



ORIGINAL

NEW APPLICATION



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February 23, 2017
Via Overnight Delivery

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

2017 FEB 24 09 11 56

T-20434A-17-0056

RE: YMax Communications Corp. - T-20434A-17-_____
In the Matter of the Application of YMax Communications Corporation for Rescission of
Bond Requirement Contained in Arizona Corporation Commission Decision No. 69644

Dear Sir or Madam:

Enclosed for filing please find the original and thirteen (13) copies of the Application for Rescission of Bond Requirement submitted on behalf of YMax Communications Corp.

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 407-740-3031 or via email to sthomas@tminc.com. Thank you for your assistance in this matter.

Sincerely,

Sharon Thomas
Consultant to YMax Communications Corp.

file: YMax - Arizona - Other
tms: AZx1702

Enclosures
ST/im

Arizona Corporation Commission

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FEB 24 2017

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BEFORE THE ARIZONA CORPORATION COMMISSION

**IN THE MATTER OF THE APPLICATION)
OF YMAX COMMUNICATIONS CORPORATION)
FOR RESCISSION OF BOND)
REQUIREMENT CONTAINED IN)
ARIZONA CORPORATION COMMISSION)
DECISION NO. 69644)**

DOCKET NO. _____

APPLICATION

YMax Communications Corporation ("YMax" or "Applicant") requests rescission of the bond requirement included in Arizona Corporation Commission ("Commission") Decision No. 69644.

BACKGROUND

YMax was issued a Certificate of Convenience and Necessity to provide facilities-based and resold local exchange service and resold long distance telecommunication services in Arizona on June 6, 2007 (Docket No. T-20434A-05-0900, Decision No. 69644). In the Commission's Opinion and Order granting that authority, YMax was required YMax to obtain and submit to the Commission a \$110,000 performance bond tor irrevocable sight draft letter of credit to cover customer advances, deposits and/or prepayments collected from YMax's customers. YMax has complied with its obligation to maintain the aforementioned performance bond and currently maintains a bond in the amount of \$110,000.

YMax's compliance with Commission regulations and orders has never been at issue. The bond in place was never invoked, and no customer complaint brought into question YMax's conduct as a public service corporation. During the period when YMax received its authority from the Commission, it was the general policy of the Commission to require a bond without a specific inquiry into the track record of the company. Moreover, a bond was imposed irrespective of whether the company intended to collect customer deposits or advanced payments. Because YMax has a track record of good performance and the bond is not needed to ensure YMax's compliance with Commission orders or to secure customer deposits and advanced payments, YMax respectfully asks that the Commission issue an order relieving YMax of its obligation to maintain a performance bond.

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). YMax 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. While the Commission may require a performance bond prior to certification, for the reasons set forth below, continuing this requirement for YMax, an established competitive telecommunications company, is unnecessary, costly and does not advance the public interest.

1. Record of Compliance

YMax has been a certified carrier in Arizona since 2007. Through-out this period YMax has complied with the requirements of its certification, including filing all required reports and paying all required assessments. YMax has not had any complaints lodged against it in Arizona and has not been subject to any fines or penalties in the state.

The bond that YMax has had on file with the Commission has never been drawn upon or requested. Obtaining and maintaining this bond creates a significant expense for YMax. Moreover, it diverts monies that YMax 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). YMax does not collect advances or deposits from any Arizona customers and does not have plans to do so in the future. This fact, in conjunction with YMax's history of compliance with Commission requirements, demonstrates that the continued imposition of the bond requirement on YMax provides no benefit to the public, and is unnecessary.

3. The Commission Has Relieved Bond Obligations of Other Companies and Now Requires Bonds Only When Necessary

In recent years, the Commission has approved the applications of several telecommunications providers requesting relief from the obligation to maintain a performance bond. For instance, in 2015 the Commission approved the *Application of Bullseye Telecom, Inc. for Approval of Rescission of Bond Requirement*, after finding that Bullseye was in compliance with all Commission reporting obligations and had no complaints or opinions filed against it. (Docket T-20613A-15-0082, Decision N. 75295, October 27, 2015. Similarly, the Commission approved the *Application of ACN Communication Services, Inc. for Rescission of Bond Requirement*, relieving that company of a \$125,000 bond obligation.

The Commission has also approved carrier certification requests without requiring a bond of the applicants. *E.g., 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. This makes sense. 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 YMax, however, that do not collect deposits or advance payments, show no history of customer complaints or problems, and have demonstrated their technical and managerial expertise, should not be required to post or maintain a bond.

4. Bond Documents

If this application is approved, YMax requests that the bond documents be returned to the following YMax representative:

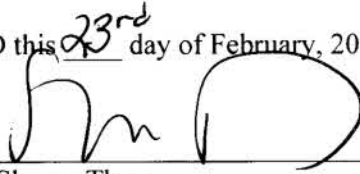
Mark Pavol
YMax Communications Corporation
222 Lakeview Ave., Suite 1600
West Palm Beach, FL 33401

CONCLUSION

For the foregoing reasons, YMax respectfully requests an order cancelling the bond requirement in Decision No. 69644.

RESPECTFULLY SUBMITTED this 23rd day of February, 2017.

By:



Sharon Thomas
Consultant to YMax Communications Corporation
151 Southhall Lane, Suite 450
Maitland FL 32751
Phone: (407) 740-3031
Sthomas@tminc.com

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

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

