BEFORE THE ARIZONA CORPORATION COMMISSION

MIKE GLEASON
CHAIRMAN

WILLIAM MUNDuell
COMMISSIONER

JEFF HATCH-MILLER
COMMISSIONER

KRISTIN K. MAYES
COMMISSIONER

GARY PIERCE
COMMISSIONER

IN THE MATTER OF THE REVIEW AND POSSIBLE REVISION OF ARIZONA UNIVERSAL SERVICE FUND RULES, ARTICLE 12 OF THE ARIZONA ADMINISTRATIVE CODE.

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

DOCKET NO. RT-00000H-97-0137

DOCKET NO. T-00000D-00-0672

ARIZONA PAYPHONE ASSOCIATION’S COMMENTS RE MATRIX/LIST OF ISSUES

Pursuant to the Procedural Order entered on August 20th, 2008 in this consolidated proceeding, the Administrative Law Judge ordered the parties to file a matrix or list of issues and procedural recommendations. The Parties to this Docket have worked to submit a list of ten issues to the Administrative Law Judge. If a party’s issue is not encompassed by those itemized issues, then that party will submit that issue as an additional item.
Arizona Payphone Association ("APA") does not take a position on issues 1-10, but reserves the right to do so at a later time. However, APA does want to add the following:

**Issue Number 11:** How will the outcome of the Arizona Universal Service Fund/Access Docket(s) affect payphone providers' rates and operating expense and by extension, how will it affect the economically challenged, the remotely located, the tourist, the run-away, the battered spouse, and those in need who will ultimately be forced to either pay more to make a payphone call or risk losing access to public communications if payphone operators can no longer maintain any profitability due to increased costs and will be forced to remove more public phones?

If this occurs, the State of Arizona may end up being the provider of last resort in order to maintain the availability of public communication for citizens in need and for emergency purposes. Additionally, in 2004, Governor Janet Napolitano created the Governor's Council on 2-1-1 by Executive Order. Arizona citizens will be able to access disaster response and homeland security information through the 2-1-1 system, including assistance locating disaster relief organizations and services, obtaining accurate updates regarding threats and disasters and identifying opportunities to volunteer in their communities by accessing the web and dialing 2-1-1 in Phase II. If in a disaster, public payphones are no longer available because payphone providers cannot afford to maintain them due to increasing costs, then the 2-1-1 system will be a waste of resources as the citizens of Arizona will not be able to call 2-1-1 in an emergency. As a reminder, there were no working cell phones in Manhattan or New Orleans during their disasters.
APA believes that it is important to keep in mind that Arizonans continue to rely on payphones for their public safety and communication needs in certain segments of our communities and in certain locations. Arizonans use payphones to meet their daily communication needs and to overcome poor cell phone coverage in the remote areas of our state.

However, payphones also provide a critical safety net to all Arizonans in times of emergency. Unfortunately, the payphone industry has experienced dramatic declines in recent years and risks further deterioration if payphone providers' rates increase due to these combined dockets.

Any increase in the Subscriber Line Charge/End User Common Line Charge that is to be passed on to payphone providers will increase the cost of maintaining payphones and lessen the availability of payphones to citizens. Local Exchange Carrier access charges to long distance carriers should not be decreased to subsidize the long distance industry. The existing system is a user-pays system and those users that do not make long distance calls should not have to pay extra charges.

APA has a continuing interest in these issues and will continue to maintain that payphones are an important means of communication for the citizens of Arizona.

RESPECTFULLY SUBMITTED this 7TH day of October, 2008.

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