

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE**

IN THE MATTER OF THE APPLICATION OF)
QWEST INTERPRISE AMERICA, INC., FOR)
APPROVAL TO REDUCE ITS BONDING) PSC DOCKET NO. 05-92
REQUIREMENT TO \$10,000)
(FILED FEBRUARY 22, 2005))

FINDINGS AND ORDER NO. 6595

This 22nd day of March, 2005, the Public Service Commission ("PSC" or the "Commission") finds, determines, and Orders the following:

1. In PSC Order No. 4691 (Jan. 6, 1998), the Commission granted Qwest Interprise America, Inc. ("Qwest"), a conditional Certificate of Public Convenience and Necessity ("CPCN") to allow it to provide local exchange telecommunications services within Delaware;

2. Under Rule 4(f)(i) of the Commission's "Rules for the Provision of Telecommunications Services" (adopted by PSC Order No. 5833 (Nov. 6, 2001)),¹ a carrier seeking a CPCN to provide telecommunications services must post with the Commission a surety bond in the amount of Ten Thousand Dollars (\$10,000) to secure adequate performance of its regulatory obligations. In addition, under Rule 4(f)(ii) of the Telecommunications Rules, no carrier may require its customers to submit a deposit or prepay for its services unless such carrier posts a surety bond with the Commission to ensure return of such deposits or pre-paid amounts in the event of the carrier's cessation of operations;

¹Hereafter referred to as the "Telecommunications Rules."

3. Consistent with these Telecommunications Rules, Staff informed Qwest that it was required to file a surety bond in the amount of Sixty Thousand Dollars. Such bond amount represented the obligation of a prepayment guarantee of \$60,000 (Rule 4 (f) (ii)). In October 1999, Qwest filed the required bond and completed its conditions as detailed in PSC Order No. 4691;

4. In light of the financial hardship that the Rule 4(f) bonds have imposed on telecommunications carriers, recently, Staff sent a letter to certificated local exchange companies explaining that any local exchange company that had filed a surety bond in the amount of Fifty or Sixty Thousand Dollars and, at this time, did not collect prepayments or deposits, could file a request to reduce its bond to the amount of Ten Thousand Dollars (\$10,000) representing the performance bond amount under Rule 4(f) (i). Because the carrier no longer seeks to collect deposits or require prepayments for services, the provisions of the bonding requirements in Rule 4(f) (ii) would no longer be applicable;

6. On February 22, 2005, Qwest filed an application requesting Commission approval to reduce its bond from Sixty Thousand Dollars (\$60,000) to Ten Thousand Dollars (\$10,000) because Qwest does not presently collect prepayments or deposits from its customers. Staff recommends approval of such request; and

7. Based on the representations that Qwest no longer requires deposits or prepayments that would trigger the additional bond requirements of Rule 4(f) (ii), the Commission grants Qwest's request to modify its bond obligation to only the Ten Thousand Dollar (\$10,000) performance bond required by Rule 4(f) (i) of the Telecommunications Rules.

Now, therefore, **IT IS ORDERED:**

1. That the Commission grants Qwest Interprise America, Inc.'s request to reduce its bond from Sixty Thousand Dollars (\$60,000) to Ten Thousand Dollars (\$10,000) with such bond to conform with the requirements of Rule 4(f)(i) of the "Rules for the Provision of Telecommunications Services," adopted in PSC Order No. 5833 (Nov. 6, 2001).

2. That the Commission reserves the jurisdiction and authority to enter such further Orders in this proceeding as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

/s/ Arnetta McRae
Chair

/s/ Joshua M. Twilley
Vice Chair

/s/ Joann T. Conaway
Commissioner

/s/ Dallas Winslow
Commissioner

/s/ Jaymes B. Lester
Commissioner

ATTEST:

/s/ Karen J. Nickerson
Secretary