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Arizona Corporation Commission
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MAR 17 2014

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DOCKET NO. T-01072A-13-0412

IN THE MATTER OF THE APPLICATION OF
SOUTHWESTERN TELEPHONE COMPANY,
AN ARIZONA CORPORATION, FOR A
HEARING TO DETERMINE THE EARNINGS
OF THE COMPANY, THE FAIR VALUE OF
THE COMPANY FOR RATEMAKING
PURPOSES, AND TO INCREASE
RESIDENTIAL RATES AS NECESSARY TO
COMPENSATE FOR THE RATE IMPACTS OF
THE FCC'S USF/ICC TRANSFORMATION
ORDER

**RESPONSE TO STAFF REQUEST
TO SUSPEND PROCEDURAL
SCHEDULE**

ORIGINAL

1 Southwestern Telephone Company ("Southwestern Telephone") hereby responds to
2 Staff's Request for a Suspension of the Procedural Schedule, filed on March 14, 2014.

3 Southwestern Telephone greatly appreciates Staff's consideration and cooperation in
4 working out a streamlined process for Arizona's small telephone companies to deal with the
5 potentially catastrophic loss of federal high-cost-loop support as a result of the FCC's
6 Transformation Order. Southwestern Telephone understands that there has been a motion filed
7 with the FCC that could mean, if granted, that the FCC will delay setting a benchmark rate floor
8 and requiring compliance therewith by June 1, 2014. However, there is no certainty that the
9 FCC will grant any relief. The FCC could still soon set the benchmark and require Southwestern
10 Telephone to raise rates to that level or face dollar-for-dollar losses of federal funding.

11 For these reasons, Southwestern Telephone can only support Staff's request based on an
12 understanding that, if the FCC does require compliance with a new benchmark by June 1 or
13 shortly thereafter, Staff will work with the affected companies and Hearing Division to resume
14 the hearings as expeditiously as necessary so as to avoid any potential loss of federal funds.

1 Respectfully submitted on March 17, 2014.
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on March 17, 2014, with:

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