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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

SUSAN BITTER SMITH, Chairman
BOB STUMP
ROBERT BURNS
DOUG LITTLE
TOM FORESE

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AZ CORP COMMISSION
DOCKET CONTROL

COMMISSION INQUIRY INTO POSSIBLE
MODIFICATION OF THE COMMISSION'S
HOLDING COMPANIES AND AFFILIATED
INTEREST RULES, A.A.C. ARTICLE 8, R14-2-
801 ET. SEQ.

DOCKET NO. AU-00000A-15-0246

1 **COMMENTS OF THE ARIZONA LOCAL EXCHANGE CARRIERS ASSOCIATION**

2 The Arizona Local Exchange Carriers Association ("ALECA") hereby provides the
3 following comments in the above-captioned case.

4 **I Interest in Proceeding**

5 ALECA is comprised of small telephone companies and member-owned cooperatives,
6 all of which are providing local exchange telecommunications services to customers in rural,
7 high cost areas of Arizona, and all of which are "rural telephone companies" as defined by the
8 Communications Act of 1934, as amended (the "Act") 47 U.S.C. § 153(44). ALECA's members
9 are:

- 10 • Fort Mojave Telephone Company;
- 11 • Frontier Communications Corporation;
- 12 • Gila River Telecommunications, Inc.;
- 13 • Hopi Telecommunications, Inc.;
- 14 • Midvale Telephone Exchange, Inc.;
- 15 • San Carlos Apache Telecommunications Utility, Inc.;
- 16 • South Central Communications;
- 17 • Table Top Telephone Company, Inc.;
- 18 • TDS (Arizona Telephone Company and Southwest Telephone Company);

Arizona Corporation Commission

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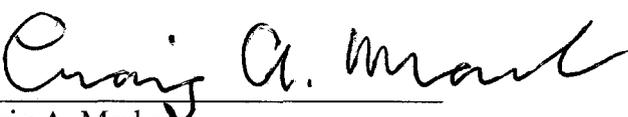
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- 1 • Tohono O'odham Utility Authority; and
- 2 • Valley Telephone Cooperative (Copper Valley Telephone, Inc. and Valley Telephone
- 3 Cooperative, Inc.); and
- 4 • Zona Communications.¹

5 **II Comments**

6 ALECA supports the proposed amendments to the Affiliated Interest Rules, as filed on
7 August 19, 2015. Although none of the ALECA members are Class A Investor Owned Utilities
8 (and thereby subject to the Affiliated Interest Rules), ALECA agrees that the rules should no
9 longer be applied to Investor Owned Telecommunications Utilities. The telecommunications
10 world has changed dramatically since the Affiliated Interest Rules were adopted in 1990.
11 Investor Owned Telecommunications Utilities, whether large or small, now operate in a fiercely
12 competitive world, where customers have numerous other options for telecommunications
13 service, including competitive local exchange carriers, cellular carriers, and voice-over-internet
14 providers. None of these alternative providers are subject to Affiliated Interest regulation by this
15 Commission. Accordingly, it is fair and in the public interest to relieve Class A Investor Owned
16 Telecommunications Utilities from the burden of the Affiliated Interest Rules.

17 RESPECTFULLY SUBMITTED on December 15, 2015.

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¹ Fort Mohave Telecommunications, Gila River Telecommunications, Hopi Telecommunications, San Carlos Apache Telecommunications Utility and the Tohono O'odham Utility Authority are tribally-owned telephone Companies, which are not subject to the jurisdiction of the Arizona Corporation Commission.

1 **Original** and 13 copies **filed**
2 on December 15, 2015, with:
3
4 Docket Control
5 Arizona Corporation Commission
6 1200 West Washington
7 Phoenix, Arizona 85007
8
9 **Copy** of the foregoing **mailed**
10 on December 15, 2015, to:
11
12 Service List