

Talbott
Vandiver

FLORIDA PUBLIC SERVICE COMMISSION
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M E M O R A N D U M

DECEMBER 5, 1996

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

FROM: DIVISION OF COMMUNICATIONS (ISLER) *Pif*
DIVISION OF LEGAL SERVICES (WAGNER) *LW* *NCB* *AW*

RE: DOCKET NO. 960914-TI - I.S.C. INTERNATIONAL
TELECOMMUNICATIONS - INITIATION OF SHOW CAUSE PROCEEDINGS
FOR VIOLATION OF RULES 25-24.470, FLORIDA ADMINISTRATIVE
CODE, CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY
REQUIRED, AND 25-4.043, FLORIDA ADMINISTRATIVE CODE,
RESPONSE TO COMMISSION STAFF INQUIRIES

AGENDA: DECEMBER 17, 1996 - REGULAR AGENDA - PROPOSED AGENCY
ACTION - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: S:\PSC\CMU\WP\960914TI.RCM

CASE BACKGROUND

• Staff obtained a debit card provided by I.S.C. International Telecommunications (ISC), which is not certificated as an interexchange carrier (IXC) in Florida.

• By Order No. PSC-96-1183-FOF-TI, issued September 20, 1996, the Commission initiated proceedings to require ISC to show cause why it should not be fined up to \$25,000 for providing debit card service without a certificate and not responding to Commission staff inquiries.

• The Commission's Case Management System records indicate the certified copy of the Commission's order was returned by the Post Office.

DOCUMENT NUMBER-DATE
12984 DEC-5 96
FPSC-RECORDS/REPORTING

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DISCUSSION OF ISSUES

ISSUE 1: Pursuant to Chapter 364.285, Florida Statutes, should the Commission determine a fine amount in resolution of the Order to Show Cause for violations of Rules 25-24.470, Florida Administrative Code, Certificate of Public Convenience and Necessity Required, and 25-4.043, Florida Administrative Code, Response to Commission Staff Inquiries?

RECOMMENDATION: Yes, staff recommends a fine of \$10,000.

STAFF ANALYSIS: Communications staff obtained a debit card identified as I.S.C. International Telecommunications (ISC or company). On July 9, 1996, staff mailed ISC a certified letter requesting information about its Florida operations and advising that certification may be required by the Commission. The letter was returned by the Post Office marked "Refused". Staff attempted to reach the company by telephone but ISC's telephone service had been disconnected.

On September 20, 1996, the Commission issued Order No. PSC-96-1183-FOF-TI, requiring ISC to show cause why it should not be fined for violations of Rules 25-24.470, Florida Administrative Code, Certificate of Public Convenience and Necessity Required, and 25-4.043, Florida Administrative Code, Response to Commission Staff Inquiries. The Post Office returned to the Commission the certified copy of the order on October 1, 1996, and indicated there was no one at the location to accept the letter. Staff called Directory Assistance on October 28, 1996, and asked for a listing for I.S.C. International Telecommunications. Staff was informed there was no listing for I.S.C. International Telecommunications, however, staff was provided a telephone number for a similarly-named company, I.S.C. International. When questioned, staff learned that this other company was not a debit card service provider, and was not the subject of the show cause order.

In response to a request for production of documents, staff forwarded a copy of ISC's file to the Federal Trade Commission for investigation.

In previous dockets involving companies operating without a certificate and not responding to staff inquiries, fines and settlements have ranged up to \$40,714. Therefore, in view of the company's failure to respond to the certified copy of the Show Cause Order No. PSC-96-1183-FOF-TI and staff's inquiries, staff recommends a fine. Staff believes a fine of \$10,000 is appropriate.

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ISSUE 2: In the event that a fine is imposed pursuant to Issue 1, should this Commission forward the matter to the Comptroller's Office in the event that reasonable collection efforts are unsuccessful?

RECOMMENDATION: Yes.

STAFF ANALYSIS: Since I.S.C. International Telecommunications has not responded to Commission staff inquiries or the certified copy of the show cause order, staff recommends that collection of any fine imposed pursuant to Issue 1, be referred to the Comptroller's Office for further collection efforts if ISC fails to respond to reasonable collection efforts by Commission staff. Reasonable collection efforts shall constitute two certified letters requesting payment. The referral to the Comptroller's office would be based on the conclusion that further collection efforts by this Commission would not be cost-effective.

ISSUE 3: Should this docket be closed?

RECOMMENDATION: Yes. This docket should be closed if no person, whose interests are substantially affected by the proposed action, files a protest within the 21 day protest period, and with the approval of Issue 1, and after collection of the fine or referral to the Comptroller's Office.

STAFF ANALYSIS: At the conclusion of the protest period, if no protest is filed, and if the Commission accepts staff's recommendation in Issue 1 and after collection of the fine or referral to the Comptroller's Office, this docket may be closed. The fine amount should be forwarded to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Chapter 364.285 (1), Florida Statutes.