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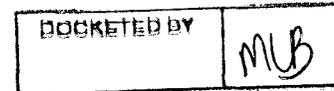
Arizona Corporation Commission

DOCKETED

JUL 24 2015

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

RE: **BullsEye Telecom, Inc.**
Application for Rescission of Bond Requirement



Docket Control:

Enclosed for filing please find the original and thirteen (13) copies of the Application for Rescission of Bond Requirement ("Application") submitted on behalf of BullsEye Telecom, Inc. The Company respectfully requests the earliest possible effective date for this Application.

Please acknowledge receipt of this filing by date-stamping the extra copy of this cover letter and returning it to me in the self-addressed, stamped envelope provided for that purpose.

Any questions you may have regarding this filing should be directed to my attention at 407-740-3005 or via email to swarren@tminc.com. Thank you for your assistance in this matter.

Sincerely,

Sharon R. Warren
Consultant to BullsEye Telecom, Inc.

cc: David Bailey - BullsEye Telecom
file: BullsEye Telecom - Arizona - Other
tms: AZx1502

Enclosures
SW/sp

BEFORE THE ARIZONA CORPORATION COMMISSION

In the Matter of the Application of)
BullsEye Telecom, Inc.)
For Rescission of Bond Requirement) Docket No.: _____
Contained In Arizona Corporation)
Commission Decision No. 67751
And Decision No. 67949)

APPLICATION

BullsEye Telecom, Inc. (“BullsEye” or “Applicant”) requests rescission of the bond requirement included in Arizona Corporation Commission (“Commission”) Decision No. 67751 and Decision No. 67949.

BACKGROUND

BullsEye is a provider of facilities-based and resold local exchange and resold interexchange telecommunication services to business customers within the state of Arizona. BullsEye was certified by the Commission to provide facilities-based local exchange and resold long distance telecommunication services on April 11, 2005 (Decision No. 67751).and resold local exchange telecommunications services on June 21, 2005 (Decision No. 67949). BullsEye does not provide residential service.

When BullsEye was certified by the Commission in April 2005, ACC Decision No. 67751 required BullsEye to obtain and submit to the Commission a performance bond for \$110,000. ACC Decision No. 67949, issued in June 2005, required BullsEye to obtain and submit a performance bond for an additional \$25,000 to cover advances, deposits and prepayments. BullsEye has complied with its obligation to maintain the aforementioned performance bonds and currently maintains a bond in the amount of \$135,000.

The bond in place has never been invoked, and no customer complaint brought into question the BullsEye’s conduct as a public service corporation. During this period, it was the general policy of the Commission to require a bond without a specific inquiry into the record of the company. Because BullsEye has a record of good performance and the bond is not needed to ensure BullsEye’s compliance with Commission orders, BullsEye respectfully asks that the Commission issue an order relieving

BullsEye of its bond obligations.

ANALYSIS

"In 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." A.A.C. R14-2-1105(D). BullsEye is subject to the Arizona Competitive Telecommunications Services Rules, A.A.C. R14-2-1101-1115, and must comply with all rules applicable to the provision of intrastate telecommunications services under the terms of its certification. ACC Decision No. 61373, p.4, para. 19(j)(1999). While the Commission may require a performance bond prior to certification, for the reasons set forth below, continuing this requirement for BullsEye, an established competitive telecommunications company, is unnecessary and costly.

1. Record of Compliance

BullsEye has been a certified carrier in Arizona since 2005. Throughout this period BullsEye has complied with the requirements of its certification, including filing annual reports, paying annual assessments for funding the ACC and RUCO (A.R.S. §40-401; §40-401.01), and funding Arizona universal service. Any Arizona customer complaints against BullsEye have been resolved and closed with no formal litigation and without penalty to BullsEye. BullsEye is available to respond in a timely and responsive manner to any questions or concerns regarding customer service.

The bond that BullsEye has on file with the Commission has never been drawn upon or requested. Obtaining and maintaining this bond creates a significant expense for BullsEye and will continue to do so. Moreover, it diverts monies that BullsEye could use to grow its network or improve its systems.

2. The Bond Is Not Necessary or Reasonable

The Commission "*may* require ... the procurement of a performance bond sufficient to cover any advances or deposits the telecommunications company may collect from its customers." A.A.C. R14-2-1105(D) (emphasis added). This rule was invoked by the Commission, as early as 2000, to protect consumers in the event a telecommunications carrier declared bankruptcy or abandoned service. *See, e.g.,* Decision No. 62751 (2000) (*Eschelon Telecom of Arizona CC&N Application*). At that time, many

providers were new to Arizona and few carriers had invested in equipment and facilities. The new competitive local exchange carriers ("CLECs") did not have demonstrable operating histories, nor could they offer track records of customer satisfaction. During this period, a bond requirement was the vehicle selected by Commission Staff to protect consumers in the event a provider could not meet its legal obligations. Bonds were one way for the Commission to protect consumers from companies with little or no assets or few ties to Arizona.

Now, thirteen years later, the market is very different. Indeed, customer deposits and advances are no more at risk with an established, facilities-based CLEC like BullsEye than they are with Qwest Corporation or Cox, which operate in competition with facilities-based CLECs but carry no performance bonds benefiting the Commission. BullsEye has established through its investment in the state, and by its operating history, that customer deposits are not at risk. Therefore, a bond is not necessary or reasonable given BullsEye's history.

3. The Commission is Moving Towards Bonds Only When Necessary

Recently the Commission approved the XO Communications Services, LLC's application to be relieved of its bond requirement. The Commission concluded that it was in the public interest to approve the XO application, and noted that the Commission has "recently been relieving telecommunications providers of the obligation of a bond requirement." *See* Decision No. 74490. Likewise, the Commission has approved a carrier certification request without requiring a bond of the applicant. *See* TNCI Operating Company, LLC T-20882A-13-0108. In recommending approval of the TNCI certification, Staff recommended no bond reflecting an appropriate reaction to changes in the competitive telecom market. Staff has recommended a "case by case" analysis for assessing the need for a bond. The Commission retains full authority to impose a bond if Staff is concerned about a company's managerial or technical ability to provide service in Arizona. Companies like BullsEye, however, that have been providing service for years, show no history of customer complaints or problems, and have demonstrated their technical and managerial expertise to provide service, should not be required to post or maintain a bond.

4. Bond Documents

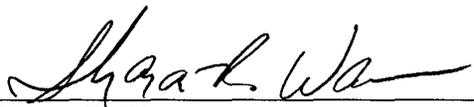
If this application is approved, BullsEye requests that the bond document be returned to:

Mary K. Shoemaker
Commerical Lines Account Manager
Gompers, Cornish & Barr
22955 21 Mile Road
Macomb Township, MI 48042

CONCLUSION

For the foregoing reasons, BullsEye respectfully requests an order cancelling the bond requirement in Decision No. 67751 and Decision No. 67949.

RESPECTIFULLY SUBMITTED this 23rd day of July, 2015.

By: 
Sharon R. Warren
Consultant to BullsEye Telecom, Inc.
2600 Maitland Center Parkway Suite 300
Maitland FL 32765
Phone: (407) 740-3005
swarren@tminc.com

ORIGINAL and thirteen (13) copies of the foregoing
Was filed this 23rd day July, 2015 with:

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