BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS
GARY PIERCE - Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

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.

BY THE COMMISSION:

On October 27, 2011, the Federal Communications Commission ("FCC") adopted its long-anticipated Order addressing the federal Universal Service Fund ("USF") and Intercarrier Compensation ("ICC").

The USF/ICC Order requires local exchange carriers to reduce their intrastate switched access rate elements to parity with their interstate rates by July 1, 2013, with the ultimate goal of reaching bill and keep for price cap carriers in six years, and for rate of return carriers in nine years. The FCC’s Order concludes that a uniform, national framework for the transition of ICC to bill and keep, with an accompanying federal recovery mechanism is the best way to achieve the goal of broadband deployment, facilitating conversion to IP networks and providing certainty and predictability to carriers and investors. The Order provides that states will have a role in overseeing the tariffing of intrastate reductions during the transition period as well as interconnection negotiation and arbitration.

2 Id. at ¶ 801.
3 Id. at ¶ 790.
pursuant to sections 251 and 252 of the Telecommunications Act of the 1996, and will have responsibility for determining the network “edge” for purposes of bill and keep.4

The FCC’s USF/ICC Order, issued after the hearing and briefing in this matter were completed but prior to a Commission Decision, addresses many of the issues raised in these dockets. Consequently, we will convene a Procedural Conference for the purpose of discussing how to proceed with ICC and USF reform in Arizona in light of the FCC’s Order.

IT IS THEREFORE ORDERED that a telephonic Procedural Conference in this matter shall commence on December 16, 2011, at 10:00 am, or as soon thereafter as is practical, at the Commission’s Tucson office, Room 218, 400 West Congress, Tucson, Arizona. Parties may appear telephonically by contacting the Hearing Division at 602 542-4250, by December 14, 2011, to obtain instructions.

IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

DATED this __5th__ day of November, 2011.

JANE L. RODDA
ADMINISTRATIVE LAW JUDGE

Copies of the foregoing mailed this __5__ day of November, 2011 to:

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Id. See also ¶ 803 (states will oversee changes to intrastate access tariffs to ensure that modifications to intrastate tariffs are consistent with the FCC’s Order, and will, for example, help guard against carriers improperly moving costs between or among different rate elements to reap a windfall from reform).
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