

State of 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-

DATE: DECEMBER 5, 2001

TO: DIRECTOR, DIVISION OF THE COMMISSION CLERK & ADMINISTRATIVE SERVICES (BAYÓ)

FROM: DIVISION OF COMPETITIVE SERVICES (FONDO/M.WATTS) *OWF*
DIVISION OF LEGAL SERVICES (L.FORDHAM) *L.F.F. ML*

RE: COMPLIANCE INVESTIGATION FOR APPARENT VIOLATION OF SECTION 364.183(1), F.S., ACCESS TO COMPANY RECORDS.

DOCKET NO. 011473-TX - EXPRESS PHONE SERVICE, INC.
DOCKET NO. 011532-TX - STRATEGIC TECHNOLOGIES, INC.
DOCKET NO. 011534-TX - SUN-TEL USA, INC.
DOCKET NO. 011536-TX - TALLAHASSEE TELEPHONE EXCHANGE, INC.
DOCKET NO. 011537-TX - TEL-PHONE COMMUNICATIONS, INC.
DOCKET NO. 011538-TX - TELEBEEPER, INC. D/B/A OSCATEL COMMUNICATIONS
DOCKET NO. 011539-TX - TELECARE, INC. D/B/A CARETELE, INC.
DOCKET NO. 011540-TX - TELEPHONE ONE INC.
DOCKET NO. 011545-TX - TELEPHONE SYSTEMS OF GEORGIA, INC.

AGENDA: 12/17/2001 - REGULAR AGENDA - PROPOSED AGENCY ACTION - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\CMP\WP\011473.RCM

DOCUMENT NUMBER-DATE
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FPSC-COMMISSION CLERK

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CASE BACKGROUND

- July 6, 2001 - Staff mailed a certified letter, return receipt requested, to each of the certificated Alternative Local Exchange Company (ALEC) providers listed in Attachment A. Staff's letter requested information necessary for inclusion in the local competition report required of the Commission by Section 364.386, Florida Statutes, Reports to the Legislature. Staff's letter emphasized that responses were due no later than August 17, 2001, and that failure to respond could result in the Commission assessing penalties pursuant to Section 364.285(1), Florida Statutes.
- July 6-10, 2001 - The certified letter return receipts (Attachment B) from the July 6, 2001, mailings were signed by each of the companies listed in Attachment A.
- October 29, 2001 - None of the companies listed in Attachment A provided responses to staff's July 6, 2001, certified letter.

The Commission is vested with jurisdiction over this matter pursuant to Sections 364.183, 364.285, and 364.386, Florida Statutes. Accordingly, staff believes the following recommendations are appropriate.

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DISCUSSION OF ISSUES

ISSUE 1: Should the Commission fine each of the companies listed in Attachment A \$5,000 or cancel each company's respective certificate, as listed in Attachment A, for apparent failure to provide the Commission access to information pursuant to Section 364.183(1), Florida Statutes, Access to Company Records?

RECOMMENDATION: Yes. The Commission should fine each of the companies listed in Attachment A \$5,000 or cancel each company's respective certificate, as listed in Attachment A, if the fine is not received by the Commission within five business days after the issuance of the Consummating Order. The fine should be paid to the Florida Public Service Commission and forwarded to the Office of the Comptroller for deposit in the General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. If the Commission's Order is not protested and the fine is not received within five business days after the issuance of the Consummating Order, then each company's respective certificate should be canceled administratively. (FONDO/M.WATTS/L.FORDHAM)

STAFF ANALYSIS: Pursuant to Section 364.285, Florida Statutes, the Commission may impose a fine or cancel a certificate if a company refuses to comply with Commission rules or statutes. Section 364.183(1), Florida Statutes, Access to Company Records, states:

364.183 Access to company records. --

(1) The commission shall have access to all records of a telecommunications company that are reasonably necessary for the disposition of matters within the commission's jurisdiction. The commission shall also have access to those records of a local exchange telecommunications company's affiliated companies, including its parent company, that are reasonably necessary for the disposition of any matter concerning an affiliated transaction or a claim of anticompetitive behavior including claims of cross-subsidization and predatory pricing. The commission may require a telecommunications company to file records, reports or other data directly related to matters within the commission's jurisdiction in the form specified by the

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commission and may require such company to retain such information for a designated period of time. Upon request of the company or other person, any records received by the commission which are claimed by the company or other person to be proprietary confidential business information shall be kept confidential and shall be exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution.

Based on the certified letter return receipts (Attachment B) staff received from the United States Postal Service, it appears that the companies listed in Attachment A received the data request and could have responded. It is imperative that the Commission receive 100% participation to accurately reflect the status of local telecommunications competition to the Legislature. Staff requested the information in order to comply with Section 364.386, Florida Statutes, Reports to the Legislature, which states in part:

364.386 Reports to the Legislature. --

(1) The commission shall submit to the President of the Senate, the Speaker of the House of Representatives, and the majority and minority leaders of the Senate and the House of Representatives, on December 1, 1996, and on an annual basis thereafter, a report on the status of competition in the telecommunications industry and a detailed exposition of the following:

(a) The overall impact of local exchange telecommunications competition on the continued availability of universal service.

(b) The ability of competitive providers to make functionally equivalent local exchange services available to both residential and business customers at competitive rates, terms, and conditions.

(c) The ability of consumers to obtain functionally equivalent services at comparable rates, terms, and conditions.

(d) The overall impact of price regulation on the maintenance of reasonably affordable and reliable high-quality telecommunications services.

(e) What additional services, if any, should be included in the definition of basic local telecommunications

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services, taking into account advances in technology and market demand.

(f) Any other information and recommendations which may be in the public interest.

By Section 364.285, Florida Statutes, the Commission is authorized to impose upon any entity subject to its jurisdiction a penalty of not more than \$25,000 for each offense, if such entity is found to have refused to comply with or to have willfully violated any lawful rule or order of the Commission, or any provision of Chapter 364. Utilities are charged with knowledge of the Commission's rules and statutes. Additionally, "it is a common maxim, familiar to all minds, that 'ignorance of the law' will not excuse any person, either civilly or criminally." Barlow v. United States, 32 U.S. 404, 411 (1833).

Staff believes that the conduct of each of the companies listed in Attachment A, by not providing staff access to company records, in apparent violation of Section 364.183(1), Florida Statutes, has been "willful" in the sense intended by Section 364.285, Florida Statutes. In Order No. 24306, issued April 1, 1991, in Docket No. 890216-TL, In re: Investigation Into The Proper Application of Rule 25-14.003, F.A.C., Relating to Tax Savings Refund for 1988 and 1989 for GTE Florida, Inc., having found that the company had not intended to violate the rule, the Commission nevertheless found it appropriate to order it to show cause why it should not be fined, stating that "In our view, willful implies intent to do an act, and this is distinct from intent to violate a rule." Thus, any intentional act, such as the conduct of each of the companies listed in Attachment A at issue here, would meet the standard for a "willful violation."

The companies listed in Attachment A did not respond to the Commission's request for information. All have been certificated in Florida since at least October 20, 2000. Some of the companies have not reported any revenues and are apparently not providing telecommunications services in Florida. Nevertheless, they are still subject to the Commission's rules and Florida Statutes governing Alternative Local Exchange Companies.

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Therefore, staff recommends that the Commission should fine each of the companies listed in Attachment A \$5,000 or cancel each company's respective certificate, as listed in Attachment A, if the fine is not received by the Commission within five business days after the issuance of the Consummating Order. The fine should be paid to the Florida Public Service Commission and forwarded to the Office of the Comptroller for deposit in the General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. If the Commission's Order is not protested and the fine is not received within five business days after the issuance of the Consummating Order, then each company's respective certificate should be canceled administratively.

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ISSUE 2: Should these dockets be closed?

RECOMMENDATION: The Order issued from this recommendation will become final upon issuance of a Consummating Order, unless a person whose substantial interests are affected by the Commission's decision files a protest within 21 days of the issuance of the Proposed Agency Action Order. The dockets should then be closed upon receipt of the fines or cancellation of the certificates. A protest in one docket should not prevent the action in a separate docket from becoming final. (L.FORDHAM)

STAFF ANALYSIS: Whether staff's recommendation on Issue 1 is approved or denied, the result will be a Proposed Agency Action Order. If no timely protest to the Proposed Agency Action is filed within 21 days of the date of the issuance of the Order, these dockets should be closed upon receipt of the fines or cancellation of the certificates. A protest in one docket should not prevent the action in a separate docket from becoming final.

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ATTACHMENT A

DATE: DECEMBER 5, 2001

Docket No.	Company	Code	Certificate No.	Certification Date	Reported Revenue 2000
011473-TX	Express Phone Service, Inc.	TX481	5636	9/12/00	\$164,371.66
011532-TX	Strategic Technologies, Inc.	TX021	4431	6/29/96	\$0.00
011534-TX	Sun-Tel USA, Inc.	TX330	7126	8/30/99	\$15,800.00
011536-TX	Tallahassee Telephone Exchange, Inc.	TX248	5763	12/24/98	\$0.00
011537-TX	Tel-Phone Communications, Inc.	TX413	7335	3/02/00	\$0.00
011538-TX	Telebeeper, Inc. d/b/a Oscatel Communications	TX399	7341	3/02/00	\$0.00
011539-TX	Telecare, Inc. d/b/a Caretele, Inc.	TX303	7079	8/06/99	\$0.00
011540-TX	Telephone One Inc.	TX280	5806	3/25/99	\$0.00
011545-TX	Telephone Systems of Georgia, Inc.	TX340	7180	10/15/99	\$0.00

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 011545-TX

ATTACHMENT B

DATE: DECEMBER 5, 2001

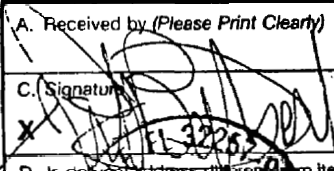
SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		A. Received by (Please Print Clearly)	B. Date of Delivery 7-6-01
1. Article Addressed to: Express Phone Service, Inc. X481 109 Mobile Highway Pensacola, FL 32506-3570 TX 481		C. Signature X <i>Melissa Bachus</i>	<input type="checkbox"/> Agent <input type="checkbox"/> Addressee
2. Article Number (Copy from service label) 7000 1670 0012 8641 7210		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
PS Form 3811, July 1999		Domestic Return Receipt	
		102595-00-M-0952	

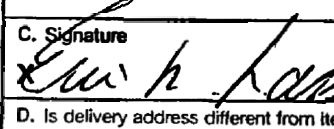
SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		A. Received by (Please Print Clearly)	B. Date of Delivery 7/9
1. Article Addressed to: Strategic Technologies, Inc. X021 100 N.W. 107th Avenue, Suite 310 Miami, FL 33172-3160 TX 021		C. Signature X <i>Maria Lopez</i>	<input type="checkbox"/> Agent <input type="checkbox"/> Addressee
2. Article Number (Copy from service label) 7000 1670 0012 8641 5020		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
PS Form 3811, July 1999		Domestic Return Receipt	
		102595-00-M-0952	

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ATTACHMENT B

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SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Received by (Please Print Clearly)	B. Date of Delivery
1. Article Addressed to: Sun-Tel USA, Inc. TX330 10169 Foxcroft Road, West Jacksonville, FL 32257-5963	C. Signature 	
	<input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
	D. Is delivery address different from item 1? If YES, enter delivery address below:	
	<input type="checkbox"/> Yes <input type="checkbox"/> No	
	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
TX 330 JUL 9 2001 JACKSONVILLE FL 32257-5963 MANDARIN STATION USPS		
2. Article Number (Copy from service label) 70001670 0012 864		

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Received by (Please Print Clearly)	
1. Article Addressed to: Tallahassee Telephone Exchange, Inc. TX248 P. O. Box 11042 Tallahassee, FL 32302-3042	C. Signature 	
	<input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
	D. Is delivery address different from item 1? If YES, enter delivery address below:	
	<input type="checkbox"/> Yes <input type="checkbox"/> No	
	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
TX 248		
2. Article Number (Copy from service label) 70001670 0012 8641 4917		

PS Form 3811, July 1999

Domestic Return Receipt

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 011538-TX, 011539-TX, 011540-TX,
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ATTACHMENT B

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Received by (Please Print Clearly) <i>LISA CORVERA</i>	B. Date of Delivery <i>7/9</i>
1. Article Addressed to: Tel-Phone Communications, Inc. TX413 2046 N.W. 55th Avenue Margate, FL 33063-3753	C. Signature <input checked="" type="checkbox"/> <i>Lisa Corvera</i>	<input type="checkbox"/> Agent <input type="checkbox"/> Addressee
	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
2. Article Number (Copy from service label) <i>TX 413</i> <i>7000 11670 0012 8641 4870</i>		
PS Form 3811, July 1999 Domestic Return Receipt 102595-00-M-0952		

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Received by (Please Print Clearly)	B. Date of Delivery <i>7-08-01</i>
1. Article Addressed to: Oscatel Communications TX399 10500 N.W. 50th Street, #102 Sunrise, FL 33351-8090	C. Signature <input checked="" type="checkbox"/> <i>[Signature]</i>	<input type="checkbox"/> Agent <input type="checkbox"/> Addressee
	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
	4. Restricted Delivery? (Extra Fee)	
2. Article Number (Copy from service label) <i>TX 399</i> <i>7000 11670 0012 8641 5747</i>		
PS Form 3811, July 1999 Domestic Return Receipt 102595-00-M-0952		

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<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Received by (Please Print Clearly)	B. Date of Delivery 7-7-01
	C. Signature X <i>Maurice...</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to: C aretele, Inc. X303 144 Lafayette Road Noblesville, IN 46060	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
2. A PS F	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. <input type="checkbox"/> Yes	
	102595-00-M-0952	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Received by (Please Print Clearly)	B. Date of Delivery 11/10
	C. Signature X <i>Blanca...</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to: Telephone One Inc. TX280 8855 S.W. 27th Street Miami, FL 33165-3203	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
2. Article Number (Copy from service label) TX 280 70001670 0012 86414825	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
PS Form 3811, July 1999	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
Domestic Return Receipt	102595-00-M-0952	

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SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Telephone Systems of Georgia, Inc.
TX340
1013 S. Martin Luther King, Jr. Blvd.
Tallahassee, FL 32301-2242

TX 340

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

7/6/01

C. Signature

x

Sharon Allen

Agent

Addressee

D. Is delivery address different from item 1? Yes

If YES, enter delivery address below: No

3. Service Type

Certified Mail Express Mail

Registered Return Receipt for Merchandise

Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes