections, riots, wars, strikes, lockouts or work stoppages or other labor difficulties, supplier failures, shortages breaches or delays, or preemption of existing services to restore service in compliance with the Commission's rules and regulations.
- C. With respect to any claim or suit, the Company's liability, if any, shall not exceed an amount equal to the charge applicable under this Tariff to the period during which services were affected. For those services with monthly recurring charges, the Company's liability is limited to an amount equal to the proportionate monthly recurring charges for the period during which service was affected.

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2.0 - RULES AND REGULATIONS (continued)**2.7 Liability (continued)**

- D. The Customer is responsible for taking all necessary legal steps for interconnecting the customer-provided terminal equipment with the Company facilities. The Customer is responsible for securing all licenses, permits, rights of way, and other arrangements necessary for such interconnection.
- E. All or a portion of the service may be provided over facilities of third parties, and the Company shall not be liable to the Customer or any other person, firm or entity in any respect whatsoever arising out of defects caused by such third parties.
- F. The Company shall not be liable for any direct, indirect, consequential, special, actual, or punitive damages, or for any lost profits of any kind or nature whatsoever arising out of any defects or any other cause. This warranty and these remedies are exclusive and in lieu of all other warranties or remedies, whether express, implied or statutory, including without limitation implied warranties of merchantability and fitness for a particular purpose.
- G. With respect to the routing of calls by the Company to public safety answering points or municipal Emergency Service providers, the Company's liability, if any, will be limited to the lesser of: (a) the actual monetary damages incurred and proved by the Customer as the direct results of the Company's action, or failure to act, in routing the Call, or (b) the sum of \$50.00.
- H. In the event parties other than the Customer (e.g., Customer's customers) shall have use of the service directly or indirectly through the Customer, then the Customer agrees to forever indemnify and hold the Company harmless from and against any and all claims, demands, suits, actions, losses, damages, assessments or payments which may be asserted by said parties arising out of or relating to any defects.
- I. Company is not liable for damages caused by service, channels, or equipment which it does not furnish.

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2.0 - RULES AND REGULATIONS (continued)**2.7 Liability (continued)**

- J. Company is not liability for damages to a premises resulting from the furnishing of Services, including the installation and removal of equipment and associated wiring, unless the damage is caused by Company's gross negligence or willful misconduct. Except that upon termination or expiration of Services, and upon request by the Customer, Company will remove, at its own expense, any property which Company has installed in the provision of Service on the Customer's premises within a reasonable time. Company will use reasonable care in removing such property and will return the Customer's premises to their original condition, wear and tear expected,
- K. Subject to the provision of A. through K. preceding, Company and the Customer shall indemnify each other against all liability, loss, damage, and expense resulting from injury to or death of any person (including injury to or death of their employees) or loss of or damage to tangible real or tangible personal property (including damage to their property) or the environment, to the extent that such liability, loss, damage or expense was proximately caused by any negligent act or omission on the part of the party from whom indemnity is sought, its agents, employees, subcontractors or assignees, in connection with its use of service.
- L. Company's failure to provide or maintain service to the Customer, including any subscribers to or users of any Services provided to or resold by the Customer, and the Customer's obligations under this Tariff shall be excused by labor difficulties, governmental orders, civil commotion, preemption of existing services to restore service in compliance with part 64, Subpart D, of the FCC's Rules and Regulation, acts of God, Commission rules, and other circumstances beyond Company's or the Customer's reasonable control, subject to the credit allowances for interruptions provisions of this Tariff. Company and the Customer may also agree on other measures to mitigate the consequences of circumstances beyond the Customer or Company's control. If required, such agreements will be filed in this Tariff.

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2.0 - RULES AND REGULATIONS (continued)

2.7 Liability (continued)

2.7.1 Company Liability With Respect to Caller ID Blocking

The Company shall have no liability for monetary damages (including without limitation claims for direct, indirect, special, incidental or consequential damages, whether or not the Company has been advised of the possibility of such damages), arising from any failures, errors, malfunctions or omission of Caller ID Blocking, whether or not arising from or relating to any ordinary negligence by the Company.

2.8 Full Force and Effect

Should any provision or portion of this Tariff be held by a court or administrative agency of competent jurisdiction to be illegal, invalid or unenforceable, the remaining provisions of this Tariff will remain in full force and effect.

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2.0 - RULES AND REGULATIONS (continued)

2.9 Interruptions in Service

- A. Interruptions in Service will be credited to Customer for the part of the Service that the interruption affects, provided that no credit is allowed for the following:
- i. Any continuous period of less than four (4) hours, provided that two (2) or more Service interruptions of the same type to the same line/equipment of four (4) hours or more during any one twenty-four (24) hour period shall be considered as one (1) interruption;
 - ii. Interruptions caused by Customer;
 - iii. Interruptions due to failure of power, equipment or facilities provided by the Customer or persons or entities other than Company;
 - iv. Any period in which Company is not given access to the Service Premises;
 - v. Any period of scheduled maintenance and repair, tests, adjustments and inspections as may be necessary to maintain Company's equipment and Facilities in satisfactory operating condition;
 - vi. Interruptions due to the non-compliance by the Customer with the provisions of this Tariff or the tariff of other common carrier providing Service connected to the Service of Company; and
 - vii. Interruptions caused by any failure of performance or equipment due to causes beyond Company's control, including but not limited to: acts of God, fire, flood or other catastrophes; any law, order, regulation, direction, action or request of any governmental entity claiming jurisdiction over Company, or of any department, agency, commission, bureau, corporation, or other instrumentality of any one or more of the federal, state or local governments, or any civil or military authority; national emergencies; insurrections; riots; wars; unavailability of rights-of-way or materials; or strikes, lock-outs, work stoppages or other labor difficulties.
- B. Every month shall be considered to have thirty (30) days for the purposes of computing a credit for a Service interruption to which the Customer is entitled under this Tariff.

2.0 - RULES AND REGULATIONS (continued)**2.9 Interruptions in Service (continued)**

- C. A Customer is entitled to an interruption in Service credit upon request for any period during which any line subscribed to by the Customer hereunder and/or, if applicable, Company-provided station equipment attached thereto is out of Service, except as specified in this section. Out of Service conditions are defined as complete loss of call origination and/or receipt capability. Credit allowances, if any, shall be deducted from the charges payable by the Customer hereunder and shall be expressly indicated on the next bill to the Customer. An interruption period begins when the Customer reports a malfunction in Service to Company. The malfunction period ends when the affected line and/or equipment is fully operative. In the event of a major service disruption, the Company shall make every effort to credit all affected customers.
- D. The customer shall be credited for an interruption at the rate of 1/30th of the monthly charge for the Services affected for each day or part of a day computed as follows:
- Credit formula:
- $$\text{Credit} = \frac{A \times B}{30}$$
- "A" = Outage time in days (any part of a day equals one day)
"B" = Total Monthly charges for affected Service
- E. In the event of prior knowledge of an interruption of Service for a period exceeding one (1) day, Company will, if feasible, notify the Customer at least one (1) week in advance.

2.0 - RULES AND REGULATIONS (continued)**2.10 Emergency Restoration of Service**

The use and restoration of Service in emergencies shall be in accordance with Part 64, Subpart D of the Federal Communications Commission's rules and regulations and the regulations of the Commission, which specify the priority system for such activities.

2.11 Disputed Bills

- A. The Customer shall promptly notify Company of any disputed items on a bill. If no notice is received within ninety (90) days of receipt of the bill, the bill shall be considered correct and binding
- B. The date of the dispute shall be the date Company receives sufficient documentation to enable it to investigate the dispute.
- C. The date of the resolution is the date Company completes its investigation and attempts to notify the Customer of the disposition of the dispute.
- D. Company will promptly investigate any complaint or dispute received by a Customer and will report the result of that investigation to the Customer. When circumstances indicate the need for corrective action, Company will take such action as soon as possible.
- E. Company shall ensure that personnel engaged in initial contact with a dissatisfied or complaining Customer shall inform the Customer that if dissatisfied with the decision or the explanation provided, the Customer may have the problem considered and acted upon by supervisory personnel.
- F. Company shall ensure that supervisory personnel contacted by a dissatisfied Customer shall inform a still-dissatisfied Customer of the option to bring the matter before Commission for further review of any complaint or dispute

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Utilities Division
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2.0 - RULES AND REGULATIONS (continued)**2.12 Temporary Service**

Conditions precedent to rendering temporary Service, special arrangements, unique relationships or Service to speculative projects will be developed on an Individual Case Basis. Company will not provide temporary Service or Service to speculative projects unless in its judgment such Service provision is consistent with the best interests of Company and its Customers.

2.13 Service Connection and Facilities**2.13.1 Provision of Equipment and Facilities**

- A. Title to all Company Facilities provided in accordance with this Tariff remains in Company, its agents or contractors. The Customer shall not have, nor shall it assert any right, title or interest in any Company Facilities and associated equipment provided by Company hereunder.
- B. Company undertakes to use reasonable efforts to maintain only Company Facilities and equipment that it furnishes to the Customer. The Customer may not, nor may the Customer permit others to, rearrange, disconnect, remove, attempt to repair or otherwise tamper with any Company Facilities or equipment installed by Company, except upon the written consent of Company or as allowed by law.
- C. Any Equipment Company provides or installs at the Customer's Premises for use in connection with the Company's Services shall not be used for any purpose other than that for which Company provided the equipment.
- D. Company shall not be responsible for the installation, operation, repair or maintenance of any Customer-provided communications equipment. Customer may connect such equipment to Company Facilities or equipment furnished pursuant to this Tariff as provided in this Tariff, as allowed by law, or with Company's consent. Unless otherwise specified in this Tariff, Company will not be responsible for the maintenance, repair and operation of such Customer-provided equipment, and Company will not be responsible for:
 - i. The transmission of signals by Customer-provided equipment or for the quality of, or defects in, such transmission; or
 - ii. The reception of signals by Customer-provided equipment.

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2.0 - RULES AND REGULATIONS (continued)**2.13 Service Connection and Facilities (continued)****2.13.1 Provision of Equipment and Facilities (continued)**

- E. The Customer is responsible for ensuring that Customer-provided equipment and facilities connected to Company equipment and Facilities are compatible with such Company equipment and Facilities. The magnitude and character of the voltages and currents impressed on Company-provided Facilities and equipment by the connection, operation or maintenance of such equipment and facilities shall be such as not to cause damage to the Company-provided equipment and Facilities or injury to the Company's employees or to other persons. Customer will submit to Company, upon request, a complete manufacturer's specification sheet for each item of equipment that is not provided by Company and which shall be attached to Company's equipment or Facilities. Company shall approve the use of such item(s) of equipment unless such item is technically incompatible with Company's equipment or Facilities. Any additional protective equipment required to prevent such damage or injury shall be provided by the Company at the Customer's expense.
- F. Any special interface equipment necessary to achieve compatibility between Company Facilities and equipment used for furnishing Service and the channels, facilities or equipment of others shall be provided at the Customer's expense.

2.13.2 Customer Premises

Customer shall provide, without cost to Company, all equipment, space, conduit and electric power required to terminate the Services at the Customer's Premises. The Customer shall arrange for the Company, or other carriers as required, to have access to the Customer's Premises at all reasonable times for purposes of Service installation, termination, inspection and repair. Customer shall be solely responsible for any damage to, or loss of, Company Facilities or equipment, including inside wire, while on the Premises of Customer, unless such damage is caused by the negligence or willful misconduct of the Company, its employees, subcontractors or agents.

2.0 - RULES AND REGULATIONS (continued)**2.13 Service Connection and Facilities (continued)****2.13.3 Shortage of Equipment**

- A. Company's acceptance of orders for Service is subject to the availability of adequate Company Facilities and equipment to provide the Service as ordered. Company reserves the right to reject an order or cancel an accepted order for Service without liability if there are inadequate Company Facilities or equipment available to provide the Service.
- B. Company reserves the right to limit or to allocate the use of existing Company Facilities, or of additional facilities offered by Company, when necessary, because of a lack of Company Facilities, or due to any other cause beyond Company's control
- C. The furnishing of Service under this Tariff is subject to the availability on a continuing basis of all the necessary Company Facilities and is limited to the capacity of Company Facilities, as well as facilities Company may obtain from other carriers to furnish Service.

2.13.4 Interconnection

- A. Service furnished by Company may be interconnected with services or facilities of other authorized communications common carriers and with private systems, subject to the technical limitations established by Company. Any special interface equipment or facilities necessary to achieve compatibility between the Company Facilities and other carriers shall be provided at the Customer's expense. However, Service furnished by Company is not part of a joint undertaking with any other provider.
- B. Interconnection with the facilities or services of other carriers shall be subject to the applicable terms and conditions of the other carriers' tariffs, if any. The Customer shall be solely responsible for satisfying all legal requirements for interconnecting Customer-provided terminal equipment or communications systems with the other companies' facilities, including, without limitation, all licenses, permits, right-of-way and other arrangements necessary for such interconnection.

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Effective:

2.0 - RULES AND REGULATIONS (continued)**2.13 Service Connection and Facilities (continued)****2.13.5 Prohibited Uses**

- A. The Services Company offers shall not be used for any unlawful purpose or for any use as to which the Customer has not obtained all governmental approvals, authorizations, licenses, consents and permits required to be obtained by the Customer with respect thereto.
- B. Company may, without obtaining any further consent from the Customer, assign any rights, privileges or obligations under this Tariff. The Customer shall not, without prior written consent of Company, which consent shall not be unreasonably withhold, assign, transfer or in any other manner dispose of, any of its rights, privileges or obligations under this Tariff, and any attempt to make such an assignment, transfer, disposition without consent shall be null and void.
- C. Company may require a Customer to immediately shut down its transmission of signals if said transmission is causing interference to others.
- D. A Customer may not use the Services so as to interfere with or impair Service over any Company Facilities and associated equipment, or so as to impair the privacy of any communications over such Company Facilities and associated equipment.
- E. Customer use of any resold Service obtained from other communications providers shall also be subject to any applicable restrictions in the underlying providers' publicly available tariffs or price lists.

2.13.6 Non-Standard Situations

At the Customer's request and the acceptance by Company, installation and/or maintenance may be performed outside Company's regular business hours, on an expedited basis, in hazardous locations, or in other non-standard situations. In such cases, charges will be arranged on an individual case basis ("ICB"). If installation is started during regular business hours but, at the Customer's request and Company's acceptance, extends beyond regular business hours into time periods including, but not limited to, weekends, holidays and/or night hours, additional charges may apply.

Issued: January 22, 2013
Issued by:

Arturo Iglesias, Chief Technology Officer
Transtelco, Inc.
500 West Overland Avenue Suite 310
El Paso, Texas 79901

Effective:

2.0 - RULES AND REGULATIONS (continued)**2.14 Services Provided by Other Communications Providers**

Company shall have no responsibility with respect to billings, charges or disputes related to services used by Customers which are not included in the Services herein. Customers receiving services from other communications providers shall be fully responsible for the payment of any bills for such services and for the resolution of any disputes or discrepancies relating to such services with the other provider.

2.15 Governmental Authorizations

The provision of Company's Services is subject to, and contingent upon, Company obtaining and retaining such approvals, consents, governmental authorizations, licenses and permits, as may be required or be deemed necessary by the Company. Company shall use reasonable efforts to obtain and keep in effect all such approvals, consents, authorizations, licenses and permits that may be required to be obtained by it. Company shall be entitled to take, and shall have no liability whatsoever for, any action necessary to bring the Services into conformance with any rules, regulations, orders, decisions or directives imposed by the Federal Communications Commission or other applicable agency, and the Customer shall fully cooperate in and take such action as may be requested by Company to comply with any such rules, regulations, orders, decisions or directives. Company's obligation to provide Service hereunder will terminate if any required governmental authorization or grant is withdrawn, revoked or otherwise terminated.

2.16 Promotions

Company may, from time to time, engage in special promotions of new or existing Service offerings of limited duration designed to attract new Customers or to increase existing Customer awareness of a particular offering. The promotional offerings are subject to the availability of the Services and may be limited to a specific geographical area, to a subset of a specific market group or to customers who sign up for such Service on or after a particular date. Prior approval for promotional offerings will be obtained from the appropriate regulatory authority when required.

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Effective:

2.0 - RULES AND REGULATIONS (continued)**2.17 Effective Date**

The terms and conditions of this Tariff will apply to Customers whose service commences on or after the Effective date of this Tariff. Customers whose Service commenced before the Effective date of this Tariff may choose to receive Service under the Rates and Charges in this Tariff upon request through Company's customer care representatives. All other terms and conditions of this Tariff will apply to all Customers for all Service provided by Company on and after the Effective date of this Tariff, regardless of when Service commenced.

2.18 Term and Termination

- A. The term commences on the Conversion Date.
- B. If the Customer terminates Service, or if the Company terminates Service for cause under this tariff, prior to the Customer's fulfillment of the term commitment, Customer shall pay termination charges equal to the amount of the monthly term discount times the number of months served under the contract (or fraction thereof) plus any termination charges paid to Customer's previous carrier by TRANSTELCO. The amount of the monthly term discount is defined as the difference between billed charges the customer would have paid in the absence of a term commitment (e.g., month-to-month service) less billed charges the customer actually paid under the term commitment. Such termination charges are in addition to any due but unpaid recurring and all unpaid nonrecurring charges, including any installation charges waived by TRANSTELCO. If termination is prior to installation of Service, termination charges shall be those reasonable costs incurred by TRANSTELCO through the date of termination

3.0 - TRANSTELCO Local Service Offerings

Basic Local Exchange Service

The Company's local telephone service provides the Customer with:

- a. The ability to place or receive calls to any calling station in the local calling area;
- b. Access to 911 Emergency Service, or enhanced 911 Emergency service, where available;
- c. Access to interexchange carrier selected by Customer for intraLATA;
- d. Access to Operator Services;
- e. Access to Directory Assistance;
- f. The ability to place or receive calls 800/888 telephone numbers;
- g. Access to Telephone Relay Service;
- h. Privacy protection (i.e. per call blocking);
- i. A white pages directory listing

Local Exchange Service provides for telephone connection to, and a unique telephone number address on, the public switched telecommunications network (PSTN). Local exchange service enables users to place and receive calls from other stations on the PSTN, access other services offered by Company, access certain interstate and international services offered by Company, access operator and director assistance services, and access emergency services by dialing 0- or 911.

Feature Descriptions

Caller ID displays the name and number of an incoming call on special customer provided equipment.

Call Waiting sends a tone signal while a call is in progress to indicate a second call is waiting, and by operation of the switch hook, to place the first call on hold and answer the second call. Operation of the switch hook allows passage back and forth between two calls, but a three-way call cannot be established.

Three-Way Calling allows the addition of a third party to an established connection.

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3.0 - TRANSTELCO Local Service Offerings (continued)

Directory Assistance allows users of the company's calling services (excluding 800 services), may obtain assistance in determining telephone numbers within Arizona by calling the Directory Assistance operator. Each number requested is charged for as shown below. Requests for information other than telephone numbers will be charged the same rate as shown for the applicable request for telephone numbers. Users get three (3) free directory assistance calls monthly.

The Company shall provide for a single directory listing, termed the primary directory listing, in the telephone directory published by or on behalf of the incumbent local exchange carrier in the customer's exchange area of the station number which is designated as the Customer's main billing number. The Company shall also provide for a single line in the Directory Assistance service operated by or on behalf of the incumbent local exchange carrier.

Service Establishment Charge

	RATE	MAXIMUM
a. Existing lines:	\$17.00	\$23.00
b. New lines:	\$50.00	\$65.00

Recurring Service Charges (per month, per line)

a. Residential	\$21.00	\$29.00
b. Business	\$37.00	\$47.00
Directory Assistance	\$1.95/call	\$1.95/call
Call waiting	\$4.95	\$5.95
Caller ID	\$4.95	\$5.95
3 way calling	\$4.95	\$5.95
Call blocking	\$1.95/call	\$1.95/call
Returned Check Charge	\$25.00	

Company will not offer Call completion for directory assistance. Company has no intention of offering Operator assisted calls.

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Issued by:

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El Paso, Texas 79901

Effective:

4.0 - TRANSTELCO Long Distance Services

Business Long Distance Service

Item	Rate	Max
Calls		
Day	\$0.1100	\$0.1400
Evening	\$0.1100	\$0.1400
Night/Weekend	\$0.1100	\$0.1400
Monthly Recurring Charge	\$5.00	\$7.00
Monthly Basic Account Code	\$5.00	\$7.00
Monthly Verified Accounting Code	\$0.00	\$2.00

Residential Service

Item	Rates	Max
Calls		
Day	\$0.1100	\$0.1400
Evening	\$0.1100	\$0.1400
Night/Weekend	\$0.1100	\$0.1400
Monthly Recurring Charge	\$4.95	\$7.00
Monthly Basic Account Code	\$5.00	\$7.00
Monthly VAC	\$0.00	\$2.00

Time Periods Defined

Day: 8:00 a.m. to, but not including, 5:00 p.m. - M - F
 Evening: 5:00 p.m. to, but not including, 11:00 p.m. - M - F
 Night: 11:00 p.m. to, but not including, 8:00 a.m. - M - F
 All day Saturday, Sunday and Holidays.

All domestic LD is billed in. 6 second increments after the initial 18 second interval.

Issued: January 22, 2013

Issued by:

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Effective:

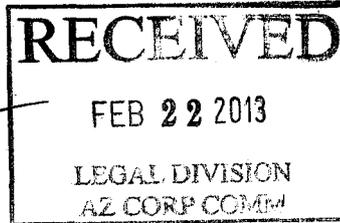


LEGAL

MEMORANDUM

TO: Docket Control

FROM: Steven M. Olea
Director
Utilities Division



RECEIVED
2013 FEB 22 A 9:01
AZ CORP COMMISSION
DOCKET CONTROL

DATE: February 22, 2013

RE: IN THE MATTER OF THE APPLICATION OF TRANSTELCO, INC. FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES. (DOCKET NO. T-20697A-12-0325)

Attached is the Staff Report for the above referenced application. The Applicant is applying for approval to provide the following services:

- Facilities-Based Local Exchange Services

Staff is recommending approval of the application with conditions.

SMO:AFF:red\SH

Originator: Armando Fimbres

Attachment: Original and Thirteen Copies

STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

TRANSTELCO, INC.
DOCKET NO. T-20697A-12-0325

IN THE MATTER OF THE APPLICATION OF TRANSTELCO, INC. FOR A CERTIFICATE
OF CONVENIENCE AND NECESSITY TO PROVIDE FACILITIES-BASED LOCAL
EXCHANGE TELECOMMUNICATIONS SERVICES.

FEBRUARY 22, 2013

STAFF ACKNOWLEDGMENT

The Staff Report for Transtelco, Inc. Docket No. T-20697A-12-0325, was the responsibility of the Staff member listed below. Armando Fimbres was responsible for the review and analysis of the application for a Certificate of Convenience and Necessity to provide facilities-based local exchange services and petition for a determination that its proposed services should be classified as competitive.

A handwritten signature in black ink, appearing to read "Armando Fimbres", written in a cursive style. The signature is positioned above a horizontal line.

Armando Fimbres
Public Utility Analyst V

The Applicant was granted authority to provide local exchange services in Texas on April 10, 2007, New Mexico on March 14, 2007 and California on March 2, 2010, but currently conducts business only in Texas.

The top officers and directors of Transtelco were also identified by Transtelco through the course of certification by the Commission in Decision No. 71633.³ The top Transtelco officers are Miguel Fernandez, Rodrigo Fernandez and Arturo Iglesias, together the majority owners of Transtelco Holdings, Inc and indirectly Transtelco. The Applicant has provided information stating that the top executives have over 25 years of combined experience in the telecommunications industry.

Staff believes that Transtelco possesses the technical capabilities necessary to provide the services it requests the authority to provide.

4. FINANCIAL CAPABILITY TO PROVIDE THE REQUESTED SERVICES

On August 30 and September 6, 2012, Transtelco submitted confidential financial statements directly to Staff. The audited financial statements are for years 2009, 2010 and 2011. For the year ending December 31, 2011, Transtelco reported Total Assets of \$8,367,042; Shareholder Equity of \$2,449,856; and Net Income of negative \$98,784.

Staff believes that advances, deposits, and/or prepayments received from the Applicant's customers should be protected by the procurement of either a performance bond or an Irrevocable Sight Draft Letter of Credit ("ISDLC"). The Applicant states in its proposed Arizona Tariff No. 1, Sections 2.31, Original Sheet No. 10, that it does not collect deposits. The Commission's current performance bond or ISDLC requirements are \$10,000 for resold long distance (for those resellers who collect deposits, advances or prepayments), \$25,000 for resold local exchange, \$100,000 for facilities-based long distance and \$100,000 for facilities-based local exchange services. Decision No. 71633 issued April 14, 2010, required that Transtelco obtain a bond of \$25,000 for the resold local exchange. Based on the facilities-based local exchange services the Applicant is requesting in this application, Staff recommends that Transtelco's performance bond or ISDLC be increased by \$100,000 to \$125,000.

If the Applicant desires to discontinue service, it must file an application with the Commission pursuant to A.A.C. R14-2-1107. Additionally, the Applicant must notify each of its customers and the Commission 60 days prior to filing an application to discontinue service. Failure to meet this requirement should result in forfeiture of the Applicant's performance bond or ISDLC.

Staff further recommends that proof of the above mentioned performance bond or ISDLC be docketed within 30 days of the effective date of a Decision in this matter. The original performance bond or ISDLC should be filed with the Commission's Business Office and copies of the performance bond or ISDLC with Docket Control, as a compliance item in this docket. The performance bond or ISDLC must remain in effect until further order of the Commission. The Commission may draw on the performance bond or ISDLC on behalf of, and for the sole

³ In the matter of the application of Transtelco, Inc. for a Certificate of Convenience and Necessity to provide Resold Local Exchange Telecommunications Services, Docket No. T-20697A-09-0395

6. LOCAL EXCHANGE CARRIER SPECIFIC ISSUES

Issues related to the provision of that Local Exchange service are discussed below.

6.1 *Number Portability*

The Commission has adopted rules to address number portability in a competitive telecommunications services market. Local exchange competition may not be vigorous if customers, especially business customers, must change their telephone numbers to take advantage of a competitive local exchange carrier's service offerings. Consistent with federal laws, federal rules and A.A.C. R14-2-1308(A), the Applicant shall make number portability available to facilitate the ability of a customer to switch between authorized local carriers within a given wire center without changing their telephone number and without impairment to quality, functionality, reliability or convenience of use.

6.2 *Provision of Basic Telephone Service and Universal Service*

In response to Staff's First Set of Data Request and in discussions with Staff, Transtelco confirmed its intentions to provide services directly to local exchange users.

The Commission has adopted rules to address universal telephone service in Arizona. A.A.C. R14-2-1204(A) indicates that all telecommunications service providers that interconnect into the public switched network shall provide funding for the Arizona Universal Service Fund ("AUSF"). The Applicant will make the necessary monthly payments required by A.A.C. R14-2-1204(B).

6.3 *Quality of Service*

Staff believes that the Applicant should be ordered to abide by the quality of service standards that were approved by the Commission for Qwest (f/k/a USWC) in Docket No. T-01051B-93-0183 (Decision No. 59421). Because the penalties developed in that docket were initiated because Qwest's level of service was not satisfactory and the Applicant does not have a similar history of service quality problems, Staff does not recommend that those penalties apply to the Applicant. In the competitive market that the Applicant wishes to enter, the Applicant generally will have no market power and will be forced to provide a satisfactory level of service or risk losing its customers. Therefore, Staff believes that it is unnecessary to subject the Applicant to those penalties at this time.

6.4 *Access to Alternative Local Exchange Service Providers*

Staff expects that there will be new entrant providers of local exchange service who will install the plant necessary to provide telephone service to, for example, a residential subdivision or an industrial park much like existing local exchange companies do today. There may be areas where the Applicant installs the only local exchange service facilities. In the interest of providing competitive alternatives to the Applicant's local exchange service customers, Staff recommends that the Applicant be prohibited from barring access to alternative local exchange service providers who wish to serve such areas. This way, an alternative local exchange service

Request STF1.3, that steps are underway to prepare an application for reinstatement in California.

The Applicant states in Section A-11 of its application that "neither applicant, nor any of its officers, directors, partners or managers are or have been involved in any formal or informal complaint proceedings before any federal or state regulatory commission, administrative agency or law enforcement agency since the inception of the company." The Utilities Consumer Services section reports no complaint history within Arizona. Staff's review of the FCC website did not reveal any complaints.

The Applicant states in Section A-12 of its application that none of the Applicant's officers directors, partners or managers have been involved in any civil or criminal investigation or had judgments entered in any civil matter, judgments levied by any administrative or regulatory agency, or been convicted of any criminal acts within the last ten (10) years.

8. COMPETITIVE SERVICES ANALYSIS

The Applicant has petitioned the Commission for a determination that the services it is seeking to provide should be classified as competitive.

8.1 Competitive Services Analysis for Local Exchange Services

8.1.1 A description of the general economic conditions that exist, which makes the relevant market for the service one that, is competitive.

The statewide local exchange market that the Applicant seeks to enter is one in which a number of CLECs have been authorized to provide local exchange service in areas previously served only by ILECs. At locations where ILECs provide local exchange service, the Applicant will be entering the market as an alternative provider of local exchange service and, as such, will have to compete with those existing companies in order to obtain customers. In areas where ILECs do not serve customers, the Applicant may have to convince developers to allow it to provide service to their developments. The areas served by CenturyLink that the Applicant seeks to enter are served by wireless carriers and Voice over the Internet Protocol ("VoIP") service providers. This may also be the case in areas served by independent ILECs.

8.1.2 The number of alternative providers of the service.

CenturyLink and various independent ILECs provide local exchange service in the State. CLECs and local exchange resellers are also providing local exchange service. The areas served by CenturyLink that the Applicant seeks to enter are served by wireless carriers and VoIP service providers. This may also be the case in portions of the independent ILECs' service territories.

9. RECOMMENDATIONS

The following sections contain the Staff recommendations on the application for a CC&N and the Applicant's petition for a Commission determination that its proposed services should be classified as competitive.

9.1 *Recommendations on the Application for A CC&N*

Staff recommends that Applicant's application for a CC&N to provide intrastate telecommunications services, as listed in this Report, be granted. In addition, Staff further recommends:

1. That the Applicant comply with all Commission Rules, Orders and other requirements relevant to the provision of intrastate telecommunications services;
2. That the Applicant abide by the quality of service standards that were approved by the Commission for Qwest in Docket No. T-01051B-93-0183;
3. That the Applicant be prohibited from barring access to alternative local exchange service providers who wish to serve areas where the Applicant is the only provider of local exchange service facilities;
4. That the Applicant be required to notify the Commission immediately upon changes to the Applicant's name, address or telephone number;
5. That the Applicant cooperate with Commission investigations including, but not limited to customer complaints;
6. The rates proposed by this filing are for competitive services. In general, rates for competitive services are not set according to rate of return regulation. Transtelco's projected book value or fair value rate base at the end of its first 12 months of operation is projected to be \$0. Additionally, Transtelco provided a revenue projection of \$182,000 for the first twelve months of operation. Staff has reviewed the rates to be charged by the Applicant and believes they are just and reasonable as they are comparable to other providers offering service in Arizona and comparable to the rates the Applicant charges in other jurisdictions. The rate to be ultimately charged by the Company will be heavily influenced by the market. Therefore, while Staff considered the fair value rate base information submitted by the Company, the fair value information provided was not given substantial weight in this analysis;
7. That the Applicant offer Caller ID with the capability to toggle between blocking and unblocking the transmission of the telephone number at no charge;
8. That the Applicant offer Last Call Return service that will not return calls to telephone numbers that have the privacy indicator activated;

Furthermore, Staff recommends that approval of the Application be conditioned on the following. If it does not do so, the Applicant's CC&N shall be null and void, after due process.

1. That Transtelco will provide local exchange service directly to end-users in Arizona within three years of the date of the decision for this application.
2. That Transtelco file for cancellation of its CC&N in the event that it does not provide local exchange service directly to end-users in Arizona within three years of the date of a Decision in this matter. The filing for CC&N cancellation shall be filed within 39 months of the date of a Decision in this matter.

9.2 Recommendation on the Applicant's Petition to Have Its Proposed Services Classified as Competitive

Staff believes that the Applicant's proposed services should be classified as competitive. There are alternatives to the Applicant's services. The Applicant will have to convince customers to purchase its services, and the Applicant has no ability to adversely affect the local exchange or interexchange service markets. Therefore, the Applicant currently has no market power in the local exchange or interexchange service markets where alternative providers of telecommunications services exist. Staff therefore recommends that the Applicant's proposed services be classified as competitive.