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NEW APPLICATION



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BEFORE THE ARIZONA CORPORATION COMMISSION

- Bob Stump,  
Chairman
- Gary Pierce,  
Commissioner
- Brenda Burns,  
Commissioner
- Susan Bitter Smith,  
Commissioner
- Bob Burns,  
Commissioner

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2014 FEB 25 P 4: 53  
AZ CORP COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission  
**DOCKETED**  
FEB 25 2014

DOCKETED BY	<i>MR</i>
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IN THE MATTER OF THE JOINT ) DOCKET NOS. T-03142A-14-0060  
 APPLICATION OF BUSINESS DISCOUNT ) T-20740A-14-0060  
 PLAN, INC. AND CENTRAL TELECOM )  
 LONG DISTANCE, INC. FOR APPROVAL )  
 OF THE TRANSFER OF CUSTOMER BASE )

JOINT APPLICATION FOR APPROVAL OF THE TRANSFER OF CUSTOMER BASE

Business Discount Plan, Inc. ("BDP") and Central Telecom Long Distance, Inc. ("Central Telecom") (jointly the "Applicants"), by their undersigned representatives and pursuant to A.R.S. § 40-285(A) and R14-2-1107 of the Arizona Administrative Code, respectfully request Arizona Corporation Commission ("Commission") approval, to the extent required, for BDP to acquire the Arizona customers, including the customer contracts, of Central Telecom, through a mutually negotiated customer base acquisition (the "Transaction"). As a result of the Transaction, Central Telecom's customers will be transferred to BDP, which will become the interexchange service provider for those customers. As described below, the Transaction will be virtually transparent to customers of Central Telecom in terms of the services that those customers receive and the rates and terms of those services currently provided by Central Telecom. As BDP customers, former Central Telecom customers will maintain the same service rates and terms, and will have access to the same general customer service, technical, and operational support they have had as Central Telecom customers. Following approval of the Transaction, Central Telecom will maintain its

LEWIS ROCA  
ROTHGERBER

1 current operating authority and continue to assume attendant regulatory obligations in order to  
2 redirect its telecommunications market focus in the State.

3 In support of this filing, Applicants provide the following information:

4 **I. INTRODUCTION AND REQUEST FOR EXPEDITED TREATMENT**

5 On January 30, 2014, BDP and Central Telecom entered into a customer base acquisition  
6 agreement whereby Central Telecom agreed to sell, and BDP agreed to acquire, Central Telecom's  
7 commercial and residential intraLATA and interLATA interexchange customers located in  
8 Arizona and other jurisdictions served by Applicants (the "Agreement"). Under the terms of the  
9 Agreement, BDP will begin providing current Central Telecom customers the same services at the  
10 same rates, terms and conditions provided by Central Telecom, effective on or about March 5,  
11 2014, following regulatory approvals, where required.

12 Central Telecom has made an affirmative business decision to redirect its market focus and  
13 to sell its existing customer base in order to concentrate its efforts on a different segment of the  
14 telecommunications market in Arizona and throughout the U.S. To that end, Central Telecom will  
15 maintain its current operating authority and continue to comply with attendant regulatory  
16 obligations following the transfer of its customers to BDP.

17 Central Telecom will assign to BDP those customers for which applicable state  
18 governmental approvals are required and have been obtained under the terms of the Agreement in  
19 order to complete the Transaction. Applicants submit that the public interest would be served by  
20 the prompt transition of the business to BDP as quickly as possible, and therefore urge that the  
21 Commission promptly approve the Application to permit the transfer of the Arizona customers at  
22 the earliest possible time.

23 **II. DESCRIPTION OF THE APPLICANTS**

24 **A. Business Discount Plan, Inc.**

25 BDP is a privately-held corporation organized under the laws of the State of California on  
26 August 18, 1992, with principal offices located at One World Trade Center, Suite 800, Long

1 Beach, CA 90831. BDP is a long-standing provider of non-facilities-based resold interLATA and  
2 intraLATA interexchange telecommunications services to commercial and residential customers in  
3 Arizona and throughout the U.S. BDP was granted authority to provide interexchange  
4 telecommunications services in Arizona on May 1, 2001 in Docket No. T-03142A-96-0201. The  
5 Company is authorized by the Federal Communications Commission ("FCC") to provide interstate  
6 and international telecommunications services. BDP is in current compliance with its applicable  
7 regulatory obligations in Arizona and in the other jurisdictions in which it operates.

8 **B. Central Telecom, Inc.**

9 Central Telecom is a privately-held corporation organized under the laws of the State of  
10 Colorado on December 21, 2007 with principal offices located at 102 South Tejon Street, 11th  
11 Floor, Colorado Springs, CO 80903. Central Telecom is also a provider of non-facilities-based  
12 resold interLATA and intraLATA interexchange telecommunications services to commercial and  
13 residential customers in Arizona and throughout the U.S. Central Telecom was granted authority  
14 to provide such services by the Commission on August 24, 2011 in Docket No. T-20740A-10-  
15 0205. The Company is authorized by the FCC to provide interstate and international  
16 telecommunications services. Central Telecom is in current compliance with its applicable  
17 regulatory obligations in Arizona and in the other jurisdictions in which it operates.

18 **III. CONTACTS**

19 Questions or any correspondence, orders, or other materials pertaining to this filing should  
20 be directed to the following.

21 Matt Bingham  
22 Lewis Roca Rothgerber LLP  
23 201 E. Washington Street, Suite 1200  
24 Phoenix, AZ 85004-4429  
25 Telephone: 602.262.5320  
26 Email: mbingham@lrrlaw.com

1 **For Business Discount Plan, Inc.:**

2 Craig Konrad, President  
3 Business Discount Plan, Inc.  
4 One World Trade Center  
5 Suite 800  
6 Long Beach, CA 90831  
7 Telephone: 949.798.7040  
8 Email: ckonrad@ldxx.com

7 **For Central Telecom Long Distance, Inc.:**

8 Ms. Deborah Baker  
9 Central Telecom Long Distance, Inc.  
10 102 South Tejon Street, 11th Floor  
11 Colorado Springs, CO 80903  
12 Telephone: 719.471.2265  
13 Email: Dbaker.centraltelecomlongdistance.com

12 With a copy to:

13 Andrew Isar  
14 Miller Isar Inc.  
15 4423 Point Fosdick Drive, N.W.  
16 Suite 306  
17 Gig Harbor, WA 98335  
18 Telephone: 253.851.6700  
19 Email: aisar@millarisar.com

18 **IV. DESCRIPTION OF THE TRANSACTION**

19 Pursuant to the terms of the Agreement, BDP will acquire only Central Telecom's  
20 customer accounts and contracts, to the extent permitted under applicable law and regulations and  
21 will continue to provide intrastate, interstate, and international telecommunications services to  
22 former Central Telecom customers as BDP customers. The Agreement and transfer will become  
23 effective on or about March 5, 2014, or upon approval by regulatory agencies in those  
24 jurisdictions where the Applicants operate. Central Telecom will assign to BDP those customers  
25 and assets for which applicable governmental approvals have been obtained.

26

1 In the interest of assuring seamless and uninterrupted service, all of the assigned customers  
2 will continue to receive service from BDP under the same rates, terms, and conditions of services  
3 as were previously provided by Central Telecom. BDP proposes to initially concur Central  
4 Telecom's existing tariff, and subsequently submit a replacement tariff with identical and new  
5 service rates, terms and conditions. Future changes in the rates, terms, and conditions of service to  
6 the affected customers will be undertaken pursuant to customer contracts and the applicable  
7 federal and state notice and tariff requirements.

8 **V. PUBLIC INTEREST CONSIDERATIONS**

9 Applicants respectfully submit that the proposed Transaction serves the public interest.  
10 The Transaction will result in the assignment of Central Telecom customers to an existing long-  
11 standing company with established operating history in the State that will continue to provide  
12 telecommunications services to transferred customers without interruption. Further, the proposed  
13 Transaction is structured to assure an orderly transition of customers from Central Telecom to  
14 BDP.

15 **VI. REQUEST FOR WAIVER OF SLAMMING AND CRAMMING RULES**

16 In accordance with the terms of their service contracts and the rules and procedures of the  
17 FCC and applicable state(s), including this Commission, customers have been properly notified of  
18 the proposed transaction and the change in their telecommunications provider from Central  
19 Telecom to BDP. BDP and Central Telecom have provided customers with more than 30 days  
20 advanced notice of the transfer pursuant to Section 64.1120(e) of the FCC's rules, 47 C.F.R.  
21 §64.1120(e), a copy of which is attached hereto at **Exhibit A**. Applicants respectfully request, to  
22 the extent necessary, that the Commission grant a waiver of AAC R14-2-1904 *et seq.* and any  
23 other applicable anti-slamming regulations that may be inconsistent with the FCC's rules  
24 regarding the transfer of customer bases.

25 Applicants respectfully request that the Commission, to the extent applicable, grant a  
26 waiver of AAC R14-2-2001 *et seq.* (the "Cramming Rules"), which, among other things, require a

1 telecommunications company to obtain authorization from a customer when ordering  
2 telecommunications products and services in order to prevent unauthorized carrier charges on their  
3 bill. As described herein, BDP is purchasing the Central Telecom customer base, and the affected  
4 customers will receive the same services as they currently receive under the same rates, terms and  
5 conditions. Applicants believe that the Commission's Cramming Rules do not apply in this  
6 instance, as Central Telecom's customers are simply being transferred to BDP. No new products  
7 and services are being ordered from BDP and no new charges will be assessed as a result of the  
8 Transaction.

9 To the extent that the Cramming Rules apply to the Transaction, Applicants respectfully  
10 submit that it is in the public interest to grant a waiver of the rules in this case because current  
11 Central Telecom customers will receive at least 30 days' notice of the Transaction as required by  
12 the FCC's account transfer rules; customers have been given full notice that their current services  
13 will be provided by BDP after the Transaction is completed, and that there will be no change in  
14 the quality or cost of their services as a result of the Transaction.

15 **VII. REQUEST FOR WAIVER OF DISCONTINUANCE RULES**

16 AAC R14-2-1107 (the "Discontinuance Rule") governs a telecommunications company's  
17 discontinuance of competitive local exchange or interexchange services in the State. Applicants  
18 do not believe that the Discontinuance Rule applies in this matter as the Transaction involves the  
19 transfer of Central Telecom's customers to BDP, neither of which are local exchange carriers.  
20 Moreover, service to the acquired customers is not being discontinued.

21 In the event that the Commission determines that the Discontinuance Rule does apply,  
22 Applicants respectfully request that the Commission grant a waiver. Central Telecom's customers  
23 have received at least 30 days notice of the Transaction as required by the FCC's account transfer  
24 regulations. It would be confusing for customers to also receive a notice regarding a Central  
25 Telecom discontinuance of service or for the planned customer transfer notice to include a  
26 discussion regarding a discontinuance since no affected customer will be discontinued as a result

1 of the Transaction and Central Telecom will in in any event continue to offer services.<sup>1</sup> The  
2 Commission's waiver of the Discontinuance Rule will serve the public interest.

3 **VIII. CONCLUSION**

4 WHEREFORE, for the reasons set forth above, Applicants respectfully request that the  
5 Commission grant all authority necessary for Business Discount Plan, Inc. to acquire the  
6 customers of Central Telecom Long Distance, Inc. Further, Applicants request that the  
7 Commission expeditiously act on the Application so that Central Telecom Long Distance, Inc.'s  
8 Arizona customers may be assigned to Business Discount Plan, Inc. at the earliest possible  
9 closing.

10

11 RESPECTFULLY SUBMITTED this 25th day of February, 2014.

12

13 Lewis Roca Rothgerber LLP

14

15



16

17 Michael Hallam  
18 Matthew Bingham  
201 E. Washington Street, Suite 1200  
Phoenix, AZ 85004  
Phone: (602) 262-5340  
MHallam@LRRLaw.com  
MBingham@LRRLaw.com

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20 Attorneys for Business Discount Plan, Inc.

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22



23

24 Deborah Baker  
25 Central Telecom Long Distance, Inc.  
102 South Tejon Street, 11th Floor  
Colorado Springs, CO 80903  
Telephone: 719.471.2265

26

<sup>1</sup> See Commission Decision No. 70706 (October 2, 2008) (waiving discontinuance rules in transfer of control case).

1 Original and thirteen (13) copies  
2 of the foregoing filed this 25th day  
3 of February, 2014, with:

4 The Arizona Corporation Commission  
5 Docket Control  
6 1200 W. Washington Street  
7 Phoenix, Arizona 85007

8 Copy of the foregoing hand-delivered  
9 this this 25th day  
10 of February, 2014, to:

11 Lyn Farmer, Esq.  
12 Chief Administrative Law Judge  
13 Hearing Division  
14 Arizona Corporation Commission  
15 1200 W. Washington Street  
16 Phoenix, Arizona 85007

17 Janice Alward, Esq.  
18 Chief Counsel, Legal Division  
19 Arizona Corporation Commission  
20 1200 W. Washington Street  
21 Phoenix, Arizona 85007

22 Mr. Steven M. Olea, Director  
23 Utilities Division  
24 Arizona Corporation Commission  
25 1200 W. Washington Street  
26 Phoenix, Arizona 85007



**EXHIBIT A**  
**Customer Notification**

# BUSINESS DISCOUNT PLAN, INC.

One World Trade Center Suite 800 Long Beach CA 90831

<http://www.interstatebdprate.net/>

## Notice of Carrier Change

January 31, 2014

Dear Valued Central Telecom Long Distance, Inc. Customer:

Great news for your long distance service! Following a reevaluation of its business focus, your current long distance company, Central Telecom Long Distance, Inc. ("CTLTD") has entered into an agreement with Business Discount Plan, Inc. ("BDP") to acquire certain business holdings. **As a result, Business Discount Plan, Inc., will automatically become your new long distance telecommunication services provider after March 3, 2014.** (The specific date(s) of the transfer of your interstate and intrastate telephone services may differ depending upon when we receive the applicable federal and state regulatory approvals.)

**Please rest assured that the transaction will not affect the services you currently receive.** You will continue to receive services with the same rates, features, terms, and conditions as you currently enjoy, with the added convenience of receiving one bill through your local telephone company, where available. In the event that changes are made to your service you will be notified by separate mailing thirty (30) days prior to the changes becoming effective.

You will not be responsible for any charges associated with the transfer of your account. All charges associated with the transfer to BDP will be borne by BDP. Although you have the right to select the carrier of your choice, we value your business and hope that BDP may continue to serve you. If you should choose another telephone provider you will need to contact that carrier directly to arrange for the change prior to the transfer of your services to BDP and also provide BDP with notice per existing service terms. It can take several weeks for a new carrier to make the switch and you may also incur service initiation fees from that provider such as service order, installation and other similar charges associated with establishing a new service account.

If you currently have a preferred carrier freeze on your account you will still be automatically transferred to BDP on the effective date unless you have selected another carrier before the effective date. To arrange a new freeze or confirm an existing freeze, you must contact your local service provider.

BDP will be responsible for responding any customer inquiries prior to and during the transfer of service from CTLTD to BDP. **BDP's toll free customer service number for BDP is 800-680-1120, which will remain the same after your services are transferred.**

You can trust that you will be provided with the same quality service to which you have grown accustomed with CTLTD. We welcome you to BDP and look forward to meeting all your long distance communication needs. Please visit the web site <http://www.interstatebdprate.net/> for more information.

Sincerely,

The Product Management Team  
Business Discount Plan, Inc.

STATE OF CALIFORNIA

)

COUNTY OF ORANGE

)

)

**VERIFICATION**

I, Craig Konrad, state that I am President of Business Discount Plan, Inc. ("BDP"); that I am authorized to make this verification on behalf of BDP; that the foregoing filing was prepared under my direction and supervision; and that, with respect to BDP, the same are true and correct to the best of my knowledge, information, and belief.

By: 

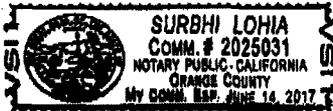
Craig Konrad  
President  
Business Discount Plan, Inc.  
One World Trade Center  
Suite 800  
Long Beach, CA 90831  
Telephone: 949.798.7040

Subscribed and Sworn to me this <sup>6th</sup> 3<sup>rd</sup> day of February, 2014

Surbhi Lohia  
Notary Public

My Commission Expires: June 14, 2017

SEAL



STATE OF ~~COLORADO~~ ARIZONA )  
 )  
COUNTY OF ~~EL PASO~~ YAVAPAI )

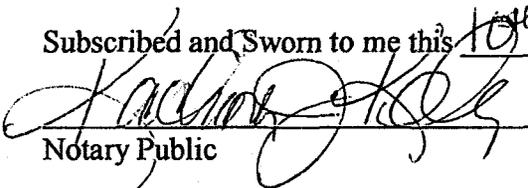
**VERIFICATION**

I, Deborah Baker, state that I am President of Central Telecom Long Distance, Inc. ("Central Telecom"); that I am authorized to make this verification on behalf of Central Telecom; that the foregoing filing was prepared under my direction and supervision; and that, with respect to Central Telecom, the same are true and correct to the best of my knowledge, information, and belief.

By: 

Ms. Deborah Baker  
Central Telecom Long Distance, Inc.  
102 South Tejon Street, 11th Floor  
Colorado Springs, CO 80903  
Telephone: 719.471.2265

Subscribed and Sworn to me this 10<sup>th</sup> day of February, 2014

  
Notary Public

My Commission Expires: 11-5-2014

SEAL

