

ORIGINAL
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Initiation of show cause proceedings against World Access Communications Corp. for violation of Rule 25-24.4701, F.A.C., Provisions of Regulated Communications Service to Uncertified Resellers Prohibited.

DOCKET NO. 960216-TI
ORDER NO. PSC-96-0646-FOF-TI
ISSUED: May 10, 1996

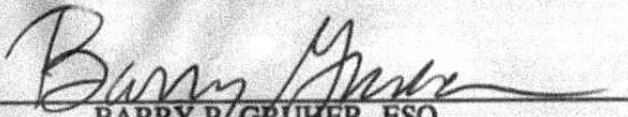
NOTICE OF FILING

Respondent, World Access Communications Corporation ("World Access"), by and through its undersigned counsel, hereby gives notice of filing its Prehearing Testimony/Statement in Docket 960216-TI.

I HEREBY CERTIFY that a true copy of the foregoing was served via facsimile (904-413-6250) and U.S. Mail this 27 day of February, 1997, upon: Blanca S. Bayo, Director of Division of Records and Reporting, and Will Cox, Division of Legal Services, 2540 Shumard Oak Blvd., Tallahassee, Florida 32399-0850.

Respectfully submitted this 27 day of February, 1997.

SCHANTZ, SCHATZMAN & AARONSON, P.A.
Attorneys for WORLD ACCESS COMMUNICATIONS CORP.
Suite 1050, First Union Financial Center
200 South Biscayne Boulevard
Miami, FL 33131-2394
(305) 371-3100

By: 
BARRY P. GRUHER, ESQ.
Florida Bar No: 960993

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**WORLD ACCESS COMMUNICATION CORPORATION'S
PREHEARING TESTIMONY/STATEMENT IN DOCKET 960216-TI**

Respondent, World Access Communications Corporation ("World Access"), by and through its undersigned counsel, hereby files its Prehearing Testimony and states as follows:

DIRECT TESTIMONY OF JOEL ESQUENAZI

- Q. Please state your name, occupation and business address for the record.
- A. My name is Joel Esquenazi and I am the President and Corporate Representative of the Respondent, World Access, in these proceedings.
- Q. What type of business is World Access engaged in?
- A. World Access is a Florida corporation which provides various communications services in the telecommunications industry. One of the services provided by World Access is the reselling of long-distance telecommunication services to other companies, such as Telecuba and Cellular Access, that would otherwise be unable to obtain discounts from major providers and/or carriers such as AT&T. This is accomplished by purchasing long-distance service at wholesale per minute rates and then reselling those long-distance minutes to the customer through World Access' telecommunications network service. Moreover, World Access has also obtained exclusive use of several 1-800 numbers from AT&T, in or about January, 1995, and further, has established a long-distance network switch system whereby a customer can access a United States phone line from anywhere in the world in order to place an international call.
- Q. Is World Access engaged in any other business other than that described above?

- A. Yes, World Access entered into a contractual agreement with Telecuba and Cellular Access whereby Telecuba and Cellular Access would market and sell pre-paid long distance debit cards to the general public. Under this arrangement, World Access provided Telecuba and Cellular Access with access and use of World Access' long-distance telecommunications services, for the sale, marketing and distribution of Telecuba's and Cellular Access' long distance pre-paid calling cards to the general public and access and use of several (800) numbers, which accounts had been established in the names of World Access.

World Access would bill Telecuba and Cellular Access directly for their respective customers' network time. At all times material, both Telecuba and Cellular Access were responsible for properly maintaining its accounts with World Access, since their customers were not direct customers of World Access. World Access also provided Telecuba and Cellular Access with the use of its network "switch" system whereby a customer could access a United States phone line from anywhere in the world in order to place international calls.

- Q. Have you had an opportunity to review the List of Issues that have been identified by the Florida Public Service Commission in these proceedings?

A. Yes.

- Q. With respect to issue No. 1, "should the Commission require World Access to provide its relevant call detail records in a standard format to Telecuba to facilitate proper customer refunds", is World Access willing to provide such information?

- A. Yes, and in fact World Access' books and records have been open for discovery by either Telecuba, its owner, Louis Coello and Cellular Access, pursuant to World Access' Response to Request for Production of Documents served on World Access by these petitioners in the case styled, *World Access Communications Corp. v. Telecuba, Inc.*, Circuit Court Case No: 96-00828 CA (23). This lawsuit, now pending in the Dade County Circuit Court, has been specifically referenced World Access' Response to Order

to Show Cause, both substantively and as an attached Exhibit thereto, and other related inquiries from the Commission throughout these proceedings.

- Q. If the Commission required World Access to provide its relevant call detail records in a standard format to Telecuba, do you believe that it could facilitate proper customer refunds?
- A. No, World Access, while committed to cooperating with the Commission, does not believe this will allow customer refunds, since the prepaid calling cards that Telecuba and Cellular Access sold were distributed on the open market through various vendors in the state of Florida. The long distance calling cards fail to contain any customer identification or information necessary to locate any particular customer. In fact, World Access' understanding of Telecuba's business was that the customer prepaid calling cards were sold over the counter and the only identification on the cards was a specific PIN number, however, the PIN number did not identify the customer by name, address or telephone, for purposes of refunding money.
- Q. Should World Access complete direct refunds to consumers plus interest pursuant to Fla. Admin. Code R. 25-4.114 for debit cards sold that were unusable as set forth in issue #2?
- A. No. Again based on my prior responses, World Access does not have sufficient information available to accomplish these goals. Further, after reviewing the specific rule of the Florida Administrative Code, the Rule does not appear to address this particular factual situation to provide a basis for refund as set forth in Rule 25-4.114 (3), F.A.C., especially where, as here, World Access obtained no direct benefit in the form of rate increases, changes or overearings inasmuch as World Access never received the revenues generated from the sales of the long distance prepaid calling cards. More importantly, World Access was never paid by Telecuba or Cellular Access for the long distance services it obtained through World Access.

Q. Did World Access knowingly provide interexchange telecommunications service to an uncertificated entity?

A. No, as previously stated in 'World Access' Response to Order to Show Cause filed on May 31, 1996, should not be fined by the Commission for any alleged violation(s) of Rule 25-24.4701, Florida Administrative Code, prohibiting a certificated inter-exchange company such as World Access, from providing telecommunications service on an intrastate basis in Florida, to an uncertificated inter-exchange company for the purpose of reselling or rebilling intrastate inter-exchange telecommunications services to the general public. The Order to Show Cause and attached exhibit clearly sets forth the underlying dispute between Telecuba and World Access in the case styled *World Access Communications Corp. v. Telecuba, Inc.*, Circuit Court Case No: 96-00828 CA (23). Indeed, Telecuba and Cellular Access were only marketing and selling pre-paid long distance calling cards to the general public through various vendors in the state of Florida. In this instance, World Access as a certificated inter-exchange company did not know nor have reason to know or "expect" that Telecuba and/or Cellular Access were reselling or rebilling its services for which Telecuba was required to possess a Certificate of Public Convenience and Necessity, in violation of the Rule 25-24.4701(1), F.A.C., for which the Commission should impose a fine or have Telecuba and/or Cellular Access' own Certificate of Public Service Commission canceled.

Accordingly, Telecuba and Cellular Access were not engaging in the reselling or rebilling of intrastate inter-exchange telecommunication services in the state of Florida for which World Access was governed, in this instance, under Rule 25-24.4701, F.A.C., since all incoming and/or outgoing pre-paid debit card customer calls ran through World Access' own telecommunications networking system and exclusive 1-(800). Additionally, Telecuba and Cellular Access were to be directly billed for the time that their respective customers used World Access' telecommunications network system via the pre-paid debit

calling card. Both Telecuba and Cellular Access were to be directly billed for their respective customers' network time and at all times material, Telecuba and Cellular Access were to be responsible for properly maintaining their service accounts with World Access.

Q. Should the Commission fine World Access for knowingly providing interexchange telecommunication service to an uncertificated entity?

A. No, for the reasons already stated above.

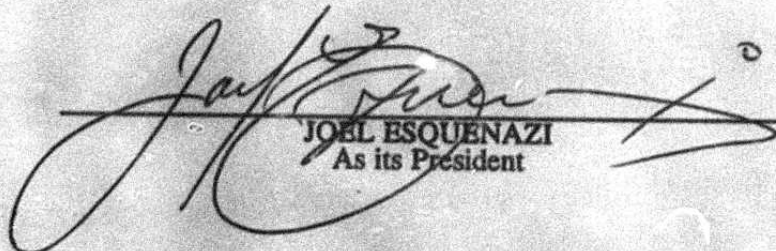
Q. Should the Commission cancel World Access' certificate for knowingly providing interexchange telecommunications service to an uncertificated entity?

A. No, again for the reasons stated above.

Q. If World Access was fined by the Florida Public Service Commission, what amount to you believe the company should be levied?

A. World Access would respectfully submit that World Access is not responsible to any of the consumer's who purchased a Telecuba or Cellular Access long distance calling card. In the event World Access is fined, it is unable to formulate an appropriate response to this issue and therefore, would respectfully request that the Commission reserve ruling on the issue of damages, if any, and that an amount of damages be allocated in proportion to its percent of liability with Telecuba and Cellular Access.

WORLD ACCESS COMMUNICATIONS CORPORATION

 2/21/97
JOEL ESQUENAZI
As its President

