

ORIGINAL



MEMORANDUM

Arizona Corporation Commission

DOCKETED

TO: Docket Control

FROM: Steven M. Olea
Director
Utilities Division

2013 MAR 25 P 12: 39

MAR 25 2013

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

DOCKETED BY [Signature]

DATE: March 25, 2013

RE: **STAFF RESPONSE TO FEBRUARY 11, 2013, PROCEDURAL ORDER - IN THE MATTER OF THE APPLICATION OF LEAP FROG TELECOM, L.L.C. DBA VOCE TELECOM FOR APPROVAL OF A CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE RESOLD LONG DISTANCE AND LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES (DOCKET NO. T-20584A-10-0319)**

On February 11, 2013, the Administrative Law Judge issued a Procedural Order which ordered Leap Frog Telecom, LLC dba Voce Telecom ("Leap Frog") to file, no later than March 11, 2013, a response to the Staff Report, filed November 30, 2012 in this matter. Staff recommended denial of the application. Staff was ordered to file a reply to the Applicant's response no later than April 2, 2013.

On February 11, 2013, Leap Frog filed its response to the November 30, 2012 Staff Report. In its response, Leap Frog proposed the following additional conditions in order to address Staff's concerns:

1. **Bond.** Leap Frog proposes, in addition to the performance bond or Irrevocable Sight Draft Letter of Credit ("ISDLC") in the amount of \$35,000 as recommended by Staff, to obtain an additional bond or ISDLC in the amount of \$65,000. The \$65,000 additional bond or ISDLC would be filed at the same place, time and manner as the \$35,000 bond or ISDLC, and would remain in effect for a minimum period of three years from and after the date the bond is filed or until further order of the Commission, whichever is longer. Thus, until further order of the Commission, the total bond amount would be \$100,000.
2. **ACC Compliance Officer.** Leap Frog proposes to designate an "Arizona Corporation Commission ("ACC") Compliance Officer" to be responsible for ensuring Leap Frog is in compliance with all ACC rules and orders, and all laws administered by the Commission. The ACC Compliance Officer will be responsible for all reports submitted by Leap Frog to the Commission and will be available to meet with the Commission Staff or any Commissioner upon request. The ACC Compliance Officer must be a Vice President or higher level officer with Leap Frog. Leap Frog will file a notice naming its initial ACC Compliance Officer in this docket

within 30 days of a decision in this docket. In addition, Leap Frog will file notice in the docket if a new ACC Compliance Office is named.

3. **Quarterly Reports.** Leap Frog proposes, for the minimum three year period immediately following the Commission's decision in this matter or until further order of the Commission, whichever is longer, to file a quarterly report in this docket attesting that it is in compliance with all ACC rules and orders, and all laws administered by the Commission, or listing each and every violation known to Leap Frog. The report must be signed, under penalty of perjury, by Leap Frog's designated ACC Compliance Officer.
4. **Compliance Program.** Leap Frog proposes to file in this docket, within 30 days of a decision in this docket, a signed statement by its ACC Compliance Officer that it has instituted a formal compliance program that includes the following elements: (A) training for the ACC Compliance Officer on Commission requirements; (B) procedures to report any compliance concerns to the ACC Compliance Officer; and (C) a system for noting the due date of all reports and other regulatory requirements of the Commission, together with internal due dates and reminders to ensure timely compliance.

Staff has reviewed the response filed by Leap Frog and the proposed additional conditions to address concerns expressed in the Staff Report. Based on these proposed additional conditions, Staff has reconsidered its original recommendation of denial of the Application and now recommends approval of the Application subject to the conditions contained in the Staff Report and the additional conditions proposed above by Leap Frog.

SMO:LLM:red/BES

Originator: Lori Morrison

SERVICE LIST FOR: Leap Frog Telecom, Inc. dba Voce Telecom
DOCKET NO. T-20584A-10-0319

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