

State of Florida



Public Service Commission
CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

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DATE: OCTOBER 3, 2002

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

FROM: DIVISION OF COMPETITIVE MARKETS & ENFORCEMENT (ISLER) *Pji*
OFFICE OF THE GENERAL COUNSEL (TEITZMAN; ELLIOTT; DODSON; *W*
W. KNIGHT; CHRISTENSEN) *PAC WPK SIC JAE PHB*

RE: CANCELLATION BY FLORIDA PUBLIC SERVICE COMMISSION OF IXC
CERTIFICATES FOR VIOLATION OF RULES 25-4.0161, F.A.C.,
REGULATORY ASSESSMENT FEES; TELECOMMUNICATIONS COMPANIES,
AND 25-24.480, F.A.C., RECORDS & REPORTS; RULES
INCORPORATED.

AGENDA: 10/15/02 - REGULAR AGENDA - PROPOSED AGENCY ACTION -
INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\CMP\WP\020677.RCM

020692
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020657

CASE BACKGROUND

This recommendation deals with the enforcement actions against interexchange carriers (IXCs) for nonpayment of the Regulatory Assessment Fees (RAFs) and not providing the Commission with its updated reporting requirements. Staff is recommending that first time offenders for both rule violations be penalized \$1,000, second time offenders of the RAFs rule plus reporting requirements violation be penalized \$1,500, and that the third time offender's certificate be cancelled for violation of the RAFs rule plus reporting requirements violation. The following docket numbers are addressed by this recommendation.

DOCUMENT NUMBER DATE

10682 OCT-3 02

FPSC-COMMISSION CLERK

DOCKET NO. 020677-TI & OTHERS

DATE: OCTOBER 3, 2002

The Commission is vested with jurisdiction over this matter pursuant to Sections 364.336, 364.285, 364.337, and 364.183, Florida Statutes.

1st Time Offenders - Nonpayment of RAFs and Reporting Requirements Violation - \$1,000 Penalty

DOCKET NO. 020677-TI - TELEHUB NETWORK SERVICES CORPORATION
DOCKET NO. 020694-TI - PARCOM COMMUNICATIONS, INC.
DOCKET NO. 020719-TI - GLOBAL TELELINK SERVICES, INC.
DOCKET NO. 020720-TI - IPVOICE COMMUNICATIONS, INC.
DOCKET NO. 020721-TI - GRG, INC. OF NEVADA
DOCKET NO. 020722-TI - PATRIOTCOM INC.
DOCKET NO. 020731-TI - SIGMA NETWORKS TELECOMMUNICATIONS, INC.
DOCKET NO. 020732-TI - ECOCOM USA LIMITED CORPORATION
DOCKET NO. 020733-TI - TELICOR INC.
DOCKET NO. 020747-TI - NXGEN NETWORKS, INC.
DOCKET NO. 020748-TI - DEBIT ONE COMMUNICATIONS, INC.
DOCKET NO. 020749-TI - ZEPHION NETWORKS COMMUNICATIONS, INC.
DOCKET NO. 020753-TI - Y & B SERVICES CORPORATION D/B/A PLASTIGOL MIAMI AND D/B/A ORBITEL USA

2nd Time Offenders - Nonpayment of RAFs (2nd Violation) and Reporting Requirements Violation - \$1,500 Penalty

DOCKET NO. 020657-TI - WORLD PASS COMMUNICATION CORP.
DOCKET NO. 020678-TI - MONY TRAVEL SERVICES OF FLORIDA, INC.

3rd Time Offender - Nonpayment of RAFs (3rd Violation) and Reporting Requirements Violation - Cancellation of Certificate

DOCKET NO. 020692-TI - LEGENDS COMMUNICATIONS, INC.

DATE: OCTOBER 3, 2002

DISCUSSION OF ISSUES

1st Time Offenders - Nonpayment of RAFs and Reporting Requirements Violation - \$1,000 Penalty

ISSUE 1: Should the Commission impose a total penalty of \$1,000 (\$500 for each rule violation) or cancel each company's respective certificate as listed on Attachment A for apparent violation of Rules 25-4.0161, Florida Administrative Code, Regulatory Assessment Fees; Telecommunications Companies, incorporated by Rule 25-24.480, Florida Administrative Code, and 25-24.480, Florida Administrative Code, Records & Reports; Rules Incorporated?

RECOMMENDATION: Yes. The Commission should impose a total penalty of \$1,000 (\$500 for the RAFs violation and \$500 for the Reporting Requirements violation) or cancel each company's respective certificate as listed on Attachment A for apparent violation of Rule 25-4.0161, Florida Administrative Code, incorporated by Rule 25-24.480, Florida Administrative Code, if the penalty, Regulatory Assessment Fees, including statutory penalty and interest charges, and the information required by Rule 25-24.480, Florida Administrative Code, Records & Reports; Rules Incorporated, are not received by the Commission within fourteen (14) calendar days after the issuance of the Consummating Order. The total penalty of \$1,000 should be paid to the Florida Public Service Commission and forwarded to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. If a company does not protest the Commission's Order or the penalty and Regulatory Assessment Fees, including statutory penalty and interest charges, and required information are not received, that company's certificate, as listed on Attachment A, should be cancelled administratively and the collection of the past due fees should be referred to the Office of the Comptroller for further collection efforts. If a company's certificate, as listed on Attachment A, is cancelled in accordance with the Commission's Order from this recommendation, the respective company should be required to immediately cease and desist providing interexchange carrier telecommunications services in Florida. (Isler; Teitzman; Elliott; Dodson; W. Knight; Christensen)

STAFF ANALYSIS: Each of the providers listed on Attachment A have not paid their 2001 Regulatory Assessment Fees, plus statutory penalty and interest charges, in compliance with Rule 25-4.0161,

DOCKET NO. 020677-TI & OTHERS

DATE: OCTOBER 3, 2002

Florida Administrative Code, Regulatory Assessment Fees; Telecommunications Companies, incorporated by Rule 25-24.480, Florida Administrative Code.

In addition, each of the companies listed on Attachment A have had returned mail and have not updated the information within 10 days of the change of their respective address (including street name and address, post office box, city), telephone number and any change in the name and address of the individual who is serving as primary liaison with the Commission. Staff attempted to call each company, but was unsuccessful. Therefore, it appears the companies listed on Attachment A have failed to comply with Rules 25-4.0161, Florida Administrative Code, Regulatory Assessment Fees; Telecommunications Companies, incorporated by Rule 25-24.480, Florida Administrative Code, and 25-24.480, Florida Administrative Code, Records & Reports; Rules Incorporated, and have not requested cancellation of their respective certificates in compliance with Rule 25-24.474, Florida Administrative Code. The penalty amount recommended in these dockets is consistent with amounts imposed for recent, similar violations.

Accordingly, staff recommends that the Commission assess a total penalty of \$1,000 (\$500 for the RAFs violation and \$500 for the Reporting Requirements violation) or cancel each company's respective certificate as listed on Attachment A for apparent violation of Rule 25-4.0161, Florida Administrative Code, incorporated by Rule 25-24.480, Florida Administrative Code, if the penalty, Regulatory Assessment Fees, including statutory penalty and interest charges, and the information required by Rule 25-24.480, Florida Administrative Code, Records & Reports; Rules Incorporated, are not received by the Commission within fourteen (14) calendar days after the issuance of the Consummating Order. The total penalty of \$1,000 should be paid to the Florida Public Service Commission and forwarded to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. If a company does not protest the Commission's Order or the penalty and Regulatory Assessment Fees, including statutory penalty and interest charges, and required information are not received, that company's certificate, as listed on Attachment A, should be cancelled administratively and the collection of the past due fees should be referred to the Office of the Comptroller for further collection efforts. If a company's certificate, as listed on Attachment A, is cancelled in accordance

DOCKET NO. 020677-TI & OTHERS

DATE: OCTOBER 3, 2002

with the Commission's Order from this recommendation, the respective company should be required to immediately cease and desist providing interexchange carrier telecommunications services in Florida.

DATE: OCTOBER 3, 2002

2nd Time Offenders - Nonpayment of RAFs (2nd Violation) and Reporting Requirements Violation - \$1,500 Penalty

ISSUE 2: Should the Commission impose a \$1,500 total penalty or cancel each company's respective certificate as listed on Attachment B for apparent violation of Rules 25-4.0161, Florida Administrative Code, Regulatory Assessment Fees; Telecommunications Companies, incorporated by Rule 25-24.480, Florida Administrative Code, and 25-24.480, Florida Administrative Code, Records & Reports; Rules Incorporated?

RECOMMENDATION: Yes. The Commission should impose a total penalty of \$1,500 (\$1,000 for RAFs violation and \$500 for reporting requirements violation) or cancel each company's respective certificate as listed on Attachment B for apparent violation of Rule 25-4.0161, Florida Administrative Code, incorporated by Rule 25-24.480, Florida Administrative Code, if the penalty, the Regulatory Assessment Fees, including statutory penalty and interest charges, and required information are not received by the Commission within fourteen (14) calendar days after the issuance of the Consummating Order. The total penalty of \$1,500 should be paid to the Florida Public Service Commission and forwarded to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. If a company does not protest the Commission's Order or the penalty and Regulatory Assessment Fees, including statutory penalty and interest charges, and required information are not received, that company's certificate, as listed on Attachment B, should be cancelled administratively and the collection of the past due fees should be referred to the Office of the Comptroller for further collection efforts. If a company's certificate, as listed on Attachment B, is cancelled in accordance with the Commission's Order from this recommendation, the respective company should be required to immediately cease and desist providing interexchange carrier telecommunications services in Florida. (Isler; Dodson; Teitzman)

STAFF ANALYSIS: Each of the companies listed on Attachment B have not paid their 2001 Regulatory Assessment Fees, plus statutory penalty and interest charges. This is the second docket opened against each company for nonpayment of the RAF. In each of the prior dockets, the companies listed on Attachment B either paid a penalty or settlement amount to resolve the dockets. Therefore, it

DOCKET NO. 020677-TI & OTHERS

DATE: OCTOBER 3, 2002

appears the companies have failed to comply with Rule 25-4.0161, Florida Administrative Code, Regulatory Assessment Fees; Telecommunications Companies, incorporated by Rule 25-24.480, Florida Administrative Code.

In addition, each of the companies listed on Attachment B have had returned mail and have not updated the information within 10 days of the change of their respective address (including street name and address, post office box, city), telephone number and any change in the name and address of the individual who is serving as primary liaison with the Commission. Staff attempted to call each company, but was unsuccessful. Therefore, it appears the companies listed on Attachment B have failed to comply with Rule 25-24.480, Florida Administrative Code, Records & Reports; Rules Incorporated, and have not requested cancellation of their respective certificates in compliance with Rule 25-24.474, Florida Administrative Code. The penalty amount recommended in these dockets is consistent with amounts imposed for recent, similar violations.

Accordingly, staff recommends that the Commission assess a total penalty of \$1,500 (\$1,000 for RAFs violation and \$500 for reporting requirements violation) or cancel each company's respective certificate as listed on Attachment B for apparent violation of Rule 25-4.0161, Florida Administrative Code, incorporated by Rule 25-24.480, Florida Administrative Code, if the penalty, the Regulatory Assessment Fees, including statutory penalty and interest charges, and required information are not received by the Commission within fourteen (14) calendar days after the issuance of the Consummating Order. The total penalty of \$1,500 should be paid to the Florida Public Service Commission and forwarded to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. If a company does not protest the Commission's Order or the penalty and Regulatory Assessment Fees, including statutory penalty and interest charges, and required information are not received, that company's certificate, as listed on Attachment B, should be cancelled administratively and the collection of the past due fees should be referred to the Office of the Comptroller for further collection efforts. If a company's certificate, as listed on Attachment B, is cancelled in accordance with the Commission's Order from this recommendation, the respective company should be

DOCKET NO. 020677-TI & OTHERS

DATE: OCTOBER 3, 2002

required to immediately cease and desist providing interexchange carrier telecommunications services in Florida.

3rd Time Offender - Nonpayment of RAFs (3rd Violation) and Reporting Requirements Violation - Cancellation of Certificate

ISSUE 3: Should the Commission cancel Legends Communications, Inc.'s Certificate No. 6094 as listed on Attachment C for apparent violation of Rules 25-4.0161, Florida Administrative Code, Regulatory Assessment Fees; Telecommunications Companies, incorporated by Rule 25-24.480, Florida Administrative Code, and 25-24.480, Florida Administrative Code, Records & Reports; Rules Incorporated?

RECOMMENDATION: Yes. The Commission should cancel Legends Communications, Inc.'s Certificate No. 6094 as listed on Attachment C for apparent violation of Rules 25-4.0161, Florida Administrative Code, Regulatory Assessment Fees; Telecommunications Companies, incorporated by Rule 25-24.480, Florida Administrative Code, and 25-24.480, Florida Administrative Code, Records & Reports; Rules Incorporated. If the past due fee, including statutory penalty and interest charges, and the information required by Rule 25-24.480, Florida Administrative Code, are not received within fourteen (14) calendar days after the issuance of the Consummating Order, the past due RAF amount shall be turned over to the Office of the Comptroller for further collection efforts. If the Commission's Order is not protested, the company's Certificate No. 6094 should be cancelled administratively. If Legends Communications, Inc.'s certificate is cancelled in accordance with the Commission's Order from this recommendation, Legends Communications, Inc. should be required to immediately cease and desist providing interexchange telecommunications services in Florida. (Isler; Dodson)

STAFF ANALYSIS: Legends Communications, Inc. has not paid its 2001 Regulatory Assessment Fee, plus statutory penalty and interest charges. Legends Communications, Inc. has a history of late payments for the Regulatory Assessment Fee. The company's certificate became effective May 26, 1999, and every year the company has paid after the due date. In addition, two other dockets were established for nonpayment of the Regulatory Assessment Fees. In Docket No. 001318-TI, Order No. PSC-01-0054-AS-TI was issued on January 8, 2001 and the Commission approved the company's proposal to pay future RAFs on a timely basis and in Docket No. 011027-TI, Order No. PSC-01-2487-PAA-TI was issued on December 20, 2001, the Commission imposed, then suspended, a \$1,000 penalty and required future RAFs be paid timely. Therefore, it

DOCKET NO. 020677-TI & OTHERS

DATE: OCTOBER 3, 2002

appears the company has failed to comply with Rule 25-4.0161, Florida Administrative Code, Regulatory Assessment Fees; Telecommunications Companies, incorporated by Rule 25-24.480, Florida Administrative Code, and is in noncompliance with its previous settlement proposal and of Order No. PSC-01-2487-PAA-TI issued on December 20, 2001.

Since this is the third docket established for nonpayment of the RAFs, Legends Communications, Inc. should be well aware when the fees are due each year. The cancellation of a certificate for a third offense is consistent with a prior Commission decision. In Docket No. 000968-TC, by Order No. PSC-00-1815-PAA-TC, issued October 4, 2000, the Commission cancelled James M. Bracewell d/b/a Southern Tele-Communications' pay telephone certificate for violating the RAF rule in three separate dockets (Nos. 971340-TC, 981273-TC, and 000968-TC).

In addition, the company has had returned mail and has not updated the information within 10 days of the change of its address (including street name and address, post office box, city), telephone number and any change in the name and address of the individual who is serving as primary liaison with the Commission. Staff attempted to call the company, but was unsuccessful. Therefore, it appears the company has failed to comply with Rule 25-24.480, Florida Administrative Code, Records & Reports; Rules Incorporated, and has not requested cancellation of its certificate in compliance with Rule 25-24.474, Florida Administrative Code. Therefore, staff believes that cancellation of the company's certificate is appropriate.

Accordingly, staff recommends that the Commission should cancel Legends Communications, Inc.'s Certificate No. 6094 as listed on Attachment C for apparent violation of Rules 25-4.0161, Florida Administrative Code, Regulatory Assessment Fees; Telecommunications Companies, incorporated by Rule 25-24.480, Florida Administrative Code, and 25-24.480, Florida Administrative Code, Records & Reports; Rules Incorporated. If the past due fee, including statutory penalty and interest charges, and the information required by Rule 25-24.480, Florida Administrative Code, are not received within fourteen (14) calendar days after the issuance of the Consummating Order, the past due RAF amount shall be turned over to the Office of the Comptroller for further collection efforts. If the Commission's Order is not protested,

DOCKET NO. 020677-TI & OTHERS
DATE: OCTOBER 3, 2002

the company's Certificate No. 6094 should be cancelled administratively. If Legends Communications, Inc.'s certificate is cancelled in accordance with the Commission's Order from this recommendation, Legends Communications, Inc. should be required to immediately cease and desist providing interexchange telecommunications services in Florida.

ISSUE 4: Should these dockets be closed?

RECOMMENDATION: The Orders issued from these recommendations will become final upon issuance of Consummating Orders, 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 Orders. The dockets should then be closed upon receipt of the penalty and fees or cancellation of each company's respective certificate. A protest in one docket should not prevent the action in a separate docket from becoming final. (Dodson; Teitzman; Elliott; Christensen; W. Knight)

STAFF ANALYSIS: Whether staff's recommendations on Issue 1, 2, and 3 are approved or denied, the result will be Proposed Agency Action Orders. If no timely protest to the Proposed Agency Actions are filed within 21 days of the date of issuance of the Orders, these dockets should be closed upon receipt of the penalty and fees or cancellation of each company's respective certificate. A protest in one docket should not prevent the action in a separate docket from becoming final.

DOCKET NO. 020677-TI & OTHERS

DATE: OCTOBER 3, 2002

1ST Time Offenders - Nonpayment of RAFs and Reporting Requirements Violation - \$1,000 Penalty

<u>DOCKET NO.</u>	<u>PROVIDER LAST REPORTED REVENUES & PERIOD ENDED</u>	<u>CERT. NO.</u>	<u>RAFs</u>	<u>Penalty and Interest*</u>
020677-TI	TeleHub Network Services Corporation \$694,086 Revenues 12/31/99	5198	2000 2001	2000 2001
020694-TI	PARCOM Communications, Inc. \$0 Revenues 12/31/00	7045	2001	1999 2000
020719-TI	Global Telelink Services, Inc. No Previous Return Filed	7722	2001	2001
020720-TI	IPVoice Communications, Inc. \$0 Revenues 12/31/00	7596	2001	2000 2001
020721-TI	GRG, Inc. of Nevada No Previous Return Filed	7753	2001	2001
020722-TI	PatriotCom Inc. \$0 Revenues 12/31/00	7629	2001	2001
020731-TI	Sigma Networks Telecommunications, Inc. No Previous Return Filed	7679	2001	2001
020732-TI	Ecocom USA Limited Corporation \$0 Revenues 12/31/00	7657	2001	2001
020733-TI	Telicor Inc. \$0 Revenues 12/31/00	7659	2001	2001

*Years penalty and/or interest was not paid

DOCKET NO. 020677-TI & OTHERS

DATE: OCTOBER 3, 2002

1ST Time Offenders - Nonpayment of RAFs and Reporting Requirements Violation - \$1,000 Penalty
- Continued

<u>DOCKET NO.</u>	<u>PROVIDER</u> <u>LAST REPORTED REVENUES &</u> <u>PERIOD ENDED</u>	<u>CERT.</u> <u>NO.</u>	<u>RAFs</u>	<u>Penalty</u> <u>and</u> <u>Interest*</u>
020747-TI	NxGen Networks, Inc. No Previous Return Filed	7780	2001	2001
020748-TI	Debit One Communications, Inc. No Previous Return Filed	7781	2001	2001
020749-TI	Zephion Networks Communications, Inc. No Previous Return Filed	7788	2001	2001
020753-TI	Orbitel USA No Previous Return Filed	7872	2001	2001

*Years penalty and/or interest was not paid

DOCKET NO. 020677-TI & OTHERS

DATE: OCTOBER 3, 2002

2ND Time Offenders - Nonpayment of RAFs (2nd Violation) and Reporting Requirements Violation - \$1,500 Penalty

<u>DOCKET NO.</u>	<u>PROVIDER LAST REPORTED REVENUES & PERIOD ENDED</u>	<u>CERT. NO.</u>	<u>RAF's</u>	<u>Penalty and Interest*</u>
020657-TI	World Pass Communication Corp. \$4,032 Revenues 12/31/00	3501	2001	2001
020678-TI	Mony Travel Services of Florida, Inc. \$0 Revenues 12/31/00	5317	2001	2001

*Years penalty and/or interest was not paid

DOCKET NO. 020677-TI & OTHERS

DATE: OCTOBER 3, 2002

3rd Time Offender - Nonpayment of RAFs (3rd Violation) and Reporting Requirements Violation - Cancellation of Certificate

<u>DOCKET NO.</u>	<u>PROVIDER LAST REPORTED REVENUES & PERIOD ENDED</u>	<u>CERT. NO.</u>	<u>RAFs</u>	<u>Penalty and Interest*</u>
020692-TI	Legends Communications, Inc. \$0 Revenues 12/31/00	6094	2001	2001

*Years penalty and/or interest was not paid