

BEFORE THE-FLORIDA PUBLIC SERVICE COMMISSION

In re: Bankruptcy cancellation
by Florida Public Service
Commission of IXC Certificate
No. 7232 issued to PF.Net
Network Services Corp.,
effective 12/31/02.

DOCKET NO. 030072-TI
ORDER NO. PSC-03-0366-PAA-TI
ISSUED: March 18, 2003

The following Commissioners participated in the disposition of
this matter:

LILA A. JABER, Chairman
J. TERRY DEASON
BRAULIO L. BAEZ
RUDOLPH "RUDY" BRADLEY
CHARLES M. DAVIDSON

NOTICE OF PROPOSED AGENCY ACTION
ORDER GRANTING CANCELLATION OF INTEREXCHANGE CARRIER
CERTIFICATE DUE TO CHAPTER 11 BANKRUPTCY

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

PF.Net Network Services Corp. (PF.Net) currently holds Certificate of Public Convenience and Necessity No. 7232, issued by the Commission on August 7, 1999, authorizing the provision of Interexchange Carrier (IXC) service.

Pursuant to Section 364.336, Florida Statutes, certificate holders must pay a minimum annual RAF of \$50 if the certificate was active during any portion of the calendar year. Pursuant to Rule 25-4.0161 (2), Florida Administrative Code, the form and applicable

DOCUMENT NUMBER-DATE

02586 MAR 18 8

FPSC-COMMISSION CLERK

fees are due to the Florida Public Service Commission by January 30 of the subsequent year. All entities that apply for certification receive a copy of our rules governing Interexchange Carrier (IXC) service.

On July 23, 2002, the Commission received notice that PF.Net Network Services Corp. had filed for Chapter 11 bankruptcy protection. On January 17, 2003, the Commission received a letter dated January 13, 2003, from Ms. Kay Parry, Vice President of Corporate Operations, which advised that the company ceased operations on June 24, 2002, and requested cancellation of its IXC certificate. In addition, the company stated that it did not have any resources to pay the 2002 Regulatory Assessment Fee.

Chapter 11 of Section 109 of the Federal Bankruptcy Code provides for reorganization by business entities. The filing of a bankruptcy petition under Chapter 11 invokes an automatic injunction known as the Automatic Stay, codified in Bankruptcy Code Section 362. Section 362(b)(4) provides that, for governments, the filing of the petition does not operate as a stay of the enforcement of a judgment, other than a money judgment, obtained in an actual proceeding by a governmental unit to enforce such governmental unit's police or regulatory power. Thus, it would appear that we are not enjoined from exercising our police powers to protect public health, safety and welfare, but are enjoined from exercising our regulatory authority seeking to collect a pre-petition debt. However, in this case, the company has requested cancellation of its certificate. Under those circumstances, this Commission is free to do so. We note that the Division of the Commission Clerk and Administrative Services will be notified that the past due RAFs should not be sent to the Florida Department of Financial Services for collection, but that permission for the Commission to write-off the uncollectible amount should be requested.

Accordingly, we find it appropriate to cancel Interexchange Carrier (IXC) Certificate No. 7232, effective December 31, 2002. If PF.Net's certificate is canceled in accordance with this Order, PF.Net shall immediately cease and desist providing Interexchange Carrier (IXC) services in Florida. We are vested with jurisdiction over this matter pursuant to Sections 364.336, 364.285, and 364.335, Florida Statutes.

ORDER NO. PSC-03-0366-PAA-TI
DOCKET NO. 030072-TI
PAGE 3

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that PF.Net Network Services Corp.'s Certificate No. 7232 to provide Interexchange Carrier (IXC) services is hereby canceled, effective December 31, 2002. It is further

ORDERED that the outstanding Regulatory Assessment Fees should not be sent to the Florida Department of Financial Services for collection. The Division of the Commission Clerk and Administrative Services, instead, shall request for permission to write-off the uncollectible amount. It is further

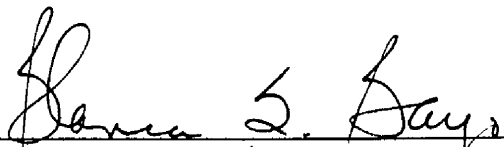
ORDERED that if PF.Net Network Services Corp.'s Certificate No. 7232 is canceled in accordance with this Order, that entity shall immediately cease and desist providing Interexchange Carrier (IXC) services in Florida. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall be closed.

ORDER NO. PSC-03-0366-PAA-TI
DOCKET NO. 030072-TI
PAGE 4

By ORDER of the Florida Public Service Commission this 18th
Day of March, 2003.



BLANCA S. BAYÓ, Director
Division of the Commission Clerk
and Administrative Services

(S E A L)

JPR

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative

ORDER NO. PSC-03-0366-PAA-TI
DOCKET NO. 030072-TI
PAGE 5

Code. This petition must be received by the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on April 8, 2003.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.