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MEMORANDUM

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TO: Docket Control

FROM: Steven M. Olea  
Director  
Utilities Division

*EA for SMO*

DATE: December 30, 2014

**ORIGINAL**

RE: IN THE MATTER OF THE APPLICATION OF SPRINT COMMUNICATIONS COMPANY L.P. TO DISCONTINUE LOCAL EXCHANGE SERVICE IN ARIZONA (DOCKET NO. T-02432B-14-0277)

Attached is the Staff Report on the above Application to discontinue local exchange service and cancel the local exchange portion of Certificate of Convenience and Necessity ("CC&N") of Sprint Communications Company L.P. ("Sprint").

Staff recommends approval of Sprint's Application to discontinue local exchange service and cancel the local exchange portion of its Certificate of Convenience and Necessity ("CC&N").

SMO:MAC:sms\RG

Originator: Matt Connolly

Arizona Corporation Commission  
**DOCKETED**

DEC 30 2014

DOCKETED BY 

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DOCKET NO. T-02432B-14-0277

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STAFF REPORT  
UTILITIES DIVISION  
ARIZONA CORPORATION COMMISSION

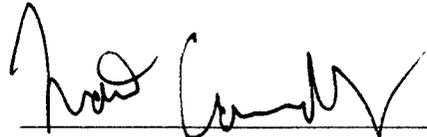
SPRINT COMMUNICATIONS COMPANY L.P.  
DOCKET NO. T-02432B-14-0277

IN THE MATTER OF THE APPLICATION OF  
SPRINT COMMUNICATIONS COMPANY L.P. TO DISCONTINUE  
LOCAL EXCHANGE SERVICE IN ARIZONA

DECEMBER 30, 2014

## STAFF ACKNOWLEDGEMENT

The Staff Report for Sprint Communications Company L.P., Docket No. T-02432B-14-0277, was the responsibility of the Staff member listed below. Matt Connolly was responsible for the review and analysis of Sprint Communications Company L.P.'s Application to Discontinue Local Exchange Service in Arizona and cancel its Local Exchange Certificate of Convenience and Necessity.



\_\_\_\_\_

Matt Connolly  
Executive Consultant II

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## **INTRODUCTION**

On July 21, 2014, Sprint Communications Company L.P. (“Applicant” or “Sprint” or the “Company”) submitted an Application to discontinue Sprint’s Integrated Local Services and cancel Sprint’s Integrated Local Service tariff. Sprint filed an Amendment to the Application on July 30, 2014 amending the service transition completion date of affected customers from October 7, 2014 to December 22, 2014. This amendment also indicated Sprint would publish notice of the Application in newspapers covering Sprint’s service area. Sprint filed a Notice of Filing Affidavits of Publication and Public Notice on August 14, 2014 affirming that a notice to discontinue and cancel the Sprint Integrated Local Service and associated features was published in newspapers covering Sprint’s Arizona service area.

Sprint filed a Second Amendment to its Application on September 18, 2014 requesting cancellation of its Certificate of Convenience and Necessity (“CC&N”) to provide local exchange services in Arizona. The Arizona Corporation Commission (“Commission”) in Decision No. 60236, dated June 12, 1996, granted Sprint a CC&N to provide competitive local exchange and exchange access services within the State of Arizona.

## **STAFF’S ANALYSIS**

In its July 21, 2014 Application, Sprint stated due to changing market conditions the Company had determined it should discontinue the Sprint Integrated Local Services. This discontinuance impacts the business local service (including business lines, Digital PBS Trunks and ISDN PRI service) offered by Sprint as part of Sprint’s Complete Access Bundle. Sprint does not provide service to Arizona residential end users.

Staff determined the request by Sprint to cancel all remaining local exchange services along with Sprint’s Arizona C.C. Local Exchange Tariff No. 4 effectively meant the Company would be holding a CC&N for local exchange authority but not offering any local exchange services. Therefore, upon Staff’s request, Sprint filed the Second Amendment requesting cancellation of the Company’s CC&N to provide local exchange service.

Pursuant to Arizona Administrative Code (“A.A.C.”) R14-2-1107(A)(2), a company providing competitive telecommunications service is required to verify that all affected customers have been notified of the proposed discontinuance or abandonment of service. Sprint had one Arizona business customer affected by this Application. On July 21, 2014, notice was delivered to this customer. Following the delivery of notice, this customer disconnected its Sprint service.

Pursuant to A.A.C. R14-2-1107(B), Sprint is required to publish legal notice of an Application to discontinue or abandon local exchange or interexchange services in all counties affected by the Application. While Sprint did publish notice of the Application, the content of the notice was in regards to the discontinuance of certain product services and did not address the complete discontinuance of local exchange service. Sprint requested a waiver of A.A.C. R14-2-1107(B), to the extent that additional publication is required given the filed Amendment requesting cancellation of the Company’s local exchange CC&N. Staff believes that given the fact that Sprint’s

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one customer has already been notified and the potential for customer confusion with the publication of another notice, it is appropriate that such a waiver be granted.

The Compliance Section of the Utilities Division reports no delinquencies for Sprint. The Consumer Services Section of the Utilities Division reports that there were no complaints, inquiries, or opinions filed against Sprint from January 1, 2011 through August 28, 2014. Sprint filed its 2013 Annual Report. According to the Corporations Division, Sprint is in good standing. Sprint was not required to file a bond or letter of credit with the Commission.

### **RECOMMENDATIONS**

For the above stated reasons, Staff recommends approval of Sprint's Application to discontinue local service, the cancellation of Sprint's Arizona C.C. Local Exchange Tariff No. 4 and the cancellation of Sprint's CC&N to provide competitive local exchange services in Arizona. Upon cancellation of its CC&N, Sprint will no longer be authorized to provide competitive local exchange services in Arizona. Staff also recommends the Commission grant a waiver of A.A.C. R14-2-1107(B) to the extent that additional publication is required given the filed Amendment requesting cancellation of the Company's local exchange CC&N.