

BOOKHOLDER, BASSETT, GORNBEIN & COHEN, P.L.L.C.

A PROFESSIONAL LIMITED LIABILITY COMPANY

ATTORNEYS AND COUNSELORS

LONG LAKE CROSSINGS

1301 WEST LONG LAKE ROAD, SUITE 388

TROY, MICHIGAN 48068

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TELEPHONE
(810) 641-0100

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July 21, 1997

Via Federal Express Overnight Mail

Ms. Blanca Bayo
Director of Records & Reporting
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399

DEPOSIT

DATE

D 5 7 2

JUL 22 1997

JUL 22 11 09 58

RE: Docket #970312-TI
Docket #970352-TI
Order No PSC-97-768-FOF-TI
Issued: June 30, 1997

My Client: Long Distance Services, Inc.

Dear Ms. Bayo:

Enclosed please find a Certified Check from Long Distance Services, Inc., ("LDSI") in the total amount of Six Thousand (\$6,000.00) Dollars for settlement of alleged violations of Rules 25-4.118, 25-24.470, 25-4.043 and 25-24-480, Florida Administrative Code.

Pursuant to an Order Approving Settlement Offer and Notice of Proposed Agency Action Order Granting Certificate dated June 30, 1997, the enclosed check shall insure that Long Distance Services, Inc. is granted a certificate to provide interexchange telecommunication... service and that the above-referenced Order dated June 30, 1997 will serve as Long Distance Service, Inc.'s Certificate to provide interexchange telecommunications service.

I would appreciate it if you would send me a brief letter confirming that the Order has become final and this docket is now closed. Thank you for your anticipated cooperation. Please do not hesitate to contact me should you have any questions or concerns.

Very truly yours,

BOOKHOLDER, BASSETT,
GORNBEIN & COHEN, P.L.L.C.

Susan E. Cohen

SEC/kmh
Enclosures

cc: Nancy Pruitt, Florida Public Service Commission
Allan Barash, Long Distance Services

DOCUMENT NUMBER-DATE

07341 JUL 22 97

FPSC-RECORDS/REPORTING

violation of Rule 25-4.118, Florida Administrative Code. In eight of the cases, LDS's responses were not timely as required by Rule 25-4.043, Florida Administrative Code. During this period of time, LDS was not certificated to operate in Florida as required by Rule 25-24.470, Florida Administrative Code.

To resolve the show cause proceeding, LDS offered a settlement. See Attachment A. The settlement offer is summarized as follows:

- 1) LDS would pay \$6,000 for alleged violations of Rules 25-4.118, 25-24.470, 25-4.043 and 25-24.480, Florida Administrative Code.
- 2) LDS stopped marketing to Florida residential customers on January 16, 1997, and will not market in Florida again without independent third party verification of at least 10% of the letters of authority (LOAs) and the mailing of information packages with prepaid postcards to all sales evidenced by an LOA. No sweepstakes type marketing will be used.
- 3) The Commission would grant the company a certificate to provide intrastate interexchange telecommunications service.

The company failed to inform this Commission of its change of address. We have, however, determined that the company's Florida telephone number is in service and calls to the number are forwarded automatically to the Michigan offices. The company offered a payment in the amount of \$1,000 to resolve this matter.

LDS also offered a payment in the amount of \$5,000 to resolve the several matters of slamming, not responding timely to staff inquiries, and operating without certification. In the settlement offer, LDS has committed to employing independent third party verification of at least 10 percent of the LOAs received from Florida residential customers. We note that third party verification is not required under our rules where a company has an LOA. LDS also affirmed that it will not market its telecommunications service through any sweepstakes program.

Upon consideration, we find that the company's settlement offer is fair and reasonable. It adequately addresses our

concerns. Accordingly, we find it appropriate to approve the offer. Upon receipt by this Commission, the \$6,000 shall be forwarded to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285, Florida Statutes.

CERTIFICATE

Section 364.337(3), Florida Statutes, provides that:

The commission shall grant a certificate of authority to provide intrastate interexchange telecommunications service upon a showing that the applicant has sufficient technical, financial, and managerial capability to provide such service in the geographic area to be served.

LDS filed an application with this Commission on March 20, 1997, to offer telecommunications service as a switchless rebiller in Florida. The information contained therein shows that the company managers have sufficient managerial capability in the provision of telecommunications service. The company will rely on network operation and management by its underlying carrier. LDS's financial capability is also shown to be adequate.

Mindful that we canceled LDS's certificate in 1995, we find it appropriate, nevertheless, to grant LDS Certificate No. 4877, authorizing it to provide interexchange telecommunications service.

If this Order becomes final and effective, it will serve as LDS's certificate. It should, therefore, be retained by LDS as proof of certification.

Interexchange carriers (IXCs) are subject to Chapter 25-24, Florida Administrative Code, Part X, Rules Governing Telephone Service Provided by Interexchange Telephone Companies. Interexchange carriers are also required to comply with all applicable provisions of Chapter 364, Florida Statutes, and Chapter 25-4, Florida Administrative Code. Further, in accordance with Order No. 16804, issued November 4, 1986, IXCs may not construct facilities to bypass a local exchange company without the prior approval of this Commission.

BOOKHOLDER, BASSETT, GORNBEIN & COHEN, P.L.L.C.

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MAIL ROOM

97 JUL 22 AM 9 58

RE: Docket #970312-TI
Docket #970352-TI
Order No PSC-97-768-FOF-TI
Issued: June 30, 1997
My Client: Long Distance Services, Inc.

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98-0798
217069

MEMORANDUM

RECEIVED

June 24, 1997

JUN 30 1997
11:30

FPSC - Records/Reporting

TO: DIVISION OF RECORDS AND REPORTING *Q*

FROM: DIVISION OF LEGAL SERVICES (PELEGRINI/PENA) *KP MCB*

RE: DOCKET NO. 970312-TI - INITIATION OF SHOW CAUSE PROCEEDINGS FOR VIOLATION OF RULES 25-4.118 AND 25-24.470, FLORIDA ADMINISTRATIVE CODE, INTEREXCHANGE CARRIER SELECTION AND CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY REQUIRED

DOCKET NO. 970352-TI - APPLICATION FOR CERTIFICATE TO PROVIDE INTEREXCHANGE TELECOMMUNICATIONS SERVICES BY LONG DISTANCE SERVICES, INC.

75C-97-0768-FOF

Attached is an ORDER APPROVING SETTLEMENT OFFER AND NOTICE OF PROPOSED AGENCY ACTION ORDER GRANTING CERTIFICATE to be issued in the above referenced docket. (Number of pages in order - 9)

CJP/KMP/clp
Attachment
cc: Division of Communications (Pruitt, Strong)
Division of Auditing and Financial Analysis (Draper)
I: 970312o3.cjp

Attachments Not In-line