BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Bankruptcy cancellation by Florida Public Service Commission of PATS Certificate No. 7418 issued to Alpha Tel-Com, Inc., effective 3/17/03. DOCKET NO. 030273-TC
ORDER NO. PSC-03-0640-PAA-TC
ISSUED: May 27, 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 PAY TELEPHONE SERVICE
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.

Alpha Tel-Com, Inc. (Alpha Tel-Com) currently holds Certificate of Public Convenience and Necessity No. 7418, issued by the Commission on May 10, 2000, authorizing the provision of Pay Telephone (PAT) service. The Division of the Commission Clerk and Administrative Services advised our staff that Alpha Tel-Com had not paid the 2002 and 2003 Regulatory Assessment Fees (RAFs). Also, accrued statutory penalties and interest charges for late RAFs payments for the year(s) 2001 and 2002 had not been paid.

Pursuant to Section 364.336, Florida Statutes, certificate holders must pay a minimum annual RAF of \$50 if the certificate was

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ORDER NO. PSC-03-0640-PAA-TC DOCKET NO. 030273-TC PAGE 2

active during any portion of the calendar year. Pursuant to Rule 25-4.0161 (2), Florida Administrative Code, the form and applicable 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 PAT service.

On March 11, 2003, we received a letter from the company's bankruptcy receiver, Thomas F. Lennon, advising that due to the bankruptcy, the company was no longer providing pay telephone service. A follow up letter was received on March 17, 2002, which requested cancellation of the company's certificate and requested that any unpaid RAFs be written-off.

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." (emphasis added) 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 prepetition 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 Division 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 PAT Certificate No. 7418, effective March 17, 2003. If Alpha Tel-Com's certificate is canceled in accordance with this Order, Alpha Tel-Com shall immediately cease and desist providing PAT 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-03-0640-PAA-TC DOCKET NO. 030273-TC PAGE 3

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Alpha Tel-Com, Inc.'s Certificate No. 7418 to provide Pay Telephone services is hereby canceled, effective March 17, 2003. It is further

ORDERED that the outstanding Regulatory Assessment Fees should not be sent to the Comptroller's Office 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 Alpha Tel-Com, Inc.'s Certificate No. 7418 is canceled in accordance with this Order, that entity shall immediately cease and desist providing Pay Telephone 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-03-0640-PAA-TC DOCKET NO. 030273-TC PAGE 4

By ORDER of the Florida Public Service Commission this 27th Day of <u>May</u>, <u>2003</u>.

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

By: Marcia Sharma, Assistant Director Division of the Commission Clerk and Administrative Services

(SEAL)

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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. mediation is conducted, it does not affect a substantially interested person's right to a hearing.

ORDER NO. PSC-03-0640-PAA-TC DOCKET NO. 030273-TC PAGE 5

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 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 June 17, 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.