

ORIGINAL

# NEW APPLICATION



0000088207



## NAVIGATOR TELECOMMUNICATIONS, LLC.

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AZ CORP COMMISSION  
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Arizona Corporation Commission

### DOCKETED

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August 26, 2008

Arizona Corporation Commission  
Docket Control  
1200 West Washington Street  
Phoenix, Arizona 85007

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T-20398A - 08 - \_\_\_\_\_

T-20398A-08-0463

Re: Request for change in bond requirement and for extension of time

Dear Commissioners:

Navigator Telecommunications, LLC. ("Navigator") was granted a Certificate of Convenience and Necessity for authority to provide resold local exchange, facilities based local exchange and access telecommunications services in Arizona by the Commission in Docket No. T-20398A-06-0346, Decision No. 69884. As a condition of the granting of that Certificate, Navigator was required to procure a performance bond or irrevocable sight draft letter of credit in the total aggregate amount of \$125,000, the stated purpose of which was to protect Navigator's local exchange customers. To date, Navigator has not procured that bond or letter of credit and has thus not yet begun offering local exchange and access services in Arizona.

Subsequent to the issuance of the Commission's Decision, Navigator entered into an agreement in with Access Integrated Networks, Inc. d/b/a Birch Communications ("AIN") whereby Navigator is transferring its existing residential and business local and long distance customer lines in service, in 23 of the states in Navigator's current operating territory, to AIN. (The Section 214 application was filed with the Federal Communications Commission on July 28, 2008, with a streamlined pleading cycle established by Public Notice released August 14, 2008, DA 08-1910).

As a result, Navigator is restructuring its business in those states, retaining the local exchange lines that Navigator currently provides to Customer Owned Pay Telephone (COPT) providers, and focusing its efforts on serving and expanding that market segment. This change in Navigator's business plan also affects its prospective service offerings in Arizona, where Navigator would not pursue residential and business customers as reflected in its application and the Commission's Decision, but would focus on providing local exchange services to COPT and payphone service providers as Navigator's primary customers.

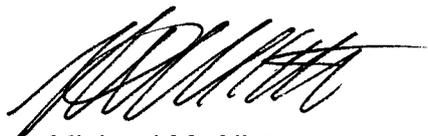
While the amount of the bond/letter of credit requirement was already so formidable as to inhibit Navigator's ability to readily enter into the residential and business markets in

Arizona, in light of Navigator's restructuring of its service offerings the amount of the bond/letter of credit will effectively prohibit Navigator from being able to offer services to COPT providers in Arizona. After conversation with Commission Staff, who have been made aware of this concern, Navigator comes now to respectfully request that the Commission reconsider the amount of the bond/letter of credit requirement due to this recent change of circumstances. The bond is no longer necessary to protect residential consumers, as Navigator's customers will be COPT providers. Navigator would suggest that a more appropriate bond amount might be based on the amount of one month's average monthly recurring charges that a payphone provider would be billed, multiplied by an estimated number of proposed lines in service for the first year of operations. This would provide protection should issues arise regarding continuation of service. Also, the amount of the bond/letter of credit could be revisited to provide for any necessary increases based on line growth.

At the same time that Navigator requests a change in the amount of the bond/letter of credit, Navigator would also request an extension of time necessary to allow the Commission to consider this request and allow Navigator to timely comply with the Decision requiring the procurement of the bond and the initiation of services in Arizona, which was to be within 365 days of the effective date of Decision No. 69884, docketed on August 28, 2007.

Again, Commission Staff has been made aware of this issue and informed that Navigator would request a change in the amount of the bond/letter of credit and a requisite extension necessary for the consideration of this request. Pursuant to Staff's suggestion, Navigator requests that this matter be assigned a new Docket Number. An original and thirteen (13) copies of this request are enclosed. Please contact me directly should you require any additional information or have any questions or concerns. Thank you for your consideration of this matter.

Respectfully submitted,



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