

**ISG-Telecom Consultants**

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ARIZONA CORPORATION  
COMMISSION

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Director of Utilities

August 31, 2001

Mr. John Boswick  
CC&N Specialist  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

RE: Staff's Letter of Sufficiency and First Set of Data Requests for GLOBCOM, INC.  
Docket No. T-04016A-01-0379

Dear Mr. Boswick,

As per your letter and data request dated August 20, 2001, enclosed please find the following:

- 1) Answers to questions 1-24 (Original and 10 copies)
- ★ 2) Revised Arizona CC Tariff No. 1 reflecting change from facility based carrier to reseller. (An Original only) Please note: If additional copies are required we will provide. Please call me if this is necessary. **(COPY OF TARIFF AVAILABLE FROM J. BOSWICK)**

In addition I would like to confirm, as per our conversations this week, that GLOBCOM, INC. would like to be certificated as a reseller of long distance and local exchange services ONLY! Please allow this correspondence to officially modify their current pending application.

Respectfully,

Joseph Isaacs  
Regulatory Consultants to GLOBCOM, INC.



Arizona Corporation Commission  
DOCKETED

AUG 31 2001

DOCKETED BY

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Suite 1200  
Palm Harbor, Florida  
34683

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August 30, 2001

RESPONSES TO STAFF'S FIRST SET OF DATA REQUESTS  
TO GLOBCOM, INC. DOCKET NO. T-04016A-01-0379

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BEFORE THE  
ARIZONA CORPORATION COMMISSION

In the Matter of the Application of )  
GLOBCOM, Inc. for a )  
Certificate of Convenience and Necessity to ) Docket No. T-04016A-01-0379  
Provide Intrastate Interexchange Service )  
and Competitive Local Exchange Service )  
Throughout the State of Arizona. )

Applicant desires to only be certified as a reseller of long distance and local exchange services. Applicant **no** longer wishes to be certified as a facility based carrier of either long distance or local exchange services. As a result of this decision the Applicant submits a revised tariff with the issue date of August 31, 2001 to reflect this change.

In order for Staff to continue with its review of this application, the following information must be submitted:

1. For each type of telecommunications services you indicated that you want to provide in Arizona.  
 Resold long distance services (answer items 1 - 14 and items 15 - 18)  
 Resold local exchange services (answer items 1 - 14 and items 19 - 24)  
 Facilities-based long-distance services (answer items 1 - 14 and items 25 - 36)  
 Facilities-based local exchange services, voice and/or data (answer items 1 - 14 and items 37 - 56)

2. Please provide the Web address (if one is available for customer access) of the Applicant.

**RESPONSE:** <http://www.glob-com.com>

3. Please provide the e-mail address of the management contact.

**RESPONSE:** [gkofman@glob-com.com](mailto:gkofman@glob-com.com)

4. Please provide the e-mail address of the Attorney and/or Consultant representing the Applicant.

**RESPONSE:** [Isaacs@isg-telecom.com](mailto:Isaacs@isg-telecom.com) or [brown@isg-telecom.com](mailto:brown@isg-telecom.com)

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5. Please provide the e-mail address of the Company's complaint contact person.

*(Note: You are required to inform the Commission of any changes pertaining to the Applicant, dba name, management contact, Attorney and/or Consultant, or the Company's complaint contact person.)*

**RESPONSE:** [gkofman@glob-com.com](mailto:gkofman@glob-com.com)

6. Please make sure you comply with the following *Note*:

*(Note: According to A.R.S. § 40-282 A., "If an Applicant for a Certificate of Convenience and Necessity is a corporation, a certified copy of its Articles of Incorporation shall be filed in the office of the commission before any Certificate of Convenience and Necessity may issue.")*

**RESPONSE: Previously filed with original application.**

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Per your copy of the proposed tariffs submitted by your Company:

Indicate by reference to page number(s) the proposed rates and charges for each service to be provided.

**Response: Globcom, Inc.'s proposed amended tariff Arizona C.C. Tariff No. 1 describes a variety of competitive local and inter-exchange services to be provided by the Company in Arizona. All service rates appear at Section 11, beginning at Sheet 143:**

| <u>Service<sup>1</sup></u>                           | <u>Sheet(s)</u>                      |
|--|--------------------------------------|
| <b>(Local) Residential Network Switched Services</b> | <b>146</b>                           |
| <b>Measured Rate Residential Service</b>             | <b>146</b>                           |
| <b>Flat Rate Residential Line Service</b>            | <b>146</b>                           |
| <b>Integrated Services Digital Network</b>           | <b>147</b>                           |
| <b>(Local) Business Network Switched Services</b>    | <b>151-166</b>                       |
| <b>Basic Business Line Service</b>                   | <b>151</b>                           |
| <b>PBX Trunk Service</b>                             | <b>152</b>                           |
| <b>Integrated Services Digital Network</b>           | <b>153-156</b>                       |
| <b>Centrex Service</b>                               | <b>157</b>                           |
| <b>Frame Relay</b>                                   | <b>158-165</b>                       |
| <b>Asymmetrical Digital Subscriber Line</b>          | <b>166</b>                           |
| <b>Public Access Line</b>                            | <b>166 (not currently available)</b> |
| <b>Interexchange Toll Service Rates and Charges</b>  | <b>167</b>                           |
| <b>One Plus Service</b>                              | <b>167</b>                           |
| <b>Operator Assisted</b>                             | <b>167</b>                           |
| <b>Directory Assistance</b>                          | <b>167</b>                           |

Indicate by reference to page number(s) the tariff (maximum) rate as well as the price to be charged.

**Response: Rates appearing in Applicant's proposed tariffs are current and maximum rates, as reflected in amended Sheet Nos. 143 (local exchange services) through 167 (interexchange services), inclusive.**

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<sup>1</sup> Excluding non-administrative related or supplemental services.

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Indicate by reference to page number(s) the terms and conditions that will apply to provision of the service(s) by your Company.

**Response: Description of Applicant's proposed service Terms and Conditions appear at the following pages:**

| <u>Service</u>                                       | <u>Sheet(s)</u> |
|--|-----------------|
| <b>General Terms and Conditions</b>                  | <b>22-59</b>    |
| <b>(Local) Residential Network Switched Services</b> | <b>80</b>       |
| <b>Measured Rate Service</b>                         | <b>82-85</b>    |
| <b>Integrated Services Digital Network</b>           | <b>85</b>       |
| <b>Flat Rate Service</b>                             | <b>86-87</b>    |
| <b>(Local) Business Network Switched Services</b>    | <b>88-118</b>   |
| <b>Basic Business Line Service</b>                   | <b>90-93</b>    |
| <b>Public Access Line</b>                            | <b>94</b>       |
| <b>PBX Trunk Service</b>                             | <b>94 -101</b>  |
| <b>Centrex Service</b>                               | <b>102-106</b>  |
| <b>Integrated Services Digital Network</b>           | <b>107-108</b>  |
| <b>Asymmetrical Digital Subscriber Line</b>          | <b>108</b>      |
| <b>Frame Relay</b>                                   | <b>109-118</b>  |
| <b>Interexchange Toll Service Rates and Charges</b>  | <b>119-124</b>  |

*(Note: If no maximum rates are indicated, then the current prices on file will be considered current and maximum rates.)*

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Indicate by reference to page number(s) the deposits, advances, and/or prepayments that will apply to provision of the service(s) by your Company.

*(Note: Price list rate changes that result in rates that are lower than the tariff rate are effective upon concurrent notice to the Commission (see Rule R14-2-1109 (B) (2)). See Rule R14-2-1110 for procedures to make price list changes that result in rates that are higher than the tariff rate.)*

**Response: Applicant may require customer deposits, pursuant to Arizona Administrative Code § R14-2-503 (B). Provisions governing the collection of customer deposits appears at section 2.3.2, Deposits, Sheets 34 – 35 of Applicant's proposed amended tariff, Arizona C.C. No. 1.**

7. Please indicate if your Company has financial statements for the two most recent years.

If "no", explain why and give the date your Company began operations.

**RESPONSE: YES – previously submitted with application**

8. Please provide financial information as Attachment "C".

Provide us with a copy of your Company's balance sheet in Attachment "C".

**RESPONSE: PROVIDED WITH ORIGINAL APPLICATION**

Provide us with a copy of your Company's income statement in Attachment "C".

**RESPONSE: PROVIDED WITH ORIGINAL APPLICATION**

Provide us with a copy of your Company's audit report (if audited) in Attachment "C".

**RESPONSE: APPLICANTS AUDIT REPORT WAS PROVIDED WITH ORIGINAL APPLICATION**

Provide all related notes to these financial statements for the two most recent years that your Company has been in business in Attachment "C".

**RESPONSE: NOT AVAILABLE**

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9. Please provide retained earnings account information on the balance sheet or on a separate sheet in Attachment "C".

**RESPONSE: INCLUDED IN FINANCIAL STATEMENTS FILED WITH ORIGINAL APPLICATION**

10. Please indicate if your customers will be required (or have the option) to pay advances, prepayments, or deposits for any of your products or services.

**Response: Applicant reserves the right to impose deposit obligations, pursuant to Arizona Administrative Code § R14-2-503 (B), if Applicant determines that a customer may impose a credit risk on Applicant. Please see response to question 7, part 4, above. Applicant does not propose to provide prepaid calling card services.**

If "yes", provide an explanation of how and when these customer advances, prepayments, or deposits will be applied or reference the terms and conditions section of your Company's tariffs (by reference to page number(s)) with this explanation. If this information is not explained in the tariff, provide it on a separate sheet.

If "no",

*(Note: Commission considers prepaid calling cards de facto prepayments.)*

If at a later date, your Company decides it wants to offer or require customer advances, prepayments, or deposits, it may be required to submit updated financial statements as part of the tariff amendment process.

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11. Please clarify and indicate by reference to page number(s) in your tariff your Company's deposit policy.

*(Note: Pursuant to A.A.C. R14-2-503 (B), the amount of a deposit required by the utility shall not exceed 2 times that residential customer's estimated average monthly bill or the average monthly bill for the customer class for that customer which ever is greater. Nonresidential customer deposits shall not exceed 2 1/2 times that customer's estimated maximum monthly bill. The term "deposit" refers to all deposits, advance payments, and prepayments.)*

**Response:** Applicant reserves the right to impose deposit obligations, pursuant to Arizona Administrative Code § R14-2-503 (B), if Applicant determines that a customer may impose a credit risk on Applicant. Please see response to question 7, part 4, above. Applicant does not propose to provide prepaid calling card services.

Please also see response to question 7, part 4, above

12. Please submit copies of affidavits of publications that the Company has, as required, published legal notice of the application in all counties where services will be provided. Prior to the issuance of a CC&N, the Applicant is to complete and submit the following:

**RESPONSE: TO BE PROVIDED UPON COMPLETION**

A correspondence letter. Refer to the Sample Correspondence Letter in the Legal Notice Material;

Affidavits of publication form. Refer to the Sample Proof of Publication and an Affidavit of Publication in the Legal Notice Material; and

The actual copy of your Company's published Legal Notice as noted in the Legal Notice Material.

*(Note: Use the Sample Legal Notice For Resold Telecommunications Services to provide resold long distance and/or resold local exchange telecommunications services. Use the Sample Legal Notice For Facilities-Based Telecommunications Services to provide facilities-based and resold local exchange, long distance and access exchange telecommunications services. All material for preparing and filing Legal Notice in the newspapers is available at the end of item number 56.*

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13. Based on the review of the financial information submitted, Staff will determine whether or not the Applicant lacks sufficient financial resources.

**RESPONSE: APPLICANT HAS SUFFICIENT FINANCIAL RESOURCES SO AS STAFF WILL NOT REQUIRE ANY BONDS. APPLICANT'S CASH RESERVES AS OF 12/31/00 WERE IN EXCESS OF \$400,000.**

If Staff determines the Applicant lacks sufficient financial resources, the Applicant must do one of the following:

1. Staff recommends that the Applicant procure a performance bond equal to \$10,000. The minimum bond amount of \$10,000 should be increased if at any time it would be insufficient to cover prepayments or deposits collected from the Applicant's customers. Staff further recommends that proof of the above mentioned performance bond be docketed within 90 days of the effective date of an order in this matter or 30 days prior to the provision of service, whichever ever comes first. If the Applicant is currently providing service, then please docket the performance bond within 71 days of the date of this letter.

*(Note: The minimum bond amount for each type of telecommunication services is as follows: resold long distance \$10,000; resold local exchange \$25,000; facilities-based long distance \$100,000; and facilities-based local exchange, including access service, \$100,000. The amount of performance bond for multiple services is an aggregate of the minimum bond amount for each type of telecommunications services requested by the Applicant.)*

**OR**

2. The Applicant must file a letter stating that it does not currently, and will not in the future, charge its customers for any prepayments, advances, or deposits. If the Applicant is currently collecting prepayments, advances, or deposits, the Applicant must refund those charges to customers to avoid maintaining the above mentioned performance bond. If in the future, the Applicant desires to charge prepayments, advances, or deposits, it must file information with the Commission that demonstrates the Applicant's financial viability. Staff will review the information and forward its recommendation to the Commission for a Decision.

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14. Please indicate the resold long distance telecommunications services you applied for in each state.

**RESPONSE: APPLICANT HAS APPLIED FOR ALL INTERLATA INTRASTATE LONG DISTANCE SERVICE IN FLORIDA, NEW YORK, ILLINOIS AND CALIFORNIA.**

15. Please list the states in which you currently offer resold long distance telecommunications services similar to those intend to resell in Arizona.

**RESPONSE: NONE – APPLICANT IS APPROVED IN FLORIDA, NEW YORK AND ILLINOIS FOR LONG DISTANCE SERVICE BUT HAS NOT IMPLEMENTED PROGRAMS YET.**

16. Please list the companies with which you have signed resale agreements for long distance service, along with the states in which they were approved.

**RESPONSE: CURRENTLY APPLICANT HAS RESELL AGREEMENTS IN NEW YORK WITH VERIZON, IN FLORIDA WITH BELLSOUTH AS WELL AS A NATIONAL CONTRACT WITH WORLDCOM.**

17. Please provide us with a copy of the resale agreement or contract between your Company and the applicable local exchange service provider. All applications for resold long distance telecommunications services must include a resale agreement or contract as Attachment "F".

**RESPONSE: CURRENTLY APPLICANT DOES NOT HAVE A FULLY EXECUTED RESELL OR INTERCONNECTION AGREEMENT IN ARIZONA WITH QWEST. IT HAS BEEN REQUESTED AND UPON COMPLETION, APPLICANT WILL FILE WITH THE COMMISSION FOR APPROVAL.**

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18. Please indicate if your Company is currently reselling local exchange telecommunications services in Arizona.

**RESPONSE: CURRENTLY APPLICANT IS NOT RESELLING LOCAL EXCHANGE SERVICE IN ARIZONA.**

If "yes", please provide the date or approximate date you began reselling local exchange telecommunications services in Arizona.

Identify the types of local exchange telecommunications services you resell.

Identify whether operator services are provided or resold.

Identify whether operator services are provided or resold to traffic aggregators (as defined in A.A.C. Rule R14-2-1001 (3)).

*(Note: Commission rule requires that a separate CC&N, issued under Article 10, be obtained in order to provide operator services to traffic aggregators.)*

Identify the number of customers in Arizona for each type of resold local exchange telecommunications service.

Identify the total number of local exchange intrastate minutes resold in the latest 12-month period for which data is available.

If "no", please indicate the date when your Company plans to begin reselling local exchange telecommunications services in Arizona.

19. Please indicate the resold local exchange telecommunications services you applied for in each state.

**RESPONSE: APPLICANT HAS APPLIED FOR ALL DATA AND VOICE LOCAL EXCHANGE SERVICES IN ILLINOIS (APPLICATION PENDING), AND NEW YORK (APPLICATION APPROVED).**

20. Please list the states in which you currently offer resold local exchange telecommunications services similar to those you intend to resell in Arizona.

**RESPONSE: NONE - CURRENTLY APPLICANT HAS NOT IMPLEMENTED ITS RESALE OF LOCAL EXCHANGE SERVICES IN ANY STATES WHERE APPLICATIONS ARE APPROVED BUT ANTICIPATES TO DO SO BY END OF 2001.**

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21. Please indicate if your Company is a switchless reseller of local exchange telecommunications services

**RESPONSE: YES, APPLICATION IS CERTIFIED AS A SWITCHLESS RESELLER OF LOCAL EXCHANGE SERVICE IN NEW YORK AND FLORIDA.**

If "yes", provide the name of the company or companies whose local exchange telecommunications services you resell.

If "no" include Attachment "E".

*(Note: Attachment "E" needs to provide the following information:  
A diagram of the Applicant's basic call network used to complete Arizona intrastate resold local exchange telecommunications traffic. This diagram should show how a typical call is routed in both its originating and terminating ends (i.e. show the access network and call completion network). Also, include on the diagram the carrier(s) used for each major network component and indicate if the carrier is facilities-based or not. If the carrier is not facilities-based indicate who owns the facilities (within the State of Arizona) that are used to originate and terminate the Applicant's intrastate resold local exchange telecommunications traffic (i.e. provide a list of the Arizona facilities-based long distance carriers whose facilities are used to complete the Applicant's intrastate traffic.)*

22. Please list the companies with which you have signed resale agreements for local exchange, along with the states in which they were approved.

**RESPONSE: APPLICANT CURRENTLY HAS RESELL AGREEMENTS FOR LOCAL EXCHANGE SERVICES WITH BELLSOUTH IN FLORIDA AND VERIZON IN NEW YORK WHICH HAVE BEEN APPROVED BY THOSE STATE COMMISSIONS.**

23. Please provide us with a copy of the resale agreement or contract between your Company and the applicable local exchange service provider. All applications for resold local exchange telecommunications services must include a resale agreement or contract as Attachment "F".

**RESPONSE: CURRENTLY APPLICANT DOES NOT HAVE AGREEMENTS IN PLACE IN ARIZONA. APPLICANT HAS REQUESTED A RESELL AGREEMENT WITH QWEST FOR THE STATE OF ARIZONA.**

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24. Please indicate if your Company is currently selling facilities-based long distance telecommunications services in Arizona. This item applies to Applicant requesting a geographic expansion of their CC&N.

**RESPONSE: NO.**

If "yes", please provide the date or approximate date you began selling facilities-based long distance telecommunications services in Arizona.

Identify the types of facilities-based long distance telecommunications services you sell.

Identify whether operator services are provided or sold.

Identify whether operator services are provided or sold to traffic aggregators (as defined in A.A.C. Rule R14-2-1001 (3)).

*(Note: Commission rule requires that a separate CC&N, issued under Article 10, be obtained in order to provide operator services to traffic aggregators.)*

Identify the number of customers in Arizona for each type of facilities-based long distance telecommunications service.

Identify the total number of facilities-based long distance intrastate minutes sold in the latest 12-month period for which data is available.

If "no", please indicate the date when your Company plans to begin selling facilities-based long distance telecommunications services in Arizona.