



BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission  
2014 MAY 21 P 2:10 DOCKETED  
MAY 21 2014  
ARIZONA CORPORATION COMMISSION  
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APPLICATION OF SPECTROTEL, INC. FOR AN ORDER RESCINDING ITS BOND REQUIREMENT.

DOCKET NO. T-20821A-14-0161  
APPLICATION TO RESCIND BOND REQUIREMENT

Spectrotel, Inc. ("Spectrotel") requests rescission of the \$135,000 bond requirement ordered in Decision No. 73917 (June 27, 2013), and return of the bond to Spectrotel. In support of its application, Spectrotel provides the following information:

1. Spectrotel is authorized to provide resold and facilities-based local exchange, resold long distance and switched access telecommunications services to business customers in Arizona.

2. Spectrotel is a foreign "C" Corporation organized under the laws of Delaware, but is authorized to transact business in the State of Arizona. Spectrotel is headquartered in Neptune, New Jersey. Currently, Spectrotel serves commercial customers in 48 states. Spectrotel does not collect any customer deposits in Arizona.

3. As a condition of approval to provide telecommunications services, the Commission required Spectrotel to procure a performance bond or irrevocable sight draft letter of credit of \$135,000. Spectrotel currently has a bond of \$35,000 in effect through May 31, 2014.

4. Spectrotel has complied with all Commission requirements, including all of Staff recommendations that the Commission adopted in Decision No. 73917. Spectrotel has complied with all applicable Commission rules, regulations and orders. There are currently no active formal complaints against Spectrotel, nor has it received any prior formal or informal complaints since Decision No. 73917 was adopted.

1           5.       The Commission recently, in appropriate circumstances, has not required a  
2 performance bond or has been relieving CLECs of the performance bond requirement. Spectrotel  
3 believes that maintaining a performance bond in the amount of \$135,000 is no longer necessary  
4 for it. Spectrotel does not collect any deposits in Arizona. In addition, Spectrotel does not have  
5 any prepayment or advance payment policies. Rescinding the performance bond/ISDLOC  
6 requirement will not alter rates, terms or conditions of service to Spectrotel customers in Arizona  
7 and will not adversely impact service.

8           6.       Removing the bond requirement also would put Spectrotel on equal footing with  
9 other CLECs currently operating in Arizona, as well as incumbent service providers such as Qwest  
10 Corporation, Inc. dba CenturyLink.

11          7.       The Commission's Competitive Telecommunications Services Rules – A.A.C. 14-  
12 2-1101 through 14-2-1115, which apply to Spectrotel, do not require that Spectrotel maintain a  
13 performance bond as a condition of providing service in Arizona. Specifically, A.A.C. R14-2-  
14 1105(D) states that the Commission “*may* require, as a precondition to certification, the  
15 procurement of a performance bond sufficient to cover any advances or deposits the  
16 telecommunications company may collect from its customers, or order that such advances or  
17 deposits be held in escrow or trust.” In other words, the Commission has the authority and the  
18 discretion to determine whether a performance bond is still appropriate for Spectrotel. Because of  
19 the circumstances described in the previous paragraphs, Spectrotel believes the \$135,000  
20 performance bond requirement should now be rescinded.

21          8.       As stated above, the current \$135,000 bond is set to expire on May 31, 2014.  
22 Spectrotel requests that this requirement be suspended until this application is resolved in order to  
23 avoid the cost of acquiring a new ISDLOC or bond shortly before that requirement is cancelled.

24          9.       Upon cancellation of its bond requirement, Spectrotel requests that the Commission  
25 return the Spectrotel bond in the Commission's possession to:

26                   John Dempsey, Finance Manager 3535 State Highway 66, Ste 7, Bldg 7, Neptune,  
27                   NJ, 07753

