

STEPS TO OBTAIN A CITY OF PHOENIX TELECOMMUNICATIONS LICENSE

The information in this document is intended only to be a general guide to the telecommunications license application process and to point out some of the important issues and requirements that are specified in greater detail in the City code, Arizona Revised Statutes and federal law related to telecommunications licensing and regulation.

LAWS GOVERNING TELECOMMUNICATIONS LICENSES

All applicants are encouraged to become familiar with Chapter 5B of the Phoenix City Code, Arizona Revised Statutes (A.R.S.) Title 9, Chapter 5, Article 7, the federal Communications Act and Telecommunications Act and related FCC regulations. Although not exhaustive lists, among the more notable provisions are:

- The term of a license is limited to 5 years. A.R.S. section 9-583
- Only a single application fee and license may be required for one telecommunications corporation that offers intrastate and interstate telecommunications services. A.R.S. section 9-582
- Proof that the applicant has received a certificate of convenience and necessity from the Arizona corporation commission. A.R.S. section 9-583
- A licensee must participate as a member of the Arizona location service for its underground facilities. A.R.S. Title 40, Chapter 1, Article 6.3

LICENSE APPLICATION AND RENEWAL PROCESS

1. All requests for a City of Phoenix Telecommunications Services and Interstate Telecommunications Services License will be forwarded to Thomas Fisher, Utility Coordinator, Street Transportation Department (STD), thomas.fisher@phoenix.gov, 602-534-1285. If the request is from a new telecommunications provider, then the City will request the company show that it has obtained a Certificate of Convenience and Necessity from the Arizona Corporation Commission and for a description of the business it intends to conduct.

An application for a license is available online. STD will also send the provider a copy of the license form, deposit account agreement (DAA), and insurance specifications via electronic mail. The provider will review the documents and contact Thomas and Mike Schaffert, Assistant City Attorney, if they have any questions. Mike Schaffert's contact information is Assistant City Attorney, Law Department (LAW) at mike.schaffert@phoenix.gov or 602-262-6761. Applicants for either a new or renewal license must pay a fee of \$8,500, and a fee of \$4,250 to amend a license.

STD will perform a review of the application for administrative completeness and describe any deficiencies in writing for the applicant, ordinarily within 20 days. Once the application is complete, STD will perform a substantive review of the application within 40 days, at which time STD will inform the applicant that City staff either approves or denies the license. New licensees are required to maintain a \$100,000 performance

bond in favor of the City while they construct their initial system build out. The performance bond requirement is then reduced to \$50,000 for the remaining term of the license. Additionally, all licensees are required to maintain \$40,000 in a restricted bank account as security for performance of their obligations under the license.

2. Upon Staff approval of the application, if the applicant informs STD that it accepts the license forms with no changes, STD will process a request for City Council approval to issue the license. This approval process ordinarily requires about 30 days, but may require up to 60 days if required for City Council scheduling purposes.

3. If the applicant requests specific changes to the license, DAA, or insurance specification forms, then STD and LAW staff will review the changes. The time required for this review will depend upon the extent and complexity of the changes requested, but usually it can be completed within 30 days. City staff will respond in writing by either accepting or rejecting the proposed changes, or proposing alternatives. Upon approval of the final form of the license documents and concurrence in writing from the licensee, LAW will send the final form to the licensee, and STD will then process a request for City Council approval to issue the license.

4. STD will request the applicant print one copy of the license form, DAA, and insurance specifications. The provider will sign and notarize the license and DAA, and attach the approved insurance specifications, W-9 (Request for Taxpayer Identification Number and Certification), and return all documents to STD. STD will route the documents for City signatures, notarization, and attestation. After all documents are signed, the originals are returned to STD and a copy is sent to the licensee. For a new licensee who does not have a security deposit established, the City will ask it to also provide \$40,000 along with the executed license documents to fund the deposit account.

5. STD will send a copy of the DAA along with a written request to the Finance Director to begin the process for setting up the DAA at JP Morgan Chase Bank. The telecommunications provider's taxpayer I.D. number must be included on the written request (see sample). The "Memo to Finance Director" should be sent c/o Jacques Hoffman, Accountant II, Finance Department, along with a Bank Signature Card, and the \$40,000 check (for a new license). When the DAA is established at Chase, STD will receive back the completed DAA (with Chase's signature and notarization).

6. STD will return the fully executed DAA to the City Clerk for recording.

7. STD will place all documents in the Company binder, which includes the license, DAA, W-9, Certificate of Insurance (COI), and performance bond.

PROCESS UPON DENIAL OF LICENSE APPLICATION

If an application for a license is denied, STD will provide the applicant with a written justification for the denial with references to the applicable statutes, ordinances, codes

or substantive policy statements on which the denial is based. The notice of denial will explain the applicant's right to protest the denial to the Director of Street Transportation, or designee, that the applicant must specify the basis for its protest, including a description for why it believes City staff incorrectly denied the license, and that the protest must be filed within 20 working days of the date of the denial.