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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

Arizona Corporation Commission

**DOCKETED**

SEP 15 2014

DOCKETED BY nr

IN THE MATTER OF THE APPLICATION )  
OF TRANSWORLD NETWORK, CORP. )  
FOR APPROVAL OF RESCISSION OF )  
BOND REQUIREMENT CONTAINED IN )  
ARIZONA CORPORATION COMMISSION )  
DECISION NOS. 67465 AND 73675. )

DOCKET NO. T-04246A-14-0164  
DECISION NO. 74752  
ORDER

Open Meeting  
September 9 and 10, 2014  
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. On May 23, 2014, Transworld Network Corp. ("Transworld" or "Applicant") submitted an Application requesting an order rescinding the \$110,000 performance bond or irrevocable sight draft letter of credit ("ISDLOC") requirement contained in Decision Nos. 67465 (January 4, 2005) and 73675 (February 6, 2013).

2. In its Application, Transworld states it provides local and long distance telecommunications services and high-speed internet access services to residential and business customers primarily in rural parts of Arizona.

3. In addition, the Applicant states that Transworld has maintained the \$110,000 performance bonds as required by Decision Nos. 67465 and 73675, renewing the bond required in each Decision each year as needed.

...

1 **Background**

2 4. In Decision No. 67465, the Commission required Transworld to procure a  
3 performance bond equal to \$10,000 and to file proof of procurement with the Director of the Utilities  
4 Division.

5 5. In Decision No. 73675, the Commission required Transworld to procure a  
6 performance bond or ISDLOC for \$100,000 and to file the original with the Commission's Business  
7 Office.

8 6. The Applicant filed proof of procurement of a \$10,000 performance bond with  
9 Director of the Utilities Division on or about May 3, 2005 and filed the original \$100,000 performance  
10 bond with the Commission Business Office on or about March 21, 2013.

11 **Transworld's Application**

12 7. In its Application to eliminate the performance bond or ISDLOC requirement,  
13 Transworld cites Arizona Administrative Code ("A.A.C.") R14-2-1105(d), which states that "[i]n  
14 appropriate circumstances, 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 deposits  
17 be held in escrow or trust."

18 8. Having provided telecommunications services in Arizona since 2005, including  
19 investing substantial capital in building and operating a facilities-based, proprietary operating network,  
20 Transworld believes it has proven its financial, technical and managerial ability to provide services in  
21 Arizona and that maintaining a performance bond is no longer necessary.

22 **Complaints and Compliance**

23 9. The Consumer Services Section of the Utilities Division reports that the period from  
24 2011 to 2012, there were zero complaints, in 2013 there was one billing complaint that was resolved  
25 and in 2014, there were two billing complaints that were resolved regarding Transworld. According to  
26 the Corporations Division, Transworld is in good standing. The Compliance Section reports that  
27 Transworld is in compliance.

28 ...

1 **Staff Recommendations**

2 10. The Commission has, in appropriate circumstances, relieved telecommunications  
3 providers of the obligation to maintain a performance bond or ISDLOC. Staff recommends that  
4 Transworld be relieved of the \$110,000 performance bond or ISDLOC obligations contained in  
5 Decision Nos. 67465 and 73675.

6 11. The Applicant states that to release the two bonds in question, it is sufficient for the  
7 Commission to include in an ordering paragraph language authorizing the Applicant to cancel, rescind,  
8 discontinue and be released from the performance bond required by Decision Nos. 67465 and 73675.

9 12. In its Application, Transworld requested that upon approval of this Application, the  
10 performance bond should be released and returned to the following name and address:

11 Mr. Colin Wood,  
12 Chief Executive Officer  
13 Transworld Network Corp.  
255 Pine Avenue N.  
14 Oldsmar, FL 34677

15 CONCLUSIONS OF LAW

16 1. Transworld Network Corp. is a public service corporation within the meaning of  
17 Article XV of the Arizona Constitution.

18 2. The Commission has jurisdiction over Transworld Network Corp. and the subject  
19 matter in this filing.

20 3. The Commission, having reviewed the filing and Staff's Memorandum dated August  
21 22, 2014, concludes that it is in the public interest to approve the Transworld Network Corp.  
22 Application as proposed and discussed herein.

23 ORDER

24 IT IS THEREFORE ORDERED that the Application of Transworld Network Corp. to  
25 terminate the performance bond or irrevocable sight draft letter of credit requirement contained in  
26 Decision Nos. 67465 and 73675 be and hereby is approved.

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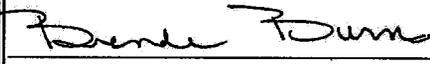
1 IT IS FURTHER ORDERED that Transworld Network Corp. may cancel, rescind,  
2 discontinue and be released from any performance bonds, irrevocable sight draft letters of credit or  
3 other instruments obtained in compliance with the \$110,000 performance bond or irrevocable sight  
4 draft letter of credit requirements set by Decision Nos. 67465 and 73675.

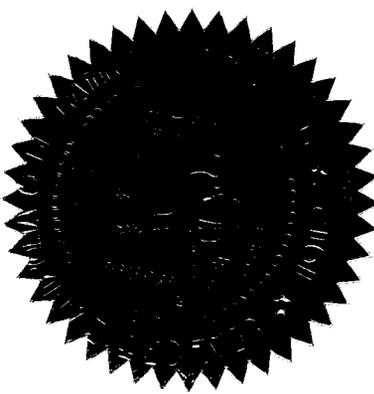
5 IT IS FURTHER ORDERED that the original \$100,000 performance bond on file with the  
6 Commission on behalf of Transworld Network Corp. be returned to the following name and address  
7 provided by the Applicant:

8 Mr. Colin Wood,  
9 Chief Executive Officer  
10 Transworld Network, Corp.  
255 Pine Avenue N,  
Oldsmar, FL 34677

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

12  
13 **BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

14  
15  CHAIRMAN  COMMISSIONER  
16  
17  COMMISSIONER  COMMISSIONER  COMMISSIONER  
18



19 IN WITNESS WHEREOF, I, JODI JERICH, Executive  
20 Director of the Arizona Corporation Commission, have  
21 hereunto, set my hand and caused the official seal of this  
22 Commission to be affixed at the Capitol, in the City of  
Phoenix, this 15<sup>th</sup> day of September, 2014.

23   
24 JODI JERICH  
25 EXECUTIVE DIRECTOR

26 DISSENT: \_\_\_\_\_

27 DISSENT: \_\_\_\_\_

28 SMO:LLM:sms\BH

1 SERVICE LIST FOR: Transworld Network, Corp.  
2 DOCKET NO. T-04246A-14-0111

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