

**ORIGINAL**

**NEW APPLICATION**

BEFORE THE ARIZONA CORPORATION CO



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COMMISSIONERS

BOB STUMP, Chairman  
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Arizona Corporation Commission

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ARIZONA CORPORATION COMMISSION  
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IN THE MATTER OF THE APPLICATION OF  
SOUTHWESTERN TELEPHONE COMPANY,  
AN ARIZONA CORPORATION, TO  
DEREGULATE VOICE MAIL SERVICES

DOCKET NO. T-01072A-14-0208

**APPLICATION TO DEREGULATE  
VOICE MAIL SERVICES**

1 Southwestern Telephone Company ("Southwestern Telephone") hereby applies with the  
2 Arizona Corporation Commission ("Commission") to deregulate voice mail services provided by  
3 Southwestern Telephone, and for the withdrawal of the filed tariffs applicable to such services.

4 A.R.S. § 40-281(E) provides:

5 When the commission determines after notice and hearing that any product or  
6 service of a telecommunications corporation is neither essential nor integral to the  
7 public service rendered by such corporation, it shall declare that such product or  
8 service is not subject to regulation by the commission.

9 Voice mail services are "neither essential nor integral to public service rendered by"  
10 Southwestern Telephone. The company's regulated public service provision of basic telephone  
11 service can be and is provided to residential and business customers with or without voice mail  
12 services.<sup>1</sup>

13 Further Southwestern Telephone's voice mail services do not constitute "transmitting  
14 messages or furnishing public telegraph or telephone service" under Article 15, § 2 of the  
15 Arizona Constitution. Rather than transmit messages or furnish telephone service, voice mail  
16 permits (1) callers to record their transmitted message and (2) recipients (subscribers) to store  
17 and retrieve the recorded message. Thus, voice mail service is totally independent of basic  
18 telephone service.

19 Unregulated voice mail services are provided by independent voice mail providers,  
20 competitive local exchange carriers, and cellular carriers and marketers. Customers may also

<sup>1</sup> See *Mountain States Telephone and Telegraph Co. v. Arizona Corporation Commission*, 132 Ariz. 109, 644 P.2d 263 (App. 1982).

1 purchase answering machines rather than purchase voice mail from Southwestern Telephone.  
2 Because of the huge variety of competitive offerings, it is in the public interest to allow  
3 Southwestern Telephone to respond to its competitors' offerings and market its voice mail  
4 services without the burden of regulation.

5 Voice mail services are currently not a popular tariff service from Southwestern  
6 Telephone. Currently, penetration averages less than five percent for the company's Salome and  
7 Quartzite exchanges. Southwestern Telephone would like to be able to market voice mail  
8 services to its remaining customers currently not taking the current tariffed offering. To assure  
9 that present subscribers are not harmed, Southwest Telephone agrees to grandfather all current  
10 voice mail subscribers at current rates.

11 Southwestern Telephone's application is supported by Commission precedent. Qwest's  
12 voice mail service was deregulated by the Commission in Decision No. 68604 (Docket Number  
13 T-01051 B-03-0454) at 11, and Section 21 of the attached Settlement Agreement.

14 **Requested Relief:** Southwestern Telephone asks the Commission to deregulate its voice  
15 mail services and approve withdrawal of the filed tariffs applicable to such services.

16 Respectfully submitted on June 25, 2014.

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