BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE INVESTIGATION OF THE COST OF TELECOMMUNICATIONS ACCESS

AT&T Communications of the Mountain States, Inc. and TCG Phoenix (collectively, “AT&T”) hereby respond to the Motion to Consolidate/Motion to Reconsider Indefinite Extension filed by Citizens Communications Company, Inc., Navajo Communications Company, Citizens Telecommunications Company of White Mountains, Inc. d/b/a Frontier Communications of White Mountains and Citizens Utilities Rural Company, Inc. d/b/a Frontier Citizens Utilities Rural (collectively, “Citizens”).

AT&T opposes Citizens’ Motion to consolidate the access proceeding, Docket No. T-00000D-00-0672, with the Universal Service Fund (“USF”) rulemaking proceeding, Docket No. RT-00000H-97-0137. Although Citizens references the correct Arizona Administrative Code section, R14-109.H, and the applicable standard for consolidation (“the issues are substantially the same and that the rights of the parties will not be prejudiced by such procedure”), it does not attempt to make the showing required
by the rule. Citizens simply makes an unsupported assertion that the issues in each
docket are “substantially related”¹ and the rights of the parties will not be prejudiced.

AT&T believes Staff has reasonably described the scope of the access docket for
purposes of evaluating Citizens’ Motion: “[T]he investigation into the cost of
telecommunications access is examining whether the access charges of Arizona ILECs
reflect their costs, and if not, what is the appropriate cost structure in the future.” Staff
Opposition at 1. The USF rulemaking was initiated to conduct the comprehensive 3-year
review required by R14-2-1216.² Citizens has made no showing why these two
proceedings are substantially the same. AT&T believes the two dockets do not raise
issues that are substantially the same. Furthermore, AT&T and other interexchange
carriers may be prejudiced if Commission-ordered access reductions are contingent upon
completion of the review of the USF rules.

Staff suggests that “[t]he only link between the two Dockets is the issue of
whether any access charge reductions brought about by restructuring, should be covered
through the Arizona Universal Service Fund, or other methods such as end user
surcharges or rate revisions.” Staff Opposition at 1-2. Furthermore, “Staff does not
believe that the Dockets need to be consolidated to address this issue.” Id. AT&T agrees
with Staff's second statement. Even assuming for the sake of argument that access

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¹ Since there is no attempt to support the motion with any discussion of the issues in the two dockets,
AT&T cannot determine whether Citizens' use of the phrase “substantially related” is meant to be
equivalent to the requirement in the rule that the issues be “substantially the same.”
² See the notice to Telecommunications Industry Members and Other Interested Parties from Steven M.
Olea, Acting Director, Utilities Division, dated September 20, 2001.
charges are reduced for Citizens, or any other ILEC, in the access proceeding, this
decision does not have any relationship to the USF rules, nor has Citizens shown any.3

AT&T is concerned that consolidation may make the proceeding more complex
than it needs to be. The USF rule can and may ultimately be amended without any access
reductions. Access reductions may be ordered, and no arguments have been made that
the USF rules must be amended to permit any such reductions. AT&T is concerned that
by consolidating unrelated issues, the need to resolve unrelated issues concurrently may
make resolution of issues more difficult.

AT&T respectfully requests that the motion be denied.

Dated this 19th day of August, 2002.

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3 Arizona Administrative Code R14-2-1203 requires a filing under R14-2-103 to obtain USF funding.
However, R14-2-1203 also states that a LEC may use any other method the Commission may prescribe.
Thus, the Commission may permit recovery from the USF without the need to make the filing under R14-
2-103. The Commission currently has considerable flexibility in determining the method it will use to
permit recovery from the USF fund.
CERTIFICATE OF SERVICE
(Docket No. T-00000D-00-0672)

I certify that the original and 10 copies of AT&T’s Response to Citizens’ Motion to Consolidate/Motion to Reconsider Indefinite Extension were sent by overnight delivery on August 20, 2002 to:

Arizona Corporation Commission
Docket Control - Utilities Division
1200 West Washington Street
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and a true and correct copy was sent by overnight delivery on August 20, 2002 to:

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