

OPEN MEETING



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ORIGINAL

MEMORANDUM

TO: THE COMMISSION

Arizona Corporation Commission

DOCKETED

FROM: Utilities Division

FEB 14 2014

DATE: February 14, 2014

DOCKETED BY

RECEIVED

2014 FEB 14 P 12:34

AZ CORP COMMISSION
DOCKET CONTROL

RE: IN THE MATTER OF THE APPLICATION OF BROADVOX-CLEC, LLC FOR AN ORDER RESCINDING ITS BOND REQUIREMENT (DOCKET NO. T-2066A-13-0354)

Introduction

On October 1, 2013, Broadvox-CLEC, LLC ("Broadvox" or "Applicant") submitted an Application requesting an order rescinding the \$135,000 performance bond or irrevocable sight draft letter of credit ("ISDLOC") requirement contained in Decision No. 72061 (January 6, 2011) and the return of the bond to Broadvox. In its Application, the Applicant states it specializes in wholesale termination and origination services, value-added services and IP (internet protocol) local voice services to other service providers and does not provide services directly to end users. Broadvox's tariffs indicate it does not collect deposits, advance payments and prepayments from its customers.

In addition, Broadvox's application states that its bond on file with the Business Office expired on September 30, 2013.

Background

On January 6, 2011, in Decision No. 72061, the Commission granted Broadvox a CC&N to provide resold long distance and resold and facilities-based local exchange telecommunications services within the State of Arizona, provided Broadvox complies with conditions outlined in the Decision.

Broadvox's Application

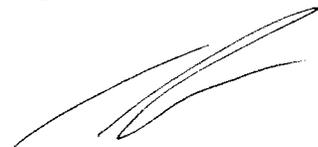
In its Application to eliminate the performance bond or ISDLOC requirement, Broadvox cites Arizona Administrative Code ("A.A.C.") R14-2-1105(d), which states that "[i]n appropriate circumstances, the Commission may require, as a precondition to certification, the procurement of a performance bond sufficient to cover any advances or deposits the telecommunications company may collect from its customers, or order that such advances or deposits be held in escrow or trust." Broadvox reiterates that it only services carrier customers, not end users, and does not require such customers to place any deposits or advances and thus believes a bond should no longer be required.

Complaints and Compliance

The Consumer Services Section of the Utilities Division reports that there have been zero (0) complaints, inquiries, or opinions about Broadvox-CLEC, LLC. According to the Corporation Division, Broadvox is in good standing. The Compliance Section reports that Broadvox is currently out of compliance with Decision No. 72061 due to its performance bond having expired on September 30, 2013 and no replacement has been received from Broadvox. Broadvox should be put on notice that any future events of non-compliance of Commission requirements may result in the Commission initiating action against Broadvox.

Staff Recommendation

The Commission has recently, in appropriate circumstances, been relieving telecommunications providers of the obligation of a bond requirement. Staff recommends that Broadvox-CLEC, LLC be relieved of the \$135,000 performance bond or irrevocable sight draft Letter of Credit ("ISDLOC") obligation approved in Decision No. 72061. In addition, Broadvox should be put on notice that any future events of non-compliance of Commission requirements may result in the Commission initiating action against Broadvox.



Steven M. Olea
Director
Utilities Division

SMO:LLM:sms\CHH

ORIGINATOR: Lori L. Morrison

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BEFORE THE ARIZONA CORPORATION COMMISSION

- BOB STUMP
Chairman
- GARY PIERCE
Commissioner
- BRENDA BURNS
Commissioner
- BOB BURNS
Commissioner
- SUSAN BITTER SMITH
Commissioner

IN THE MATTER OF THE APPLICATION)
 OF BROADVOX-CLEC, LLC FOR AN)
 ORDER RESCINDING ITS BOND)
 REQUIREMENT.)

DOCKET NO. T-20666A-13-0354
 DECISION NO. _____
ORDER

Open Meeting
 March 11 and 12, 2014
 Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. On October 1, 2013, Broadvox-CLEC, LLC ("Broadvox" or "Applicant") submitted an Application requesting an order rescinding the \$135,000 performance bond or irrevocable sight draft letter of credit ("ISDLOC") requirement contained in Decision No. 72061 (January 6, 2011) and the return of the bond to Broadvox.
2. In its Application, the Applicant states it specializes in wholesale termination and origination services, value added services and IP (internet protocol) local voice services to other service providers and does not provide services directly to end users. Broadvox's tariffs indicate it does not collect deposits, advance payments and prepayments from its customers.
3. In addition, Broadvox's application states that its bond on file with the Business Office expired on September 30, 2013.
- ...

1 Background

2 4. On January 6, 2011, in Decision No. 72061, the Commission granted Broadvox a
3 CC&N to provide resold long distance and resold and facilities-based local exchange
4 telecommunications services within the State of Arizona, provided Broadvox complies with
5 conditions outlined in the Decision.

6 Broadvox's Application

7 5. In its Application to eliminate the performance bond or ISDLOC requirement,
8 Broadvox cites Arizona Administrative Code ("A.A.C.") R14-2-1105(d), which states that "[i]n
9 appropriate circumstances, the Commission may require, as a precondition to certification, the
10 procurement of a performance bond sufficient to cover any advances or deposits the
11 telecommunications company may collect from its customers, or order that such advances or
12 deposits be held in escrow or trust." Broadvox reiterates that it only services carrier customers, not
13 end users, and does not require such customers to place any deposits or advances and thus believes
14 a bond should no longer be required.

15 Complaints and Compliance

16 6. The Consumer Services Section of the Utilities Division reports that there have been
17 zero (0) complaints, inquiries, or opinions about Broadvox-CLEC, LLC. According to the
18 Corporation Division, Broadvox is in good standing. The Compliance Section reports that
19 Broadvox is currently out of compliance with Decision No. 72061 due to its performance bond
20 having expired on September 30, 2013 and no replacement has been received from Broadvox.
21 Broadvox should be put on notice that any future events of non-compliance of Commission
22 requirements may result in the Commission initiating action against Broadvox.

23 Staff Recommendation

24 7. The Commission has, in appropriate circumstances, recently been relieving
25 telecommunications providers of the obligation of a bond requirement. Staff recommends that
26 Broadvox-CLEC, LLC be relieved of the \$135,000 performance bond or irrevocable sight draft
27 Letter of Credit ("ISDLC") obligation approved in Decision No. 72061. In addition, Broadvox

28 ...

1 should be put on notice that any future events of non-compliance of Commission requirements
2 may result in the Commission initiating action against Broadvox.

3 CONCLUSIONS OF LAW

4 1. Broadvox-CLEC, L.L.C. is a public service corporation within the meaning of
5 Article XV of the Arizona Constitution.

6 2. The Commission has jurisdiction over Broadvox-CLEC, L.L.C. and the subject
7 matter in this filing.

8 3. The Commission, having reviewed the filing and Staff's Memorandum dated
9 February 14, 2014, concludes that it is in the public interest to approve the Broadvox-CLEC,
10 L.L.C.'s Application as proposed and discussed herein.

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ORDER

IT IS THEREFORE ORDERED that the Application of Broadvox-CLEC, L.L.C. to rescind the \$135,000 performance bond or irrevocable sight draft letter of credit requirement contained in Decision No. 72061 be and hereby is approved.

IT IS FURTHER ORDERED that Broadvox-CLEC, L.L.C. is hereby put on notice that any future events of non-compliance of Commission requirements may result in the Commission initiating action against Broadvox-CLEC, L.L.C..

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION

CHAIRMAN

COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, JODI JERICH, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this _____ day of _____, 2014.

JODI JERICH
EXECUTIVE DIRECTOR

DISSENT: _____

DISSENT: _____

SMO:LLM:sms\CHH

1 SERVICE LIST FOR: Broadvox-CLEC, L.L.C.
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7 Phoenix, Arizona 85004

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9 Director, Utilities Division
10 Arizona Corporation Commission
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13 Ms. Janice M. Alward
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