

NEW APPLICATION
ORIGINAL



BEFORE THE ARIZONA CORPORATION COMMISSION

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

COMMISSIONERS

BOB STUMP, Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

2014 SEP 11 P 4:31
AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission
DOCKETED
SEP 11 2014

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF
TELEPORT COMMUNICATIONS AMERICA, LLC
FOR AN ORDER RESCINDING THE BOND
REQUIREMENTS CONTAINED IN ARIZONA
CORPORATION COMMISSION DECISION NOS.
68269 AND 73557

Docket Nos. T-20874A-14-0331

APPLICATION

GALLAGHER & KENNEDY, P.A.
2575 E. CAMELBACK ROAD
PHOENIX, ARIZONA 85016-9225
(602) 530-8000

Teleport Communications America, LLC ("Teleport") requests rescission of the \$200,000 bond requirement imposed by the Arizona Corporation Commission ("the Commission") in Decision Nos. 68269 (November 8, 2005) and 73557 (October 17, 2012).

BACKGROUND

Teleport is certified to provide local exchange and resold interexchange telecommunications services and products to customers in Arizona. Its original certification was under the name of TCG Phoenix ("TCG"); however, the Commission approved a corporate merger of TCG with Teleport in 2012.¹

As a condition of approval of the merger, the Commission required Teleport to procure a performance bond of \$200,000, to be increased in increments of \$100,000 when the total amount of any customer advances, deposits, and prepayments is within \$20,000 of the bond amount.²

¹ See In the Matter of the Application of TCG Phoenix and Teleport Communications America, LLC for Approval of a Proposed Corporate Reorganization and Merger, ORDER, Decision 73557, Docket No. T-03016A-12-0342 (dated October 17, 2012).

² Decision 73557, First Ordering Paragraph at page 6 (imposing bond requirement from Decision 68269, Third Ordering Paragraph at page 16).

1 Teleport has complied with this order of the Commission and currently maintains a performance
2 bond in the amount of \$200,000.

3 DISCUSSION

4 Teleport is subject to the Arizona Competitive Telecommunications Services Rules,
5 A.A.C. R14-2-1101 *et seq.*, and must comply with all rules applicable to the provision of
6 intrastate telecommunications services under the terms of its certification. Specifically, “[i]n
7 appropriate circumstances, the Commission may require, as a precondition to certification, the
8 procurement of a performance bond sufficient to cover any advances or deposits the
9 telecommunications company may collect from its customers, or order that such advances or
10 deposits be held in escrow or trust.” A.A.C. R14-2-1105(D).

11 Teleport has complied with the requirements of its certification, including filing annual
12 reports, paying annual assessments, and maintaining the performance bond. It has complied with
13 all applicable Commission rules, regulations, and orders. There are currently no formal
14 complaints against the Company, and any prior formal or informal complaints have been
15 resolved.

16 The performance bond Teleport has in place for Arizona has never been drawn upon or
17 requested. Obtaining and maintaining this bond creates an expense for it and will continue to do
18 so.³

19 The Commission recently, in similar circumstances, has relieved CLECs of the
20 performance bond requirement. *See e.g., In the Matter of the Application of Eschelon Telecom
21 of Arizona, Inc. for Approval of an Order Rescinding Its Bond Requirement*, Decision No. 74555

22
23 ³ The Applicant is one of three affiliates certificated in Arizona and subject to a bond requirement. Because the
24 bond requirements have a collective impact on the affiliated companies, the two other affiliates (AT&T Corp. and
SBC Long Distance, LLC) are filing concurrent rescission applications.

1 (June 20, 2014); *In the Matter of the Application of Dishnet Wireline L.L.C. for Approval for*
2 *Rescission of Bond Requirement Contained in Decision No. 72496*, Decision No. 74493 (May
3 23, 2014); *In the Matter of the Application of Tw Telecom of Arizona LLC for Approval of*
4 *Rescission of Bond Requirement Contained in ACC Decision 70057*, Decision No. 74497
5 (May 23, 2014); *In the Matter of the Application of XO Communications Services., LLC for*
6 *Approval of Rescission of Bond Requirement Contained in Arizona Corporation Commission*
7 *Decision No. 70471*, Decision No. 74490 (May 23, 2014).

8 Teleport believes that maintaining its performance bond is no longer necessary. It has
9 proven its financial, technical, and managerial ability to provide services in Arizona. It has
10 substantial investment in Arizona. It collects deposits only under its Commission-approved
11 tariffs. Rescinding the performance bond will not alter the rates, terms, or conditions of service
12 to the Company's customers, and will not adversely impact service.

13 Removing the performance bond requirement also will put Teleport on equal footing with
14 other CLECs currently operating in Arizona.

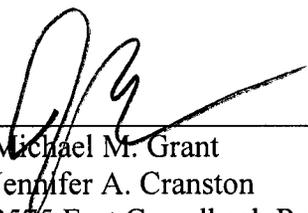
15 CONCLUSION

16 For the reasons stated above, the granting of a waiver of A.A.C. R14-2-1105(D) is
17 appropriate and in the public interest. Therefore, Teleport Communications America, LLC
18 requests that the Commission rescind the performance bond requirements ordered in Decision
19 Nos. 68269 (November 8, 2005) and 73557 (October 17, 2012).

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

RESPECTFULLY SUBMITTED this 11th day of September, 2014.

GALLAGHER & KENNEDY, P.A.

By 
Michael M. Grant
Jennifer A. Cranston
2575 East Camelback Road
Phoenix, Arizona 85016-9225
Attorneys for AT&T

Original and 13 copies filed this 11th day of September, 2014, with:

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Copies of the foregoing delivered this 11th day of September, 2014, to:

Steve Olea, Director
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Elijah Abinah
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

John Le Sueur
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

1 Terri Ford
Utilities Division
2 Arizona Corporation Commission
1200 West Washington Street
3 Phoenix, Arizona 85007

4 Maureen Scott
Legal Division
5 Arizona Corporation Commission
1200 West Washington Street
6 Phoenix, Arizona 85007

7 
8 17840-39/4396536v1

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24