

STF 1.4 Please provide a list of all the states in which CereTel has submitted an application for telecommunications service authority and indicate the type service (resale, etc.) requested. Please indicate in which, if any, of those states CereTel has been granted authority and from that subset in which, if any, CereTel is actually providing service.

Arizona – (Resale) - Pending
California – (Resale) - Pending
Illinois – (Resale) - Pending
Kentucky – (Resale) Granted. Providing Service.
Oregon – (Resale) Granted. Providing service.
Texas – (Resale) Granted. Providing Service.
Washington – (Resale) - Pending

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STF 1.5 Please provide projected *pro forma* financials for years ending 2016 and 2017 that include total assets, shareholder equity and net income.

Exhibit 1

STF 1.6 The certification document provided with the Application is lacking the seal of the Notary Public. Please docket an amended certification document with the official seal of a Notary Public with the responses to these Data Requests.

STF 1.7 The Certificate of Good Standing provided with the Application is dated March 17, 2015. Please docket a current Certificate of Good Standing with the responses to these Data Requests.

Attached – Exhibit 2

STF 1.8 Will CereTel have any employees located in Arizona? If yes, how many and what will be their function? Please include any maintenance and repair personnel.

CereTel will have no employees in Arizona.

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CERETEL

July 1, 2016

VIA FEDERAL EXPRESS

Docket Control Center
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007-2927

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AZ CORP COMM
Director - Utilities

AZ CORP COMM
DOCKET CONTROL

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RECEIVED

RE: Staff's First set of Data requests to CereTel Incorporated DOCKET No. T-20943A-15-0343 for Application Certificate of Convenience and Necessity for CereTel Incorporated.

Dear Sir or Madam:

Pursuant to the requirements set forth by Docket Control, CereTel Incorporated ("CereTel") hereby submits an original and thirteen (13) copies of this cover letter as well as its Application for Certificate of Convenience and Necessity. CereTel has also provided and original and thirteen (13) copies of all supporting documentation.

Please date stamp the additional copy of this cover letter, and return it in the enclosed postage prepaid envelope. If you have any questions concerning this matter, please contact the undersigned.

Respectfully submitted,

Marc Krens
CFO
410-415-9519
mkrens@ceretel.com

Arizona Corporation Commission
DOCKETED

JUN 07 2016

DOCKETED BY

STF 1.9 Please provide copies of any marketing material CereTel will be using to market its service in Arizona.

CereTel will only be marketing international services in Arizona. No intrastate services will be marketed. Cards indicate clearly that they are not to be used for intrastate services.

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STF 1.10 How will CereTel make its calling cards available for purchase in Arizona? If applicable, please include the names of any Arizona retail outlets in which CereTel plans to make its calling cards available for purchase.

CereTel will make its calling cards available for purchase in Arizona by working with convenience store and other store owners to sell calling cards to their customers. CereTel will also sell a pinless solution using the internet.

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STF 1.11 In its Application, in section (A-15), the Applicant states that it does not require deposits. However, in the proposed tariff, in sections 2.2.1 and 2.10.1(C) there are deposit requirements. Please clarify if the Company will be collecting deposits or advanced payments in Arizona.

CereTel does not have credit requirements for consumers for its calling card products. This tariff section should remain, however, for any business customers CereTel may have in the future and for which credit requirements may be established.

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STF 1.12 Referencing tariff section 2.15.2, the Company references a Payphone Surcharge. However, there doesn't appear to be a Payphone Surcharge listed in the proposed tariff. What is the company proposed Payphone Surcharge?

CereTel charges a payphone surcharge up to \$0.99 per call. These charges are listed on the cards and on applicable marketing posters. CereTel will amend its tariff to reflect the surcharge if required.

Thomas Lynch, CEO
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STF 1.13 Referencing tariff sections 2.2.6-2.2.8, please clarify if the Company will be offering toll-free numbers for resale to customers.

CereTel does not currently offer toll-free numbers for resale and has no plans to do so in the near future.

Thomas Lynch, CEO
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STF 1.14 Referencing tariff section 2.6.1, please explain what non-primary Service is.

The referenced section appears to contain an error. The last sentence of Section 2.6.1 of the tariff will be amended to read:

“No application is required for Pre-Paid Calling Card Service.”

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STF 1.15 Referencing tariff section 2.7.2, please explain the “applicable” situations where the Company will be using direct billing and/or LEC billing in Arizona.

There are no direct billing or LEC billing products presently. CereTel may offer a 1010XXX calling plan with direct billing in the future.

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STF 1.16 Please provide the Price List mentioned in tariff section 2.15.3 with the responses to these data requests.

No Price List is provided at this time because services consist only of Prepaid Calling Card services. Rates for Prepaid Calling Card services are too numerous to list, and change on a frequent basis for thousands of calling card products. If other services are offered at fixed rates, a Price List will be developed and provided to the Commission. An additional sentence will be added to Section 2.15.3 to read:

/

**APPLICATION
CERTIFICATE OF CONVENIENCE & NECESSITY**

If the Applicant wants to provide any type of Non-Customer Owned Pay Telephone ("COPT") telecommunications services in Arizona, provide the Arizona Corporation Commission ("Commission") with information being requested.

Remember that information submitted for a Certificate of Convenience and Necessity ("CC&N") will be made part of the public record (including financial statements). Any information designated as confidential will not be accepted by Docket Control. Mail your original CC&N application plus thirteen (13) copies to Arizona Corporation Commission, Docket Control, 1200 W. Washington Street, Phoenix, AZ 85007-2927.

Make sure you use the Application form dated May 24, 2010. Also, make sure you answer each numbered item and part of the item in each section of the Application form. If you do not use the correct Application form and/or do not completely answer the numbered item(s), Staff will request the Applicant to re-submit the Application form and/or complete any of the numbered item(s) and part of the item in a data request. In order for Staff to review your Application, complete the following form. Thank you.

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“The rates and charges applicable at any given time for Prepaid Calling Card services are covered in the applicable poster published by the Company, or where a poster is unavailable for a particular product or does not list all countries, by calling the Company’s customer service at toll free 1-877-880-0516.”

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STF 1.17 **In regards to Section 4.1, please provide the location on the Company’s website that lists the actual per-minute rates for each prepaid calling card retailed by the Company.**

Prepaid calling card rates differ by card and destination and several other factors. Rates are posted initially on posters, and may vary after the expiration date of the poster. Customers may obtain current rates by calling customer service at the number listed on the card.

Thomas Lynch, CEO
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STF 1.18 **In regards to Section 4.1.1, please provide a definition for “Intrastate surcharge” and when and under what conditions this charge would be assessed in Arizona.**

There is no Intrastate surcharge presently. Intrastate surcharges may be assessed in the future on calls made using a CereTel prepaid calling card that have both endpoints within a state. Cards expressly state that they may not be used for intrastate calling.

Thomas Lynch, CEO
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STF 1.19 **In regards to Section 4.1.2, please provide a definition for “Maintenance fee” and when and under what conditions this charge would be assessed in Arizona.**

A “Maintenance Fee” is a fee charged on a periodic basis against the balance of the prepaid calling card. Not all CereTel cards charge this fee. Those that do clearly list the fee on the back of the card and on marketing posters. The primary purpose of the fee is to reduce unused balance over a period of time to prevent the accumulation of deferred liability for cards that are never fully used.

AMENDED

ARIZONA CORPORATION COMMISSION

Application and Petition for Certificate of Convenience and Necessity to Provide
Intrastate Telecommunications Services

Mail original plus 13 copies of completed application to:

For Docket Control Only:
(Please Stamp Here)

Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007-2927

Please indicate if you have current applications pending
in Arizona as an Interexchange reseller, AOS provider,
or as the provider of other telecommunication services.

Type of Service: _____

Docket No.: _____ Date: _____ Date Docketed: _____

Type of Service: _____

Docket No.: _____ Date: _____ Date Docketed: _____

A. COMPANY AND TELECOMMUNICATION SERVICE INFORMATION

(A-1) Please indicate the type of telecommunications services that you want to provide in Arizona and mark the appropriate box(s).

- Resold Long Distance Telecommunications Services (Answer Sections A, B).
- Resold Local Exchange Telecommunications Services (Answer Sections A, B, C).
- Facilities-Based Long Distance Telecommunications Services (Answer Sections A, B, D).
- Facilities-Based Local Exchange Telecommunications Services (Answer Sections A, B, C, D, E)
- Alternative Operator Services Telecommunications Services (Answer Sections A, B)
- Other _____ (Please attach complete description)

(A-2) The name, address, telephone number (including area code), facsimile number (including area code), e-mail address, and World Wide Web address (if one is available for consumer access) of the Applicant:

CereTel Incorporated 800-259-8748/phone
185 Admiral Cochrane Dr. 443-926-0574/fax <http://www.ceretel.com>
Suite 115 tlynch@ceretel.com
Annapolis, MD 21401

Thomas Lynch, CEO
185 Admiral Cochrane Dr.
Suite 115
Annapolis, MD 21401

STF 1.20 **In regards to Section 4.1.3, please provide a definition for “Disconnect fee” and when and under what conditions these charges would be assessed in Arizona.**

A “Disconnect Fee” is charged when a call is terminated and reduces the unused balance of the prepaid card. Not all CereTel cards charge this fee. Those that do clearly list the fee on the back of the card and on marketing posters. The primary purpose of the fee is to allow the provision of higher minutes on first or second calls.

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STF 1.21 **Please indicate why CereTel believes that its rates are just and reasonable using a competitive market analysis. The analysis should contain publicly available examples of tariff rates and charges charged by other carriers for similar services. Include supporting material and any other information that CereTel believes demonstrates that the proposed tariff rates and charges are just and reasonable.**

To support your answer, please use a matrix format to list the Company’s proposed services, rates, and charges (see provided Excel file). Based on CereTel’s proposed tariff, list all of the telecommunications services the Company will provide in Arizona. For each of the telecommunications services listed, provide the tariff page numbers that support each of the CereTel’s services, rates, and charges. Also, provide the same information requested of CereTel for CenturyLink and two other Arizona long distance competitors using the same matrix format. List each competitor’s services, rates, and charges for the same or comparable services and include copies of the tariff page of each service, rate and charge of each competitor. For a list of telecommunications carriers certified in Arizona, go to www.azcc.gov/divisions/utilities/utilitylist.asp. For a list of Commission-approved telecommunications rates and tariffs, go to www.azcc.gov/Divisions/Utilities/Tariff.

CereTel offers no intrastate rates for Arizona because customers are directed to avoid using the service for intrastate calling. CereTel’s primary market is for international calling. Rates for international calling are evaluated continuously for competitiveness and typically reduced to remain competitive. Because no intrastate

rates are offered, please advise whether a matrix is still required to compare international rates, which include several hundred rates to different country/carrier combinations.

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Annapolis, MD 21401

(A-3) The d/b/a ("Doing Business As") name if the Applicant is doing business under a name different from that listed in Item (A-2):

(A-4) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Management Contact:

Thomas Lynch, CEO
185 Admiral Cochrane Dr.
Suite 115
Annapolis, MD 21401

800-259-8748/phone
443-926-0574/fax
tlynch@ceretel.com

(A-5) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Attorney and/or Consultant:

(A-6) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Complaint Contact Person:

Cristian Mazzei
185 Admiral Cochrane Dr.
Suite 115
Annapolis, MD 21401

800-259-8748/phone
443-926-0574/fax
cmazzei@ceretel.com

(A-7) What type of legal entity is the Applicant? Mark the appropriate box(s) and category.

- Sole proprietorship
- Partnership: ___ Limited, ___ General, ___ Arizona, ___ Foreign
- Limited Liability Company: ___ Arizona, ___ Foreign
- Corporation: ___ "S", X "C", ___ Non-profit
- Other, specify: _____

(A-8) Please include "Attachment A":

Attachment "A" must include the following information:

1. A copy of the Applicant's Certificate of Good Standing as a domestic or foreign corporation, LLC, or other entity in Arizona.
2. A list of the names of all owners, partners, limited liability company managers (or if a member managed LLC, all members), or corporation officers and directors (specify).
3. Indicate percentages of ownership of each person listed in A-8.2.

(A-9) Include your Tariff as "Attachment B".

Your Tariff must include the following information:

1. Proposed Rates and Charges for each service offered (reference by Tariff page number).
2. Tariff Maximum Rate and Prices to be charged (reference by Tariff page number).
3. Terms and Conditions Applicable to provision of Service (reference by Tariff page number).
4. Deposits, Advances, and/or Prepayments Applicable to provision of Service (reference by Tariff page number).
5. The proposed fee that will be charged for returned checks (reference by Tariff page number).

(A-10) Indicate the geographic market to be served:

- Statewide. (Applicant adopts statewide map of Arizona provided with this application).
- Other. Describe and provide a detailed map depicting the area.

(A-11) Indicate if the Applicant or any of its officers, directors, partners, or managers has been or are currently involved in any formal or informal complaint proceedings before any state or federal regulatory commission, administrative agency, or law enforcement agency. **No.**

Describe in detail any such involvement. Please make sure you provide the following information:

1. States in which the Applicant has been or is involved in proceedings.
2. Detailed explanations of the Substance of the Complaints.
3. Commission Orders that resolved any and all Complaints.
4. Actions taken by the Applicant to remedy and/or prevent the Complaints from re-occurring.

(A-12) Indicate if the Applicant or any of its officers, directors, partners, or managers has been or are currently involved in any civil or criminal investigation, or had judgments entered in any civil matter, judgments levied by any administrative or regulatory agency, or been convicted of any criminal acts within the last ten (10) years. **No.**

Describe in detail any such judgments or convictions. Please make sure you provide the following information:

1. States involved in the judgments and/or convictions.
2. Reasons for the investigation and/or judgment.
3. Copy of the Court order, if applicable.

(A-13) Indicate if the Applicant's customers will be able to access alternative toll service providers or resellers via 1+101XXXX access.

- Yes No

(A-14) Is Applicant willing to post a Performance Bond? Please check appropriate box(s).

For Long Distance Resellers, a \$10,000 bond will be recommended for those resellers who collect advances, prepayments or deposits.

Yes

No

If "No", continue to question (A-15).

For Local Exchange Resellers, a \$25,000 bond will be recommended.

Yes

No

If "No", continue to question (A-15).

For Facilities-Based Providers of Long Distance, a \$100,000 bond will be recommended.

Yes

No

If "No", continue to question (A-15).

For Facilities-Based Providers of Local Exchange, a \$100,000 bond will be recommended.

Yes

No

If any box in (A-14) is marked "No", continue to question (A-15).

Note: Amounts are cumulative if the Applicant is applying for more than one type of service.

(A-15) If any box in (A-14) is marked "No", provide the following information. Clarify and explain the Applicant's deposit policy (reference by tariff page number). Provide a detailed explanation of why the Applicant's superior financial position limits any risk to Arizona consumers.

As a prepaid calling card and dial-around service provider, Applicant does not require deposits. Prepaid calling cards are available for use immediately upon purchase.

(A-16) Submit copies of affidavits of publication that the Applicant has, as required, published legal notice of the Application in all counties where the Applicant is requesting authority to provide service.

Note: For Resellers, the Applicant must complete and submit an Affidavit of Publication Form as Attachment "C" before Staff prepares and issues its report. Refer to the Commission's website for Legal Notice Material (Newspaper Information, Sample Legal Notice and Affidavit of Publication). For Facilities-Based Service Providers, the Hearing Division will advise the Applicant of the date of the hearing and the publication of legal notice. Do not publish legal notice or file affidavits of publication until you are advised to do so by the Hearing Division.

(A-17) Indicate if the Applicant is a switchless reseller of the type of telecommunications services that the Applicant will or intends to resell in Arizona:

Yes

No

If "Yes", provide the name of the company or companies whose telecommunications services the Applicant resells.

Certificated carriers in Arizona.