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MEMORANDUM

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FROM: Steven M. Olea
Director
Utilities Division
DATE: March 31, 2015

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AZ CORP COMMISSION
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RE: IN THE MATTER OF THE APPLICATION OF COAST INTERNATIONAL, INC. FOR APPROVAL TO CANCEL THEIR CERTIFICATE OF CONVENIENCE AND NECESSITY (DOCKET NO. T-02598A-15-0051)

Attached is the Staff Report for the above referenced application. The applicant is applying for approval to cancel its Certificate of Convenience and Necessity ("CC&N") to provide the following services:

- Resold Long Distance Telecommunications Services

Staff recommends cancellation of the CC&N.

SMO:MAC:nr\BH

Originator: Matt Connolly

Arizona Corporation Commission
DOCKETED
MAR 31 2015

DOCKETED BY *[Signature]*

ORIGINAL

SERVICE LIST FOR: COAST INTERNATIONAL, INC.
DOCKET NO.: T-02598A-15-0051

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STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

COAST INTERNATIONAL, INC.
DOCKET NO. T-02598A-15-0051

IN THE MATTER OF THE APPLICATION OF COAST INTERNATIONAL, INC. FOR
APPROVAL TO CANCEL THEIR CERTIFICATE OF CONVENIENCE AND NECESSITY.

MARCH 31, 2015

STAFF ACKNOWLEDGEMENT

The Staff Report for Coast International, Inc., Docket No. T-02598A-15-0051, was the responsibility of the Staff member listed below. Matt Connolly was responsible for the review and analysis of the matter of the cancellation of the Certificate of Convenience and Necessity of Coast International, Inc.

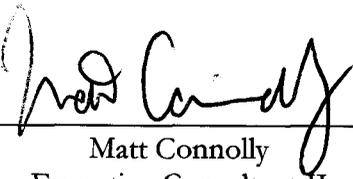

Matt Connolly
Executive Consultant II

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INTRODUCTION

On February 24, 2015, Coast International, Inc. ("Coast" or "Applicant") submitted an Application to cancel its resold long distance Certificate of Convenience and Necessity ("CC&N").

BACKGROUND

Coast is a Nevada corporation with headquarters located at 14303 West 95th Street, Lenexa, Kansas, 66215. Coast was granted a CC&N by the Arizona Corporation Commission ("Commission") to provide competitive resold long distance telecommunications service in Decision No. 59811, dated August 22, 1996.

STAFF'S ANALYSIS

In its Application, Coast indicated that it is no longer doing business in the State of Arizona. Coast also indicated in its Application that it does not have any current customers, has no plans to pursue new business and requests the cancellation of its authority to provide resold long distance telecommunications in Arizona.

Pursuant to A.A.C. R14-2-1107(B), Coast 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. The Applicant indicated to Staff that the few customers Coast had at the end of 2012 had stopped using Coast's service, with the last customer departing in early 2013. As there are no longer any customers who would benefit from the legal notice, Staff recommends that the notice requirement pursuant to Arizona Administrative Code ("A.A.C.") R14-2-1107 be waived.

According to the Corporations Division, Coast did not file its 2014 Annual Report and as a result its registration was revoked. The Consumer Services Section of the Utilities Division reports that there were no complaints or opinions filed against Coast from January 1, 2011 through March 5, 2015. Coast did not file its Utilities Annual Report for 2013.

RECOMMENDATIONS

Based on the above, Staff recommends approval of the cancellation of the CC&N of Coast to provide competitive resold long distance telecommunications services in Arizona. Additionally, Staff recommends that the legal notice requirement contained in A.A.C. R14-2-1107 be waived. Staff further recommends the cancellation of Coast's tariff that is on file with this Commission.

Upon cancellation of its CC&N, Coast will no longer be authorized to provide competitive resold interexchange telecommunications services in Arizona and therefore, will no longer be subject to the requirements of Decision No. 59811.