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**BEFORE THE ARIZONA CORPORATION C**

**COMMISSIONERS**

Arizona Corporation Commission

**DOCKETED**

MAY 23 2014

BOB STUMP - Chairman  
GARY PIERCE  
BRENDA BURNS  
BOB BURNS  
SUSAN BITTER SMITH

DOCKETED BY 

IN THE MATTER OF THE APPLICATION OF  
WIDE VOICE, LLC FOR APPROVAL OF A  
CERTIFICATE OF CONVENIENCE AND  
NECESSITY TO PROVIDE RESOLD LOCAL  
EXCHANGE, RESOLD LONG DISTANCE,  
FACILITIES-BASED LOCAL EXCHANGE, AND  
ACCESS TELECOMMUNICATIONS SERVICES.

DOCKET NO. T-20838A-12-0081

DECISION NO. 74491

**OPINION AND ORDER**

DATE OF HEARING: April 14, 2014  
PLACE OF HEARING: Phoenix, Arizona  
ADMINISTRATIVE LAW JUDGE: Sasha Paternoster  
APPEARANCES: Mr. Matthew G. Bingham, LEWIS, ROCA,  
ROTHGERBER, LLP, on behalf of Applicant; and  
Mr. Brian E. Smith, Staff Attorney, Legal Division, on  
behalf of the Utilities Division of the Arizona  
Corporation.

**BY THE COMMISSION:**

On March 1, 2012, Wide Voice, LLC ("Wide Voice" or "Company") filed with the Arizona Corporation Commission ("Commission") an application for approval of a Certificate of Convenience and Necessity ("CC&N") to provide resold local exchange, facilities-based local exchange, and access telecommunications services on a statewide basis in Arizona. Wide Voice's application also requested a determination that its proposed services are competitive in Arizona.

On December 19, 2013, Wide Voice filed an amended application to include resold long distance telecommunications services to the list of services for which it is seeking a CC&N.

On December 30, 2013, Wide Voice filed a second amended application to incorporate revisions to Tariff No. 1 and Tariff No. 2.

1 On January 17, 2014, the Commission’s Utilities Division (“Staff”) filed its Staff Report  
2 recommending approval of Wide Voice’s application, subject to certain conditions.

3 On February 14, 2014, by Procedural Order, the hearing in this matter was set for April 14,  
4 2014, and other procedural deadlines were established.

5 On March 18, 2014, Wide Voice filed an Affidavit of Publication indicating that notice of the  
6 application and hearing date had been published in the *Arizona Republic*, a newspaper of general  
7 circulation in Arizona.

8 On March 27, 2014, Matthew G. Bingham of Lewis Roca Rothgerber LLP filed his Notice of  
9 Appearance on behalf of Wide Voice.

10 On March 31, 2014, Wide Voice filed a Request to Allow Witness to Appear Telephonically  
11 (“Request”) for the April 14, 2014 hearing. The Request also stated that Staff had no objection to the  
12 witness appearing telephonically.

13 On April 1, 2014, by Procedural Order, Wide Voice’s Request was granted.

14 On April 14, 2014, a full public hearing was held as scheduled before a duly authorized  
15 Administrative Law Judge of the Commission. Wide Voice and Staff appeared through counsel and  
16 presented testimony and evidence. No members of the public appeared to give comments on the  
17 application. At the conclusion of the hearing, the matter was taken under advisement pending  
18 submission of a Recommended Opinion and Order to the Commission.

19 \* \* \* \* \*

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

22 **FINDINGS OF FACT**

23 1. Wide Voice is a foreign limited liability company organized under the laws of  
24 Nevada, with its principal office located in Las Vegas.<sup>1</sup>

25 2. Wide Voice is authorized to transact business in Arizona and is in good standing with  
26 the Commission’s Corporations Division.<sup>2</sup>

27 \_\_\_\_\_  
28 <sup>1</sup> Exhibit A-2, Attachment A.

<sup>2</sup> Id.

1           3.     On March 1, 2012, Wide Voice filed an application with the Commission to provide  
2 resold local exchange, facilities-based local exchange, and access telecommunication services in  
3 Arizona. On December 19, 2013, the Company filed an amended application to include resold long  
4 distance telecommunications services to the list of services for which it sought a CC&N.

5           4.     Notice of Wide Voice's application was given in accordance with the law.

6           5.     Staff recommends approval of Wide Voice's application for a CC&N to provide  
7 intrastate telecommunication services in Arizona, subject to the following conditions:

- 8           a.     Wide Voice comply with all Commission Rules, Orders, and other  
9 requirements relevant to the provision of intrastate telecommunications  
10 services;
- 11           b.     Wide Voice abides by the quality of service standards that were approved by  
12 the Commission for Qwest in Docket No. T-01051B-13-0199;
- 13           c.     Wide Voice be prohibited from barring access to alternative local exchange  
14 service providers who wish to serve areas where Wide Voice is the only local  
15 provider of local exchange service facilities;
- 16           d.     Wide Voice notify the Commission immediately upon changes to Wide  
17 Voice's name, address or telephone number;
- 18           e.     Wide Voice cooperate with Commission investigations including, but not  
19 limited to, customer complaints;
- 20           f.     The rates proposed by Staff are for competitive services. In general, rates for  
21 competitive services are not set according to rate of return regulation. Staff  
22 obtained information from Wide Voice and has determined that its fair value  
23 rate base is zero. Staff has reviewed the rates to be charged by Wide Voice and  
24 believes they are just and reasonable as they are comparable to other  
25 competitive local carriers, local incumbent carriers and major long distance  
26 companies offering service in Arizona and comparable to the rates Wide Voice  
27 charges in other jurisdictions. The rate to be ultimately charged by Wide  
28 Voice 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 Staff's  
analysis;
- g.     Wide Voice offer Caller ID with the capability to toggle between blocking and  
unblocking the transmission of the telephone number at no charge;
- h.     Wide Voice offer Last Call Return service that will not return calls to  
telephone numbers that have the privacy indicator activated; and
- i.     The Commission authorizes Wide Voice to discount its rates and service  
charges to the marginal cost of providing the services.

1           6.       Staff further recommends that Wide Voice's CC&N be considered null and void after  
2 due process if Wide Voice fails to comply with the following conditions:

- 3           a.       Wide Voice shall docket a conforming tariff for each service within its CC&N  
4           within 365 days from the date of a Decision in this matter or 30 days prior to  
5           providing service, whichever comes first;
- 6           b.       Wide Voice shall notify the Commission through a compliance filing within 30  
7           days of the commencement of service to end-user customers;
- 8           c.       Wide Voice shall abide by the Commission adopted rules that address  
9           Universal Service in Arizona. A.A.C. R-14-2-1204(A) indicates that all  
10          telecommunications service providers that interconnect into the public  
11          switched network shall provide funding for the Arizona Universal Service  
12          Fund ("AUSF"). The Applicant will make the necessary monthly payments  
13          required by A.A.C. R-14-2-1204(B); and
- 14          d.       Wide Voice application be approved based upon its representation to the  
15          Commission that Wide Voice will be providing local exchange service directly  
16          to end-users in Arizona. Should Wide Voice not provide service directly to  
17          end-user customers, it shall notify the Commission within three years of the  
18          date of the decision for this application and file for cancellation of its CC&N.

19 **Technical Capability**

20           8.       Wide Voice intends to provide its proposed services to a large, US-based company in  
21          order to service small- and medium-sized businesses with voice telecommunications services.<sup>3</sup> The  
22          Company will not provide residential telephone service in Arizona.<sup>4</sup>

23           9.       Wide Voice's witness has 35 years of experience in the telecommunications field.<sup>5</sup>  
24          According to the witness, Wide Voice intends to provide all Public Switched Telephone Network  
25          (PSTN) services for the large technology company for their hosted services to end-users.<sup>6</sup> The  
26          witness stated that Wide Voice is authorized to provide services in 16 states, with applications  
27          pending in 10 other territories.<sup>7</sup> The witness testified that the Company will not have any equipment  
28          or employees in Arizona.<sup>8</sup>

          10.       Staff believes Wide Voice has the technical capabilities to provide its proposed  
          services in Arizona.

<sup>3</sup> Tr. at 9-10.

<sup>4</sup> Tr. at 15-16.

<sup>5</sup> Tr. at 8.

<sup>6</sup> Tr. at 9-10.

<sup>7</sup> Tr. at 13-14.

<sup>8</sup> Tr. at 16-17.

1 **Financial Capabilities**

2 11. Wide Voice provided audited financial statements for the 12 months ending December  
3 31, 2011, listing total assets of \$1,056,011; total equity of \$685,236; and a net income of  
4 \$1,404,949.<sup>9</sup> For the 12 months ending December 31, 2012, Wide Voice listed total assets of  
5 \$1,604,864; total equity of \$166,989; and a net income of \$3,849,818.<sup>10</sup>

6 **Rates and Charges**

7 12. Staff believes that Wide Voice will have to compete with other incumbent local  
8 exchange carriers (“ILECs”), and various competitive local exchange (“CLECs”), and interexchange  
9 carriers (“IXCs”) in Arizona in order to gain new customers.<sup>11</sup> Staff states it does not believe Wide  
10 Voice will be able to exert market power given its status as a new entrant in the market.<sup>12</sup>

11 13. Pursuant to A.A.C. R14-2-1109, the rates charged for each service Wide Voice  
12 proposes to provide may not be less than the Company’s total service long-run incremental cost of  
13 providing that service.

14 14. Wide Voice projects that for the first twelve months of operation in Arizona, it will  
15 have a net book value of zero.<sup>13</sup>

16 15. Staff states that in general, rates for competitive services are not set according to rate  
17 of return regulation and the Company’s fair value rate base is zero. Staff believes that Wide Voice’s  
18 rates will be heavily influenced by the market.<sup>14</sup> Staff reviewed Wide Voice’s proposed tariff pages,  
19 the rate comparison information of other CLECs and ILECs and Staff believes that Wide Voice’s  
20 proposed rates are comparable to the rates charged by CLECs and ILECs providing service in  
21 Arizona.<sup>15</sup> Therefore, Staff states that while it considered the fair value rate base information  
22 submitted by Wide Voice, that information was not afforded substantial weight in Staff’s analysis.<sup>16</sup>

23 **Local Exchange Carrier Specific Issues**

24

25 <sup>9</sup> Exhibit S-1 at 2.

<sup>10</sup> Exhibit S-1 at 2.

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

<sup>12</sup> Exhibit S-1 at 2.

27 <sup>13</sup> Exhibit A-2, Attachment E.

<sup>14</sup> Exhibit S-1 at 2.

28 <sup>15</sup> Id.

<sup>16</sup> Id.

1           16. Pursuant to A.A.C. R14-2-1308(A) and federal laws and rules, Wide Voice will make  
2 number portability available to facilitate the ability of customers to switch between authorized local  
3 carriers within a given wire center without changing their telephone number and without impairment  
4 to quality, functionality, reliability, or convenience of use.

5           17. Pursuant to A.A.C. R14-2-1204(A) all telecommunication service providers that  
6 interconnect to the PSTN shall provide funding for the AUSF. Wide Voice shall make payments to  
7 the AUSF described under A.A.C. R14-2-1204(B).

8           18. In Commission Decision No. 74208 (December 3, 2013), the Commission approved  
9 quality of service standards for Qwest to insure customers received a satisfactory level of service. In  
10 this matter, Staff believes Wide Voice should be ordered to abide by those service standards.

11           19. In the areas where the Company is the only local exchange service provider, Staff  
12 recommends that Wide Voice be prohibited from barring access to alternative local exchange service  
13 providers who wish to serve the area.

14           20. Wide Voice will provide all customers with 911 and E911 service where available, or  
15 will coordinate with ILECs and emergency service providers to facilitate the service.

16           21. Pursuant to prior Commission Decisions, Wide Voice may offer customer local area  
17 signaling services such as Caller ID and Call Blocking, so long as the customer is able to block or  
18 unblock each individual call at no additional cost.

19           22. Wide Voice must offer Last Call Return service, which will not allow the return of  
20 calls to the telephone numbers that have the privacy indicator activated.

21 **Complaint Information**

22           23. Wide Voice's application states that none of the Company's officers, directors,  
23 partners, nor managers have been or are currently involved in any formal or informal complaint  
24 proceedings before any state or federal regulatory agency, commission, administrative or law  
25 enforcement agency.<sup>17</sup>

26           24. Wide Voice states that none of the Company's officers, directors, partners or  
27

28 <sup>17</sup> Exhibit A-2 at A-11.

1 managers have been involved in any civil or criminal investigations, or had judgments entered in any  
2 civil matter, or by any administrative or regulatory agency, or been convicted of any criminal acts  
3 within the last ten (10) years.<sup>18</sup>

4 25. Staff verified that Wide Voice has no formal or informal complaint proceedings  
5 pending before any state or federal regulatory commission, administrative agency or law enforcement  
6 agency involving the Company or any of its officers, directors, or managers.

7 26. As of the filing of the Staff Report, Wide Voice had no complaints filed with the  
8 Federal Communications Commission ("FCC").

9 **Competitive Review**

10 27. Wide Voice's application requests that its proposed telecommunication services in  
11 Arizona be classified as competitive. Staff believes Wide Voice's proposed services should be  
12 classified as competitive because Wide Voice will have to compete with CLECs and ILECs to gain  
13 customers; there are alternative providers to Wide Voice's proposed services; ILECs hold a virtual  
14 monopoly in local exchange and IXC markets; and that Wide Voice will not have the ability to  
15 adversely affect the local exchange or IXC markets in Arizona.<sup>19</sup>

16 28. Based on the above factors, Staff concludes that Wide Voice's proposed service  
17 should be classified as competitive.

18 29. Staff's recommendations are reasonable and should be adopted.

19 **CONCLUSIONS OF LAW**

20 1. Wide Voice is a public service corporation within the meaning of Article XV of the  
21 Arizona Constitution, A.R.S. §§ 40-281 and 40-282.

22 2. The Commission has jurisdiction over Wide Voice and the subject matter of the  
23 application.

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

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

27 \_\_\_\_\_  
28 <sup>18</sup> Exhibit A-2 at A-12.

<sup>19</sup> Exhibit S-1 at 5-7.



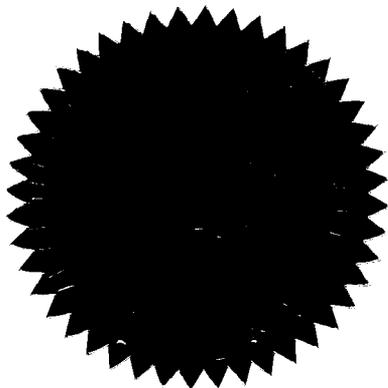
1 IT IS FURTHER ORDERED that Wide Voice, LLC, shall docket conforming tariffs for each  
2 service within its CC&N within 365 days of the effective date of this Decision or 30 days prior to  
3 serving its first customer, whichever comes first. The tariffs submitted shall coincide with the  
4 application in this matter.

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

6 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

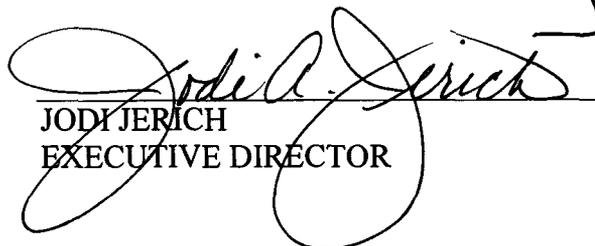
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CHAIRMAN	COMMISSIONER	
		
COMMISSIONER	COMMISSIONER	COMMISSIONER



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 23rd day of May 2014.

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JODI JERICH  
EXECUTIVE DIRECTOR

DISSENT \_\_\_\_\_

DISSENT \_\_\_\_\_  
SP:ru

1 SERVICE LIST FOR: WIDE VOICE, LLC

2 DOCKET NO.: T-20838A-12-0081

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