

FLORIDA PUBLIC SERVICE COMMISSION
Capital Circle Office Center • 2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

M E M O R A N D U M

APRIL 18, 1996

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF COMMUNICATIONS (WILLIAMS) *W*
DIVISION OF AUDITING & FINANCIAL ANALYSIS (JONES) *J*
DIVISION OF LEGAL SERVICES (EDMONDS) *E*

RE: DOCKET NO. 960161-TS - APPLICATION FOR CERTIFICATE TO
PROVIDE SHARED TENANT SERVICE BY STRATEGIC
TECHNOLOGIES, INC.

AGENDA: 04/30/96 - REGULAR AGENDA - PROPOSED AGENCY ACTION -
INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: I:\PSC\CMU\WP\960161TS.RCM

CASE BACKGROUND

Pursuant to Section 364.339(1)(a)(b), Florida Statutes
(effective July 1, 1995):

(i) The Commission shall have exclusive jurisdiction to
authorize the provision of any shared tenant services
which:

(a) Duplicates or competes with local service
provided by an existing local exchange
telecommunications company; and

(b) Effective January 1, 1996, is furnished through
a common switching or billing arrangement to tenants by
an entity other than an existing local exchange
telecommunications company.

DOCUMENT NUMBER-DATE
04435 APR 18 96
FPSC-RECORDS/REPORTING

DOCKET NO. 960161-TS
DATE: April 18, 1996

STAFF DISCUSSION

ISSUE 1: Should the Commission grant STRATEGIC TECHNOLOGIES, INC. (STI) a certificate to provide statewide shared tenant service within the State of Florida as provided by Section 364.339 (2), Florida Statutes?

RECOMMENDATION: Yes, STI should be granted:

Florida Public Service Commission Certificate #4435

STAFF ANALYSIS: STI filed an application with this Commission on February 9, 1996, to offer telecommunications service as a shared tenant service provider in Florida. Pursuant to Chapter 364.339 (2), Florida Statutes, (effective July 1, 1995):

(2) No person shall provide shared tenant service without first obtaining from the commission a certificate of public convenience and necessity to provide such service. The commission shall grant certificates to telecommunication companies upon showing that the applicants have sufficient technical, financial, and managerial capabilities to provide shared tenant services. The commission may require such services to be offered and priced differently to residential and commercial tenants if deemed to be in the public interest.

Further, the offering of shared tenant service shall not interfere with or preclude a tenant's right to obtain direct access to the lines and services of the serving local exchange telecommunications company or the right of the serving local telecommunications company to serve the tenant directly under the terms and conditions of commission approved tariffs.

STI's exhibit of managerial qualifications reflects satisfactory records in telecommunications sales, marketing and service (pages 4-6). Further, in regards to the show cause proceeding concerning Peoples Telephone Company, Inc. (Docket No. 960385-TC) attached is the affidavit (page 9) of Robert D. Rubin indicating no involvement. In regard to technical capability, STI's exhibit indicates that STI will have the expertise to ensure that a high quality of service is maintained at their facilities. The Division of Auditing and Financial Analysis reviewed STI's financial statements to determine the company's

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financial viability (pages 7-8). Based on the information provided by STI, the financial capability of the company appears adequate.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes, if no person whose substantial interests are affected by the Commission's Proposed Agency Action files a protest within 21 days of the issuance date of the order.

STAFF ANALYSIS: This docket should be closed if no person whose substantial interests are affected by the Commission's Proposed Agency Action files a protest within 21 days of the issuance date of the order.

ROBERT D. RUBIN

WORK EXPERIENCE

- January 1996 to Present* President of STRATEGIC TECHNOLOGIES, INC. ("STRATEGIC"). STRATEGIC is currently engaged in the alarm installation and monitoring business and is an applicant to become a franchise cable operator.
- June 1994 - January 1996* President of PEOPLES TELEPHONE COMPANY, INC. ("PEOPLES"). PEOPLES was primarily an independent public pay telephone company which operated in 41 states. PEOPLES also operated businesses in cellular telephones installed in rental cars and automated telephone systems installed in correctional facilities.
- January 1993 - January 1996* President of PTC SERVICES, INC. ("PTC"), a wholly-owned subsidiary of PEOPLES. PTC operated as a reseller of interexchange carrier and operator services in approximately 20 states. The company also started and sold a prepaid calling card business.
- August 1989 - June 1994* Executive Vice President of PEOPLES. Responsibilities included strategic planning, mergers and acquisitions and legal and regulatory.
- August 1987 - August 1989* STEEL, HECTOR & DAVIS
Lawyer specializing in mergers and acquisitions, federal and state securities laws and general corporate matters.
- August 1987 - January 1994* GREENBERG, TRAURIG, ASKEW, HOFFMAN, ROSEN & QUENTEL, P.A.
Lawyer specializing in mergers and acquisitions, federal and state securities laws and general corporate matters.
- July 1980 - August 1981* PEAT MARWICK MITCHELL & CO.
Certified public accountant with audit and tax experience.

EDUCATION

- 1981 - 1984* UNIVERSITY OF MIAMI SCHOOL OF LAW
Juris doctor. Cum laude
- 1976 - 1980* BOSTON UNIVERSITY
BSBA. Magna cum laude

Ray T. Perriguet III

SUMMARY OF QUALIFICATIONS

9 Years - Computer / Management Information System Design, Implementation & Maintenance IBM & AMIGA SYSTEM ARCHITECTURE - OVER 200 SOFTWARE PLATFORMS

- Software Platforms: (fluent, familiarity with)
 - Operating Systems: Microsoft DOS, Windows, Amiga DOS
 - Spreadsheet: Lotus 123, Symphony, Excel, Quatro Pro
 - Database: dBase III+, dBase IV, Access, Paradox, Rbase
 - Word-processing: Word, Symphony, WordStar, WordPerfect
 - Programming Languages: Clipper, C, C+, C++, Visual Basic
 - Video / Animation: Video Toaster, Pro Video +, SCALA, InfoChannel, CGI
- Networks: Novell & LanTastic

9 Years - Cable Television Operations Management & Engineering

- Forward Planning, Budget Forecasting, Cost Analysis
- F.C.C., Federal, Regional and Local Regulatory Experience
- System Expansion & Acquisition, Franchise, PUD & MUD
- Marketing, Public Relations, Community Affairs
- Personnel Selection, Evaluation, Training and Management
- Wide Band RF System Design, Headend & Distribution Design, Construction & Maintenance
- On & Off Premises Addressability (SA, Tocom, AM, Blonder-Tongue, Eagle)
- System Sweep & Analysis / CLI / Proof of Performance

12 Years - Broadcast Operations Management & Engineering

- Forward Planning, Budget Forecasting, Cost Analysis
- F.C.C., Federal, Regional and Local Regulatory Experience
- AM / FM / VHF / UHF / Microwave Transmission & Reception

EMPLOYMENT EXPERIENCE

Independent Contractor

Information Systems / Telecommunications Consultant
Carlsbad, CA

4/93 - Present

Customization of End User Software Applications. Assist Client in business Software / Hardware selection. Provide Client custom reporting formats, data manipulation programs and on-site staff training. Design and Maintenance of customized client computer systems, networks and employee data input formats.

CATV system acquisitions, system upgrades and redesign, site evaluations, technical compliance. Microwave Path Studies, Site Selection and Access Negotiation.

Telephone system, residential / commercial design, equipment evaluation and selection. Installation, upgrade, maintenance. Billing system interface.

Ocean Hills Cable Television, Inc.

a wholly owned subsidiary of Leisure Technology, Inc. (formerly NYSE)
Vista, CA

1/85 - 3/93

PRESIDENT

4/88 - 3/93

Management and direction of 5 Private cable systems (1 CA, 2 NY, 2 NJ) - 5000 passings / 3500 subscribers. 450 MHz / 2 way / Addressable. 12 FT Employees, 2 Million AOP. Only Division of Leisure Technology not a part of Chapter 11 filing. Orchestrated sale of CA system to Times Mirror. Reduced overhead by 28%; increased revenue by 12% without rate increases or staffing cutbacks. Designed, implemented and maintained Computer Networks and Information Reporting Systems for Division and Corporate interface.

Ocean Hills Cable Television, Inc., cont.**VICE PRESIDENT OPERATIONS**

6/86 - 4/88

Responsible for all technical operations. Designed, constructed, maintained 3 East Coast Headends and 450 mHz. Distribution systems. Designed, constructed and maintained all computer systems; billing, control, reporting and character generation. Hired and trained all field personnel and contractors, implemented preventative maintenance procedures and customer service procedures.

GENERAL MANAGER / CHIEF ENGINEER

1/85 - 6/86

Installed 36 channel SA Headend, upgraded existing 300 mHz. Distribution System to 450 mHz. / 2 way / Addressable. Wrote billing, reporting and character generator programs. Implemented integrated construction techniques and aesthetic installation procedures.

Love Sound, Unlimited - Audio / Video / Broadcast Engineering
 Anaheim / Oceanside, CA

1/80 - 1/85

OWNER / PRESIDENT

Consulting & Contract Engineering Service. (7 Employees)

Engineer of Record for 8 Commercial Broadcast Facilities

Contract Engineer for 50+ Commercial Broadcast Facilities

Designed, Installed & Maintained 200+ CCTV Security Systems

Designed & Constructed 3 Recording Studios / 2 Video Production Studios

Gregg Laboratories

Anaheim, CA

MARKETING DIRECTOR

10/78 - 1/80

Manufacturer of Audio Processing Equipment for Commercial Broadcast Applications. Responsible for advertising design, layout and placement, design and fabrication of collateral materials, manufacturing cost analysis and pricing, direct sales, distributor negotiations and relations, customer service, collections. Assisted in design, layout, component selection and chassis and circuit board fabrication. Wrote all advertising copy and service manuals. Generated direct sales of \$235,000.

Additional Employment History Available Upon Request.

E D U C A T I O N
University of Texas at El Paso
 El Paso, TX

1/72 - 12/74

MAJOR: MASS COMMUNICATIONS

MINOR: EDUCATION

136 HOURS

Cal State at Pomona
 Pomona, CA

1/78 - 5/78

SPECIALTY COURSES ONLY: RF PROPAGATION / DIRECTIONAL ANTENNA THEORY & DESIGN



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-



DATE: February 20, 1996
TO: Tom Williams, Division of Communications
FROM: Sonja Jones, Division of Auditing and Financial Analysis
RE: Docket No. 960161-TS, Strategic Technologies, Inc., Financial Analysis Certificate Application for Shared Tenant Service

Section 364.339 (2), Florida Statutes, requires the following:

The commission shall grant certificates to telecommunications companies upon showings that the applicants have sufficient technical, financial, and managerial capabilities to provide shared tenant services.

Also Section 364.01 (3) and (4) states that:

- (3) The Legislature finds that the competitive provision of telecommunications service, including local exchange telecommunications service, is in the public interest.
- and
- (4)(d) The Commission shall exercise its exclusive jurisdiction in order to: (d) Promote competition by encouraging new entrants into telecommunications markets

Regarding the showing of financial capability, the Finance staff has analyzed the unaudited financial statements of Strategic Technologies, Inc. (STI) for the period ending November 30, 1995. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, STI has minimal liquidity, adequate ownership equity, and negative net income.

Considering the unaudited financial statements and the company's financial condition, staff could not recommend that STI collect deposits or rates subject to refund without posting a bond or letter of credit. However, in this matter, STI is asking for a certificate to provide shared tenant service. Staff notes the limited nature of the application and that no customer provided funds are at risk. Under the minimal requirements of the statute, the application appears adequate.

cc: Division of Legal Services
Division of Records and Reporting

DOCKET NO. 960161-TS
STRATEGIC TECHNOLOGIES, INC.
Shared Tenant Service Certificate
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

AS
OF
11/30/95

CURRENT ASSETS	\$8,174
CURRENT LIABILITIES	61,010
CURRENT RATIO	0.13
CASH	0
COMMON EQUITY	4,793,200
TOTAL DEBT	0
NET INVESTOR CAPITAL	4,793,200
COMMON EQUITY RATIO	100%
NET INCOME (LOSS)	(1,612)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure

AFFIDAVIT OF ROBERT D. RUBIN

STATE OF FLORIDA)
 COUNTY OF DADE) ss:

BEFORE ME, on this 17th day of April, 1996, appeared Robert D. Rubin, after being duly sworn states that the following information is true and correct.

1. My name is Robert D. Rubin. I am over the age of 18 years old and I make this affidavit based on my own personal knowledge.
2. I was employed by Peoples Telephone Company, Inc. ("PTC") from August 7, 1989 to December 31, 1995. From June 1994 until my resignation, I was PTC's President.
3. On or about November 15, 1995, I relinquished substantially all of my day-to-day activities at PTC, including my activities as President, to a newly-appointed Chief Executive Officer, Robert Lund.
4. I had no knowledge of any of Public Service Commission ("PSC") staff's letters to PTC regarding incoming call blocking referred to in Docket No. 960358-TC and in the ordinary course of my duties I did not receive copies of PSC staff letters regarding compliance matters and I was not involved in the discussion or disposition of any compliance matters.
5. To the best of my knowledge, all of the correspondence from the PSC and referred to in Docket No. 960358-TC was received by PTC after I was no longer involved in the operations of PTC.
6. During my employment at PTC, my duties did not include managing the programming, maintenance or operations of the pay telephones and I would not have authorized or had knowledge of the noncompliance issues raised in Docket No. 960358-TC.
7. During my employment at PTC, to the best of my knowledge, all PSC inquiries were responded to promptly and immediate corrective action was taken if required.

FURTHER AFFIANT SAYETH NAUGHT


 Robert D. Rubin

I HEREBY CERTIFY that on this day personally appeared before me, Robert D. Rubin, to me well known to be the person described in and who executed the forgoing instrument and he acknowledges before me that he executed the same freely and voluntarily for the purpose expressed therein.

WITNESS my hand and official seal at Miami, County of Dade, and State of Florida, this 17th day of April, 1996.


 Notary Public, State of Florida

My Commission Expires:

OFFICIAL NOTARY SEAL
 PATRICIA IRVING
 NOTARY PUBLIC STATE OF FLORIDA
 COMMISSION NO. CC48871
 MY COMMISSION EXP. MAY 20, 1999