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MEMORANDUM

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Arizona Corporation Commission

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UTILITIES DIVISION
DOCKET CONTROL

TO: Docket Control

FROM: Steven M. Olea
Director
Utilities Division

DOCKETED BY *[Signature]*

DATE: Aug 12, 2010

RE: IN THE MATTER OF THE APPLICATION OF BANDWIDTH.COM CLEC, LLC FOR APPROVAL TO CANCEL THEIR CERTIFICATE OF CONVENIENCE AND NECESSITY FOR COMPETITIVE RESOLD LOCAL EXCHANGE AND FACILITIES-BASED LONG DISTANCE TELECOMMUNICATIONS SERVICES. (DOCKET NO. T-20562A-10-0221)

Attached is the Staff Report for the above referenced application. The Applicant is voluntarily relinquishing its authority and requesting to cancel its Certificate of Convenience and Necessity ("CC&N") to provide the following services:

- Facilities-based Long Distance Telecommunications Services
- Resold Local Exchange Telecommunications Services

The Applicant will be retaining its CC&N to provide resold long distance and facilities-based local exchange telecommunications services.

Staff recommends cancellation of the requested CC&N authority.

SMO:LLM:kdh

Originator: Lori L. Morrison

Attachment: Original and Thirteen Copies

SERVICE LIST FOR: BANDWIDTH.COM CLEC, LLC
DOCKET NO.: T-20562A-10-0221

Ms. Sharon Thomas
Consultant to Bandwidth.com CLEC, LLC
Technologies Management, Inc.
2600 Maitland Center Parkway, Suite 300
Maitland, Florida 32751

STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

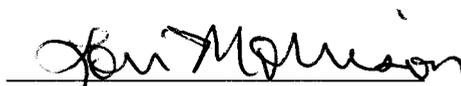
BANDWIDTH.COM CLEC, LLC
DOCKET NO. T-20562A-10-0221

IN THE MATTER OF THE APPLICATION OF BANDWIDTH.COM CLEC, LLC FOR
APPROVAL TO CANCEL THEIR CERTIFICATE OF CONVENIENCE AND NECESSITY
FOR COMPETITIVE RESOLD LOCAL EXCHANGE AND FACILITIES-BASED LONG
DISTANCE TELECOMMUNICATIONS SERVICES

AUGUST 12, 2010

STAFF ACKNOWLEDGEMENT

The Staff Report for the application of Bandwidth.com CLEC, LLC, Docket No. T-20562A-10-0221, for approval to cancel its Certificate of Convenience and Necessity for facilities-based long distance and resold local exchange telecommunications services was the responsibility of the staff member listed below. Lori Morrison was responsible for the review and analysis of the application.

A handwritten signature in black ink, appearing to read "Lori Morrison", is written over a horizontal line.

Lori Morrison
Utilities Consultant

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION.....	1
BACKGROUND.....	1
STAFF'S ANALYSIS.....	1
RECOMMENDATION	1

INTRODUCTION

On June 4, 2010, Bandwidth.com CLEC, LLC (“BCL” or “Company”) submitted a request to voluntarily relinquish its Certificate of Convenience and Necessity (“CC&N”) to provide facilities-based long distance and resold local exchange telecommunications service within the State of Arizona. BCL will retain its CC&N authority to provide resold long distance and facilities-based local exchange telecommunications services. Additionally, BCL requests that its obligation to maintain a performance bond or irrevocable sight draft letter of credit (“ISDLC”) in the amount of \$225,000 be reduced by \$125,000 to reflect the relinquishment of its facilities-based long distance authority (\$100,000) and resold local exchange authority (\$25,000). The Company would continue to maintain a \$100,000 performance bond or ISDLC associated with its facilities-based local exchange service authority.

BACKGROUND

On June 5, 2009, in Decision No. 71117, the Commission granted BCL a CC&N to provide resold local and resold long distance and facilities-based local and facilities-based long distance telecommunications services within the State of Arizona. On July 6, 2009, BCL filed an ISDLC in the amount of \$225,000 with the Commission’s Business Office.

STAFF’S ANALYSIS

In its June 4, 2010 request to voluntarily relinquish two of its CC&Ns, BCL stated that no customers in Arizona would be affected by the voluntary relinquishment. On July 21, 2010, in response to Staff’s First Set of Data Requests STF 1.1(c), BCL stated that no customers were affected because BCL currently has no local or long distance customers served under the authorities of local resale and facilities-based long distance. The Company also states in its request that since no customers in Arizona are affected by its request, notice is not necessary. In response to Staff Data Request (STF 1.1(e)), regarding the notice requirements in Arizona Administrative Code (“A.A.C.”) R14-2-1107(A)(2), BCL states it believes that it is in full compliance with the rule because the rule only requires legal notice to be filed in affected counties and there are no such counties. BCL goes on to state that to the extent that a waiver of publishing notice requirement is necessary, it requests a waiver of that requirement.

The Consumer Services Section of the Utilities Division reports that there have been zero (0) complaints, inquiries, or opinions about BCL. According to the Corporation Division, BCL is in good standing. The Compliance Section reports that there are no current compliance delinquencies for BCL.

RECOMMENDATION

BCL is not currently providing telecommunications services under its authority to provide resold local or facilities-based long distance to any telecommunications customers in Arizona. As such, Staff recommends approval of BCL’s request that the published notice

requirements of A.A.C. R14-2-1107(A)(2) be waived. Staff recommends that BCL's CC&N authority to provide resold local and facilities-based long distance telecommunications services be cancelled. Furthermore, Staff recommends BCL's minimum performance bond or ISDLC be reduced from \$225,000 to \$100,000. In addition, Staff recommends that the cancellation not become effective until a decision is issued by the Commission authorizing such cancellation. Upon cancellation of part of its CC&N, BCL will no longer be authorized to provide resold local or facilities-based long distance telecommunications services in Arizona.