

OPEN MEETING



0000171386

ORIGINAL

MEMORANDUM

RECEIVED

AZ CORP COMMISSION

DOCKET CONTROL

Arizona Corporation Commission

TO: THE COMMISSION

FROM: Utilities Division

2016 JUN 28 PM 4:35

DOCKETED

DATE: June 28, 2016

JUN 28 2016

RE: IN THE MATTER OF THE JOINT APPLICATION OF QWEST CORPORATION DBA CENTURYLINK QC AND CITIZENS TELECOMMUNICATIONS COMPANY OF THE WHITE MOUNTAINS, INC. DBA FRONTIER COMMUNICATIONS OF THE WHITE MOUNTAINS FOR CENTURYLINK TO DISCONTINUE INTRALATA TOLL SERVICE TO THE LOCAL EXCHANGE CUSTOMERS OF FRONTIER COMMUNICATIONS OF THE WHITE MOUNTAINS (DOCKET NOS. T-01051B-15-0391 AND T-03214A-15-0391)

DOCKETED BY	<i>[Signature]</i>
OF QWEST	

I. INTRODUCTION

On November 17, 2015, Qwest Corporation dba CenturyLink QC ("CenturyLink") and Citizens Telecommunications of the White Mountains, Inc. dba Frontier Communications of the White Mountains ("Frontier" or "Frontier of the White Mountains") (collectively the "Applicants"), submitted a Joint Application to the Arizona Corporation Commission ("Commission") to authorize CenturyLink to discontinue the provision of intraLATA ("local") interexchange toll service to local exchange service end users of Frontier in the White Mountains Service Area. CenturyLink also requests a waiver of the publication requirement contained in Arizona Administrative Code ("A.A.C.") R14-2-1107(B) and a waiver of A.A.C. R14-2-1901 et seq., the Commission's Slamming Rules.

Staff recommends approval of the Joint Application. The Applicants have met the requirements of R14-2-1107(A). Staff also recommends approval of the Applicants request for waiver of R14-2-1107(B) and R14-2-1901 et seq. for the reasons discussed below.

II. BACKGROUND

CenturyLink is an incumbent local exchange carrier ("ILEC") as defined by the Federal Act¹ and A.A.C. R14-2-1302.10. CenturyLink is also a Bell Operating Company as defined by the Federal Act. Frontier is an ILEC as defined in the Federal Act and A.A.C. R14-2-1302.10 and is also a Rural Telephone Company as defined in the Federal Act.

Before the advent of competition in telecommunications markets, US West (CenturyLink QC's predecessor company) agreed to provision local toll service in many of the exchanges of the independent Rural Telephone Companies. U S West and the independent Local Exchange Carriers

¹ The Telecommunications Act of 1934, as amended by the Telecommunications Act of 1996 ("1996 Act") (collectively the "Federal Act")

("LECs") would typically enter into Designated Carrier Agreements under which US WEST would agree to be the independent LEC's designated local toll carrier until certain conditions were met including the availability of intraLATA² equal access in the exchange in question. Or in some cases, such as this case, there was no formal agreement between the parties.

The 1996 Act was enacted in large part to promote competition in all telecommunications markets. To further promote competition in the long distance markets, the Federal Communications Commission and the Commission adopted equal access requirements. Two-PIC equal access allows a customer to choose an authorized telephone company to handle their local toll calls and another company to handle their long-distance toll calls. Together, the 1996 Act and equal access requirements allowed for multiple carriers to enter these markets to provision and carry these calls.

As the markets became more competitive, the arrangement whereby CenturyLink would act as a designated or default carrier for Frontier was no longer necessary. The Frontier White Mountains market is the last Rural Telephone Company market in Arizona in which CenturyLink continues to act as the designated local toll provider. In response to Staff data requests, CenturyLink stated that the agreement for US WEST/Qwest to serve as the designated toll provider for independent company customers was always a voluntary business arrangement between the companies.

The Applicants state that there are currently three-hundred-nine (309) Frontier end user customers who use CenturyLink as their local toll provider.

The Applicants have provided notice through a letter to affected local exchange customers of Frontier of the White Mountains. The Applicants have informed customers that on or about September 1, 2016, or as soon thereafter as regulatory approval can be obtained from the Commission, CenturyLink will no longer provide Frontier's local service customers with local long distance toll service.

The Commission's Consumer Services Section of the Utilities Division reports receiving one (1) inquiry through June 23, 2016 related to the pending Application. The Applicants state that as of June 10, 2016, neither has received any customer opposition in response to the proposed transaction.

² IntraLATA or "local" toll service refers to calling within a geographic area known as a Local Access and Transport Area ("LATA"). LATAs were formed in 1984 pursuant to a Consent Decree or Modification of Final Judgment ("MFJ") in *United States v. American Telephone and Telegraph*, 552 F.Supp.131 (DC 1982). The Consent Decree provided for divestiture by the Bell System of its twenty-two local Bell Operating Companies ("BOCs"). Under the MFJ, the BOCs handled local exchange and local toll calls, and AT&T, on the other hand, handled interLATA long distance calls which included all calls outside the local exchange and local toll areas, calls that originate in one LATA and terminate in another and international calls. The Consent Decree including all orders entered after 1982 in that case were subsequently replaced by Section 271 and 272 of the Federal Act. In Section 271 of the Federal Act, the Bell Operating Companies, including U S West Communications, had to meet stringent requirements to ensure a level playing in the local market in order to gain entry into the interLATA long distance market.

III. STAFF ANALYSIS

Pursuant to A.A.C. R14-2-1107(A), a carrier seeking to discontinue local or interexchange telecommunications service must file an application with the Commission which sets forth:

1. Any reasons for the proposed discontinuance of service or abandonment of service area;
2. Verification that all affected customers have been notified of the proposed discontinuance or abandonment, and that all affected customers will have access to an alternative local exchange service provider or interexchange service provider;
3. Where applicable, a plan for the refund of deposits collected pursuant to subsection R14-2-503(B);
4. A list of all alternative utilities providing the same or similar service within the affected geographic area.

A. *Compliance with R14-2-1107*

1. Reasons for Proposed Discontinuance (A.A.C. R14-2-1107(A)(1))

CenturyLink and Frontier offer several reasons in support of the Application. The Applicants state the default designation of CenturyLink for local long distance was once necessary and in the public interest when CenturyLink was the only carrier available to offer local toll service in the independent telephone company service areas. Since then independent LECs have established their own interexchange services, and federal and state rules required LECs to offer equal access to customers to select their preferred long distance providers. As a result of these equal access requirements, and the promotion of competition in all telecom markets, many carriers have been certificated to provide interexchange service throughout Arizona. Thus, today customers have many alternatives for local toll service.

The Applicants also state that CenturyLink's provision of local toll service is accomplished through a switched access arrangement with Frontier which has become less common and requires more manual work to reconcile the access charges, toll charges, billing and collection charges, and cross remittances, for an ever decreasing number of defaulted customers. The Applicants state that they both will experience improved efficiencies by CenturyLink's withdrawal from the market.

The Joint Applicants also state that in lieu of charging end user customers for the PIC change, CenturyLink has agreed to pay Frontier \$7.50 per customer to cover the costs it will incur for customer notification, PIC changes, and Customer Service Representative time to receive and process orders.

2. Notice to Customers (A.A.C. R14-2-1107(A)(2))

The Companies have provided verification that all affected customers have been notified of the proposed discontinuance of service and that all affected customers will have access to an alternative local toll service provider. On June 10, 2016, Frontier filed an Affidavit with the Commission which included a copy of the preliminary notification letter that Frontier mailed to its local exchange customers affected by the Joint Application. A copy of the initial Customer Notice sent on June 6, 2016, is attached as Exhibit A.

If approved by the Commission, Frontier indicated to Staff that a second Customer Notice will be sent out on July 20, 2016 advising customers they must select another local long distance provider by August 20, 2016, since as of September 1, 2016, CenturyLink will no longer be a service provider for local long distance calling in their exchange area.

The Applicants state that there are approximately 25 alternative local toll providers available to customers in Frontier of the White Mountains service area.

3. Refund of Deposits (A.A.C. R14-2-1107(A)(3))

In the Application, CenturyLink states that it does not hold any customer deposits from the local toll customers it serves in Frontier of the White Mountain's service territory. Thus, this requirement is not applicable in this case.

4. A List of Alternative Providers (A.A.C. R14-2-1107(A)(4))

A.A.C. R14-2-1107(A)(4) requires the Applicant to provide a list of all alternative utilities providing the same or similar service within the affected geographic area. The Customer Notices, mailed on June 6, 2016 and to be mailed out on July 20, 2016, provide a link, <http://www.azcc.gov/divisions/utilities/telecom.asp>, to the Commission's website identifying alternative providers of wireline long distance services. The Customer Notices also advise the Frontier customers to contact either the alternative provider of their choice or Frontier to verify that particular provider offers service in the customer's area.

B. *Request for Waiver of A.A.C. R14-2-1107(B)*

A.A.C. R14-2-1107(B), requires CenturyLink to publish notice of its Application to discontinue or abandon local exchange or interexchange services in all counties affected by the Application. The Applicants request a waiver of the publication requirement. The Applicants indicate that there are a limited number of customers affected, each of whom should have received the June 6, 2016 letter describing the Application. The Applicants state that direct communication is much more effective in notifying the affected customers and more economical than a legal publication in newspapers of general circulation in this instance. Staff believes that a waiver of A.A.C. R14-2-1107(B) is appropriate in this case.

C. Request for Waiver of the Slamming Rules

In addition, the Applicants are requesting a determination that A.A.C. R14-2-1901 et seq., does not apply to this Application, or in the alternative, request a waiver of the Slamming Rules. The Applicants indicate that the affected customers will be afforded the opportunity to select the carrier to replace CenturyLink. The Applicants also note that should the affected customers neglect to make a carrier selection within the prescribed timeframe, the same long distance carrier which the customer has already selected for interLATA/interstate calling will be assigned for local long distance calling. In addition, the Applicants state that the affected customers will be provided a toll-free number to contact Frontier with their carrier selection, and the normal tariffed charge for changing long distance carriers will be waived prior to September 1, 2016.

The Slamming Rules apply to unauthorized changes to a customers' existing telecommunications provider. In this instance the end user's local interexchange carrier is discontinuing service. The initial Customer Notice sent by Frontier apprised affected customers of the need to select a new provider, and if they do not, the default provider will be the carrier that they have selected to handle their interstate calls. Assuming Commission approval is obtained, a second Customer Notice will be mailed on July 20, 2016, which informs customers that the rates and terms of service of the new provider will apply, informs customers that any preferred carrier freeze ("PIC freeze") on the account will be removed for this one change then reinstated, and informs customers that they may subscribe to the telecommunications service provider of their choice. Under these circumstances, Staff believes the Commission's Slamming Rules should be waived with respect to this transaction.

IV. COMPLAINTS AND COMPLIANCE

The Compliance Section of the Utilities Division reports no delinquencies for Frontier and CenturyLink. The Consumer Services Section of the Utilities Division reports receiving one (1) inquiry through June 23, 2016 related to the pending Application. CenturyLink filed its 2015 Utilities Annual Report on April 13, 2016 and Frontier filed its 2015 Utilities Annual Report on April 14, 2016. Both CenturyLink and Frontier are in Good Standing with the Corporations Section of the Commission.

V. STAFF RECOMMENDATIONS

Staff recommends approval of CenturyLink and Frontier's Joint Application authorizing CenturyLink to discontinue the provision of intraLATA interexchange toll service to local exchange service end users of Frontier Communications of the White Mountains in Arizona.

Staff recommends that the Commission approve the Joint Applicants' request for waiver of the publication requirement contained in A.A.C. R14-2-1107. Staff also recommends that the Commission approve the Joint Applicants' request for a waiver of the Slamming Rules contained in A.A.C. R14-2-1901 et seq.

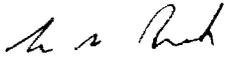
THE COMMISSION

June 28, 2016

Page 6

Staff recommends the Applicants file with Docket Control an affidavit of mailing of the second Customer Notice that will be sent to affected Frontier customers on July 20, 2016.

Staff further recommends the Applicants provide notice to Docket Control within thirty (30) days following completion of the customer disconnect process.



Thomas M. Broderick
Director
Utilities Division

TMB:PJG:red\MAS

ORIGINATOR: Pamela Genung



██████████████████
██████ Mockingbird Lane
Stamford, CT 06901

June 6, 2016

Re: Notice of CenturyLink's Intent to Discontinue Offering Local Long Distance Service for Frontier Communication's Local Service Customers in Arizona

Dear Valued Customer,

On November 17, 2015, Qwest Corporation d/b/a/ CenturyLink QC ("CenturyLink") and Citizens Telecommunication Company of the White Mountains, Inc. d/b/a Frontier Communications of the White Mountains ("Frontier of the White Mountains" (collectively "Applicants")) filed a joint application with the Arizona Corporation Commission ("Commission") for CenturyLink to discontinue IntraLATA ("local") toll service to the local exchange customers of Frontier of the White Mountains. On or about September 1, 2016, or as soon thereafter as regulatory approval can be obtained from the Commission, Centurylink will no longer provide Frontier of the White Mountains local service customers with **local** long distance toll services. This discontinuance does not impact any Frontier Communications services that you are currently receiving.

This discontinuance impacts all of your 1+ dialed local in-state toll calls that originate from your home or business and terminate in Phoenix, Flagstaff, and other Arizona localities. This change does not affect out-of-state calls or calls made to southeastern localities in Arizona. If you choose to have a pre-subscribed local long distance carrier, you will need to transition your service to a new toll provider. In order to do so, you will need to contact Frontier of the White Mountains and choose another local long distance service provider. You may obtain information about alternative providers of wireline long distance services from the Commission's website, at <http://www.azcc.gov/divisions/utilities/telecom.asp>. All of the alternative local long distance providers may not provide service in your area, therefore, you should contact either the alternative provider of your choice or Frontier to verify that particular provider offers service in your area.

Continued on back

You have the right to intervene in the Commission's proceeding, or to make a public comment for the record. If you would like to file written comments, please mail them to:

Arizona Corporation Commission
Attention: Docket Control
RE: Docket Nos. T-01051B-15-0391 and T-03214A-15-0391
1200 West Washington Street, Phoenix, Arizona 85007

For a form to use and instructions on how to email comments to the Commission, go to <http://eservice.azcc.gov/utilities/publiccomment>. You may also make oral comment to the Commission when this matter is considered at an upcoming Open Meeting.

If you desire to intervene in this matter, a request to intervene may be filed in Docket Nos. T-01051B-15-0391 and T-03214A-15-0391 by any person entitled by law to intervene or who is directly and substantially affected by the proceeding. For instructions on how to intervene, go to <http://www.azcc.gov/divisions/utilities/telecom/forms.asp>.

If there is no evidentiary hearing, the Commission Staff will issue a staff report and proposed order with its recommendations on this Application prior to it being considered by the Commission at an upcoming Open Meeting. Please check the Commission's website under Open Meeting Calendar and Agendas for when this matter will be considered. Go to <http://www.azcc.gov/Divisions/Administration/Meetings>.

Please feel free to contact Frontier about this letter, or **to change your local long distance carrier**, at 800-921-8101. If you have any questions about this Application or if you have questions about participating in the Commission proceeding or obtaining wireline long distance services from another carrier, you may also contact the Consumer Services Section of the Commission at 1200 West Washington Street, Phoenix, AZ 85007, or call (602) 542-4251 or (800) 222-7000.

We thank you for your business and look forward to continuing to serve you.

Sincerely,

Frontier Communications

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

BEFORE THE ARIZONA CORPORATION COMMISSION

DOUG LITTLE
Chairman
BOB STUMP
Commissioner
BOB BURNS
Commissioner
TOM FORESE
Commissioner
ANDY TOBIN
Commissioner

IN THE MATTER OF THE JOINT
APPLICATION OF QWEST
CORPORATION DBA CENTURYLINK QC
AND CITIZENS
TELECOMMUNICATIONS COMPANY OF
THE WHITE MOUNTAINS, INC. DBA
FRONTIER COMMUNICATIONS OF THE
WHITE MOUNTAINS FOR
CENTURYLINK TO DISCONTINUE
INTRALATA TOLL SERVICE TO THE
LOCAL EXCHANGE CUSTOMERS OF
FRONTIER COMMUNICATIONS OF THE
WHITE MOUNTAINS.

DOCKET NOS. T-01051B-15-0391
T-03214A-15-0391

DECISION NO. _____

ORDER

Open Meeting
July 12 and 13, 2016
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

I. Introduction

1. On November 17, 2015, Qwest Corporation dba CenturyLink QC (“CenturyLink”) and Citizens Telecommunications of the White Mountains, Inc. dba Frontier Communications of the White Mountains (“Frontier” or “Frontier of the White Mountains”) (collectively “the Applicants”), submitted a Joint Application to the Arizona Corporation Commission (“Commission”) to authorize CenturyLink to discontinue intraLATA (“local”) interexchange toll service to local exchange service end users of Frontier in Arizona. CenturyLink also requests a waiver of the publication requirement

1 contained in Arizona Administrative Code (“A.A.C.”) R14-2-1107(B) and a waiver of A.A.C. R14-2-
2 1901 et seq., the Commission’s Slamming Rules.

3 2. Staff recommends approval of the Joint Application. The Applicant have met the
4 requirements of R14-2-1107(B) and R14-2-1901 et seq. for the reasons discussed below.

5 **II. Background**

6 3. CenturyLink is an incumbent local exchange carrier (“ILEC”) as defined by the
7 Federal Act¹ and A.A.C. R14-2-1302.10. CenturyLink is also a Bell Operating Company as defined by
8 the Federal Act. Frontier is an ILEC as defined in the Federal Act and A.A.C. R14-2-1302.10 and is
9 also a Rural Telephone Company as defined in the Federal Act.

10 4. Before the advent of competition in telecommunications markets, US West
11 (CenturyLink QC’s predecessor company) agreed to provision local toll service in many of the
12 exchanges of the independent Rural Telephone Companies. US West and the independent Local
13 Exchange Carriers (“LECs”) would typically enter into Designated Carrier Agreements under which
14 US West would agree to be the independent LEC’s designated local toll carrier until certain conditions
15 were met including the availability of intraLATA² equal access in the exchange in question. Or in
16 some cases, such as this case, there was no formal agreement between the parties.

17 5. The 1996 Act was enacted in large part to promote competition in all
18 telecommunications markets. To further promote competition in the long distance markets, the
19 Federal Communications Commission and the Commission adopted equal access requirements. Two-
20 PIC equal access allows a customer to choose an authorized telephone company to handle their local
21 toll calls and another company to handle their long-distance toll calls. Together, the 1996 Act and
22

23 ¹ See, the Telecommunications Act of 1934, as amended by the Telecommunications Act of 1996 (“1996 Act”)(collectively
24 the “Federal Act”).

25 ² IntraLATA or “local” toll service refers to calling within a geographic area known as a Local Access and Transport Area
26 (“LATA”). LATAs were formed in 1984 pursuant to a Consent Decree or Modification of Final Judgment (“MFJ”) in
27 United States v. American Telephone and Telegraph, 552 F.Supp.131 (DC 1982). The Consent Decree provided for
28 divestiture by the Bell System of its twenty-two local Bell Operating Companies (“BOCs”). Under the MFJ, the BOCs
handled local exchange and local toll calls, and AT&T, on the other hand, handled interLATA long distance calls which
included all calls outside the local exchange and local toll areas, calls that originate in one LATA and terminate in another
and international calls. The Consent Decree including all orders entered after 1982 in that case were subsequently replaced
by Section 271 and 272 of the Federal Act. In Section 271 of the Federal Act, the Bell Operating Companies, including U S
West Communications, had to meet stringent requirements to ensure a level playing in the local market in order to gain
entry into the interLATA long distance market.

1 equal access requirements allowed for multiple carriers to enter these market to provision and carry
2 these calls.

3 6. As the markets became more competitive, the arrangement whereby CenturyLink
4 would act as a designated or default carrier for Frontier was no longer necessary. The Frontier White
5 Mountains market is the last Rural Telephone Company market in Arizona in which CenturyLink
6 continues to act as the designated local toll provider. In response to Staff data requests, CenturyLink
7 stated that the agreement for US West/Qwest to serve as the designated toll provider for independent
8 company customers was always a voluntary business arrangement between the companies.

9 7. The Applicants state that there are currently three-hundred nine (309) Frontier end
10 users for which CenturyLink is designated as the local long distance provider. CenturyLink also states
11 that the Frontier end users are the only remaining non-CenturyLink local exchange customers in
12 Arizona for whom CenturyLink is designated as the local long distance provider.

13 8. The Applicants have provided notice through a letter to affected local exchange
14 customers of Frontier of the White Mountains. The Applicants have informed customers that on or
15 about September 1, 2016, or as soon thereafter as regulatory approval can be obtained from the
16 Commission, CenturyLink will no longer provide Frontier's local service customers with local long
17 distance toll service.

18 9. The Commission's Consumer Services Section of the Utilities Division reports
19 receiving one (1) inquiry through June 23, 2016 related to the pending Application. The Applicants
20 state that as of June 10, 2016, neither has received any customer opposition in response to the
21 proposed transaction.

22 **III. Staff Analysis**

23 *A. A.A.C. R14-2-1107³*

24 10. Pursuant to A.A.C. R14-2-1107(A), a carrier providing competitive local or
25 interexchange telecommunications service must file an application with the Commission which sets
26 forth the following information:

27 _____
28 ³As noted in the Application, CenturyLink's predecessor US WEST/Qwest exited as the local long distance provider with Arizona independent LECs, Midvale, Copper Valley, and Table Top Telephone Companies, in 2000.

- 1 a. Any reasons for the proposed discontinuance of service or abandonment of
2 service area;
- 3 b. Verification that all affected customers have been notified of the proposed
4 discontinuance or abandonment, and that all affected customers will have
5 access to an alternative local exchange service provider or interexchange
6 service provider;
- 7 c. Where applicable, a plan for the refund of deposits collected pursuant to
8 subsection R14-2-503(B);
- 9 d. A list of all alternative utilities providing the same or similar service within the
10 affected geographic area.

11 11. With regard to R-14-2-1107(A)(1)(reason for the discontinuance), CenturyLink and
12 Frontier offer several reasons in support of the Application. The Applicants state the default
13 designation of CenturyLink for local long distance was once necessary and in the public interest when
14 ~~CenturyLink was the only carrier available to offer local toll service in the independent telephone~~
15 company service areas. Since then independent LECs have established their own interexchange
16 services, and federal and state rules required LECs to offer equal access to customers to select their
17 preferred long distance providers. As a result of these equal access requirements, and the promotion
18 of competition in all telecom markets, many carriers have been certificated to provide interexchange
19 service throughout Arizona. Thus, today customer have many alternatives for local toll service.

20 12. The Applicants also state that CenturyLink's provision of local toll service is
21 accomplished through a switched access arrangement with Frontier which has become less common
22 and requires more manual work to reconcile the access charges, toll charges, billing and collection
23 charges, and cross remittances, for an ever decreasing number of defaulted customers. The
24 Applicants state that they both will experience improved efficiencies by CenturyLink's withdrawal
25 from the market.

26 13. The Joint Applicants also state that in lieu of charging end user customers for the PIC
27 change, CenturyLink has agreed to pay Frontier \$7.50 per customer to cover the costs it will incur for
28

1 customer notification PIC changes, and Customer Service Representative time to receive and process
2 orders.

3 14. With regard to A.A.C. R14-2-1107(A)(2) (notice to customers), the Joint Applicants
4 have provided verification that all affected customers have been notified of the proposed
5 discontinuance of service and that all affected customers will have access to an alternative local toll
6 service provider. On June 10, 2016, Frontier filed an Affidavit with the Commission which included a
7 copy of the preliminary notification letter that Frontier mailed to its local exchange customers affected
8 by the Joint Application. A copy of the initial Customer Notice sent on June 6, 2016, is attached as
9 Exhibit A.

10 15. If the transaction is approved by the Commission, Frontier indicated that a second
11 Customer Notice will be sent out on July 20, 2016 advising customers that they must select another
12 local long distance provider by August 20, 2016, since as of September 1, 2016, CenturyLink will no
13 longer be a service provider for local long distance calling in their exchange area.

14 16. ~~The Applicants state that there are approximately 25 alternative local toll providers~~
15 available to customers in Frontier of the White Mountains service area.

16 17. With respect to the requirements of A.A.C. R14-2-1107(A)(3) (refund of deposits),
17 CenturyLink states in the Application that it does not hold any customer deposits from the intraLATA
18 or local toll customers it serves in Frontier of the White Mountains service territory. Thus, this
19 requirement is not applicable in this case.

20 18. Finally, with regard to the requirements of A.A.C. R14-2-1107(A)(4) (list of alternative
21 providers offering the same or similar service), the customer notices mailed on June 6, 2016 and to be
22 mailed on July 20, 2016, provide a link, <http://www.azcc.gov/divisions/utilities/telecom.asp>, to the
23 Commission's website identifying alternative providers of wireline long distance services. The
24 customer notices also advise Frontier's customers to contact either the alternative provider of their
25 choice or Frontier to verify that particular provider offers service in the customer's area.

26 ...
27 ...
28 ...

1 B. *Request for Waiver of A.A.C. R14-2-1107(B)*

2 19. The Applicants request a waiver of A.A.C. R14-2-1107(B), which requires that a notice
3 of its Application to discontinue or abandon local exchange or interexchange services be published in
4 all counties affected by the Application. The Applicants indicate that there are a limited number of
5 customers affected, each of whom should have received the June 6, 2016, letter describing the
6 Application. The Applicants state that direct communication is much more effective in notifying the
7 affected customers and more economical than a legal publication in newspapers of general circulation.
8 Staff believes that a waiver of A.A.C. R14-2-1107(B) is appropriate in this case.

9 C. *Request for Waiver of the Slamming Rules*

10 20. In addition, the Applicants are requesting a determination that A.A.C. R14-2-1901 et
11 seq., does not apply to this Application, or in the alternative, request a waiver of the Slamming Rules.
12 The Applicants indicate that the affected customers will be afforded the opportunity to select the
13 carrier to replace CenturyLink. The Applicants also note that should the affected customers neglect to
14 ~~make a carrier selection within the prescribed timeframe, the same long distance carrier which the~~
15 customer has already selected for interLATA/interstate calling will be assigned for local long distance
16 calling. In addition, the Applicants state that the affected customers will be provided a toll-free
17 number to contact Frontier with their carrier selection, and the normal tariffed charge for changing
18 long distance carriers will be waived prior to September 1, 2016.

19 21. The Slamming Rules apply to unauthorized changes to a customer's existing
20 telecommunications provider. In this instance, the end-user's local interexchange carrier is
21 discontinuing service. The initial Customer Notice sent by Frontier apprised customers of the need to
22 select a new provider, and if they do not, the default will be the carrier that they have selected to
23 handle their interstate calls. Assuming Commission approval is obtained, a second Customer Notice
24 will be mailed on July 20, 2016, which informs customers that the rates and terms of service of the
25 new provider will apply, informs customers that any preferred carrier freeze ("PIC freeze") on the
26 account will be removed for this one change then reinstated, and informs customers that they may
27 subscribe to the telecommunications service provider of their choice. Under these circumstances,
28 Staff believes the Commission's Slamming Rules should be waived with respect to this transaction.

1 *D. Complaints and Compliance*

2 22. The Compliance Section of the Utilities Division reports no delinquencies for Frontier
3 and CenturyLink. The Consumer Services Section of the Utilities Division reports receiving one (1)
4 inquiry through June 23, 2016 related to the pending Application. CenturyLink filed its 2015 Utilities
5 Annual Report on April 13, 2016 and Frontier filed its 2015 Utilities Annual Report on April 14, 2016.
6 Both CenturyLink and Frontier are in Good Standing with the Corporations Section of the
7 Commission.

8 *E. Staff Recommendations*

9 23. For the above stated reasons, Staff recommends approval of CenturyLink and
10 Frontier's Joint Application authorizing CenturyLink to discontinue intraLATA interexchange toll
11 service (local long distance service) to local exchange service end users of Frontier in Arizona.

12 24. Staff recommends that the publication requirement contained in A.A.C. R14-2-1107 be
13 waived.

14 25. Staff also recommends that the Slamming Rules contained in A.A.C. R14-2-1901 et
15 seq. be waived.

16 26. Staff recommends the Applicants file with Docket Control an affidavit of mailing of
17 the second Customer Notice that will be mailed to the Frontier customers on July 20, 2016.

18 27. Staff further recommends the Applicant provide notice to Docket Control within
19 thirty (30) days following completion of the aforementioned customer disconnect process.

20 CONCLUSIONS OF LAW

21 1. Qwest Corporation dba CenturyLink QC and Citizens Telecommunications of the
22 White Mountains, Inc. dba Frontier Communications of the White Mountains are public service
23 corporations within the meaning of Article XV of the Arizona Constitution.

24 2. The Commission has jurisdiction over Qwest Corporation dba CenturyLink QC and
25 Citizens Telecommunications of the White Mountains, Inc. dba Frontier Communications of the
26 White Mountains and the subject matter in this filing.

27 3. The Commission, having reviewed the filing and Staff's Memorandum dated June 28,
28 2016, concludes that it is in the public interest to approve the Qwest Corporation dba CenturyLink

1 QC and Citizens Telecommunications of the White Mountains, Inc. dba Frontier Communications of
2 the White Mountains Application as proposed and discussed herein; and to grant a waiver of A.A.C.
3 R14-2-1107(B) and A.A.C. R14-2-1901 et seq.

4 ORDER

5 IT IS THEREFORE ORDERED that the Joint Application of Qwest Corporation dba
6 CenturyLink QC and Citizens Telecommunications of the White Mountains, Inc. dba Frontier
7 Communications of the White Mountains for CenturyLink to discontinue intraLATA toll service to
8 the local exchange customers of Frontier Communications of the White Mountains in Arizona is
9 hereby approved.

10 IT IS FURTHER ORDERED that Qwest Corporation dba CenturyLink QC and Citizens
11 Telecommunications of the White Mountains, Inc. dba Frontier Communications of the White
12 Mountains request to waive the publication requirement contained in A.A.C. R14-2-1107 is hereby
13 granted.

14 IT IS FURTHER ORDERED that the Qwest Corporation dba CenturyLink QC and Citizens
15 Telecommunications of the White Mountains, Inc. dba Frontier Communications of the White
16 Mountains request to waive the Slamming Rules contained in A.A.C. R14-2-1901 et seq. is hereby
17 granted.

18 IT IS FURTHER ORDERED that Qwest Corporation dba CenturyLink QC and Citizens
19 Telecommunications of the White Mountains, Inc. dba Frontier Communications of the White
20 Mountains file with Docket Control an affidavit of mailing of the second Customer Notice that will be
21 mailed to the Frontier customers on July 20, 2016.

22 ...
23 ...
24 ...
25 ...
26 ...
27 ...
28 ...

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

IT IS FURTHER ORDERED that Qwest Corporation dba CenturyLink QC and Citizens Telecommunications of the White Mountains, Inc. dba Frontier Communications of the White Mountains shall provide notice to Docket Control within thirty (30) days following completion of the aforementioned customer disconnect process.

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

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION

CHAIRMAN LITTLE

COMMISSIONER STUMP

COMMISSIONER FORESE

COMMISSIONER TOBIN

COMMISSIONER BURNS

IN WITNESS WHEREOF, I, JODI JERICH, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this _____ day of _____, 2016.

JODI JERICH
EXECUTIVE DIRECTOR

DISSENT: _____

DISSENT: _____

TMB:PJG:red\MAS

1 SERVICE LIST FOR: Qwest Corporation dba CenturyLink QC et al.
2 DOCKET NOS. T-01051B-15-0391 et al.

3 Mr. Norman G. Curtright
4 Associate General Counsel
5 Qwest Corporation dba CenturyLink QC
6 20 East Thomas Road, 1st Floor
7 Phoenix, Arizona 85012
8 Norm.Curtright@CenturyLink.com

9 Mr. R. Kirk Lee
10 Manager – Govt. & External Affairs
11 Frontier Communications
12 1800 41st Street, Suite N-100
13 Everett, Washington 98203
14 kirk.lee@ftr.com

15 Mr. Thomas M. Broderick
16 Director, Utilities Division
17 Arizona Corporation Commission
18 1200 West Washington Street
19 Phoenix, Arizona 85007
20 tbroderick@azcc.gov

21 Ms. Janice M. Alward
22 Chief Counsel, Legal Division
23 Arizona Corporation Commission
24 1200 West Washington Street
25 Phoenix, Arizona 85007
26 jalward@azcc.gov

27 Mr. Dwight Nodes
28 Chief Administrative Law Judge
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007
dnodes@azcc.gov

23
24
25
26
27
28

1 SERVICE LIST FOR: Qwest Corporation dba CenturyLink QC et al.
2 DOCKET NOS. T-01051B-15-0391 et al.

3 Mr. Norman G. Curtright
4 Associate General Counsel
5 Qwest Corporation dba CenturyLink QC
6 20 East Thomas Road, 1st Floor
7 Phoenix, Arizona 85012
8 Norm.Curtright@CenturyLink.com

9 Mr. R. Kirk Lee
10 Manager – Govt. & External Affairs
11 Frontier Communications
12 1800 41st Street, Suite N-100
13 Everett, Washington 98203
14 kirk.lee@ftr.com

15 Mr. Thomas M. Broderick
16 Director, Utilities Division
17 Arizona Corporation Commission
18 1200 West Washington Street
19 Phoenix, Arizona 85007
20 tbroderick@azcc.gov

21 Ms. Janice M. Alward
22 Chief Counsel, Legal Division
23 Arizona Corporation Commission
24 1200 West Washington Street
25 Phoenix, Arizona 85007
26 jalward@azcc.gov

27 Mr. Dwight Nodes
28 Chief Administrative Law Judge
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007
dnodes@azcc.gov