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November 12, 2003

VIA OVERNIGHT COURIER

Ms. Blanca S. Bayo, Director Division of the Commission Clerk And Administrative Services Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850

Re: Order No. PSC-03-1205-PAA-TI Docket No. 030794-TI Summit Telco, LLC

Dear Ms. Bayo:

On behalf of Summit Telco, LLC ("Summit"), its attorneys hereby request an informal administrative hearing pursuant to Section 120.57(2), Florida Statutes, or, in the alternative, the opportunity to meet with staff to negotiate a resolution to matters addressed in the above-captioned Order and Docket.

Summit received and reviewed the October 24, 2003 Notice of Proposed Agency Action and Order Imposing Penalties and Requiring Payment of Delinquent Regulatory Assessment Fees, or Canceling Interexchange Telecommunications Registration ("Notice and Order"). *See* copy attached hereto at Attachment A. Summit agrees with the facts as set forth therein. However, due to the circumstances described below, the company requests an informal administrative hearing or other means by which to seek a waiver, or in the alternative reduction, of the \$1,000 penalty proposed by the Notice and Order.

First, Summit requests the Commission accept its late-filed Interexchange Company Regulatory Assessment Fee Return ("Return") and fee payments and

RECEIVED & FILED FPSC-BUREAU OF RECORDS

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COMMISSION CLERK

Writer's E-mail Address

jsm@thlglaw.com

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thereby permit the company to maintain its Interexchange Registration, TJ469, and tariff. *See* copy of filings made November 5, 2003 at Attachment B.

Second, for the following reasons Summit seeks a waiver or, in the alternative, reduction of the \$1,000.00 penalty resulting from its late filed Return.

In the Commission's October 24, 2003, Notice and Order, Summit is listed as an interexchange carrier subject to the penalty due to its failure to timely file its Return. As a result, Summit's Interexchange registration and tariff are subject to revocation and withdrawal if the company fails to file its Return, pay its fees, and pay a \$1,000.00 penalty.

The deadline for filing the 2002 Return was January 30, 2003. On November 5, 2003, Summit filed its Return with the Commission and paid all fees. Summit reported \$29.28 in intrastate (jurisdictional) revenue for the year 2002. Although Summit understands the consequences of its late-filed Return, per the Notice and Order, it respectfully requests lenience from the Commission due to the unique and uncontrollable circumstances described below.

Summit was rendered incapable of filing its Return in a timely fashion due to a severe computer virus that infected the company's databases and computer systems in the month and months following the Return filing deadline. Summit's ability to rectify the delinquency was also hindered as a direct result of the lingering effect of the virus. Only after investing thousands of dollars in Information Technology experts and months of manual re-programming and data recovery was Summit able to generate the revenue reports necessary to complete and file its Return.¹

Summit's databases and computer systems, which all run Microsoft operating systems and software, were infected by the W32/Lovegate virus ("Lovegate Virus"). The Lovegate Virus, which is described in greater detail in the article attached hereto as Attachment C, infected all of Summit's databases and computer systems. A significant amount of customer, revenue, and network data was lost in the process, either as a result of the virus itself or as a result of the virus author's use of the Trojan Horse deposited in the systems by the virus. As the article explains, "The virus author [can] connect to the infected system and do anything he wants to, [like] steal confidential information, delete files or run other applications on the computer."

As earlier indicated, Summit's databases and computer systems were violently attacked by the Lovegate Virus rendering the company incapable of conducting many of its operations automatically. More damaging, however, was the tremendous loss of data. It literally cost Summit thousands of dollars, hundreds of man hours, and several months to recover lost data through the manual processes of

¹ The same circumstances described in this letter have also affected Summit's ability to timely file Returns and other regulatory reports with state agencies in other states in which the company is licensed.

reprogramming and scouring the respective hard drives for revenue, customer and other lost data.

The process of recovery recently concluded. As soon as the necessary data was recovered and/or restored, Summit prepared and filed its Return.

Summit understands that it neglected to inform the Commission of the difficulties described above. However, Summit is a small company with only \$29.28 in intrastate revenue and its priorities during the difficult several month period following the virus attack was to restore its systems, recover data and ensure its ability to provide services to customers. Summit expresses its regret over not finding the opportunity to inform the Commission and, in the future, will commit to greater communication with regulatory bodies.

Ultimately, as demonstrated by the attached Return filing, Summit has complied with the reporting requirements mandated by statute and enforced by the Commission. As a result of its late-filed Return, however, Summit faces revocation of its Registration and tariff and the imposition of a \$1,000.00 penalty, as described in the Order and Notice. Due to the exigent circumstances described above, Summit respectfully requests the Commission allow it to retain its Registration and tariff and continue providing services to its Florida customers. In addition, Summit asks the Commission to waive the \$1,000.00 penalty. In the alternative and in consideration of the above-described circumstances, the significant amount of money invested to restore the company's computer systems, and the *de minimis* amount of intrastate revenue generated by Summit in 2002, the company asks the Commission to reduce the penalty to a rational amount.

Should the Commission require additional information regarding this filing or if the Commission requests counsel's availability to discuss a negotiated resolution, please contact the undersigned.

An additional copy of this filing is also enclosed. Please date-stamped and return in the postage-prepaid envelope provided.

Respectfully submitted,

Jonathan S. Marashlian Regulatory Counsel for Summit Telco, LLC

cc: Arthur W. Jones, Summit Telco

ATTACHMENT A

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In re: Cancellation of tariff and removal from register by Florida Public Service Commission of IXC Registration No. TJ469 issued to Summit Telco, L.L.C. for violation of Section 364.336, Florida Statutes. DOCKET NO. 030794-TI ORDER NO. PSC-03-1205-PAA-TI ISSUED: October 24, 2003

The following Commissioners participated in the disposition of this matter:

LILA A. JABER, Chairman
 J. TERRY DEASON
 BRAULIO L. BAEZ
 RUDOLPH "RUDY" BRADLEY
 CHARLES M. DAVIDSON

NOTICE OF PROPOSED AGENCY ACTION ORDER IMPOSING PENALTIES AND REQUIRING PAYMENT OF DELINQUENT RECULATORY ASSESSMENT FEES, OR CANCELING INTEREXCHANGE TELECOMMUNICATIONS REGISTRATION

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

The Division of the Commission Clerk and Administrative Services advised our staff that the entities listed below had not paid the Regulatory Assessment Fees (RAFs) required by Section 364.336, Florida Statutes, and Rule 25-4.0161, Florida Administrative Code, for the year(s) specified below. Also, accrued statutory penalties and interest charges for late RAFs

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION DOCKET NO. 030758-TI In re: Cancellation of tariff and removal from register by Florida Public Service Commission of IXC Registration No. TI479 issued to World-Link, Inc. for violation of Section 364.336, Florida Statutes. DOCKET NO. 030764-TI In re: Cancellation of tariff and removal from register by Florida Public Service Commission of IXC Registration No. TJ141 issued to Single Billing Services, Inc. d/b/a Asian American Association for violation of Section 364.336, Florida Statutes. DOCKET NO. 030785-TI In re: Cancellation of tariff and removal from register by Florida Public Service Commission of IXC Registration No. TJ164 issued to Communications Billing, Inc. for violation of Section 364.336, Florida Statutes. DOCKET NO. 030787-TI In re: Cancellation of tariff and removal from register by Florida Public Service

Commission of IXC Registration

L.L.C. for violation of Section

No. TJ385 issued to Natel,

364.336, Florida Statutes.

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The actual survey of con-

payments for the year(s) specified below had not been paid. The entities listed below were scheduled to remit their respective RAFs by January 30, 2003.

Pursuant to Section 364.336, Florida Statutes, registration holders must pay a minimum annual RAFs of \$50 if the registration was active during any portion of the calendar year. Pursuant to Rule 25-4.0161(2), Florida Administrative Code, the form and applicable fees are due to the Florida Public Service Commission by January 30 of the subsequent year. Pursuant to Section 350.113(4), Florida Statutes, the RAFs forms, for the period of January 1, through December 31, are mailed to entities at least 45 days prior to the date that payment of the fee is due. All entities that apply for registration receive a copy of our rules governing intrastate interexchange telecommunications service.

ENTITY'S NAME	REGISTRATION <u>NO.</u>	PAST DUE RAFS	Past due Penalties <u>and interest</u>
World-Link, Inc.	TI479	2002	1998 2001 2002
Single Billing Services, Inc. d/b/a Asian American Association	TJ14 1	2002	2000 2002
Communications Billing, Inc.	TJ16 4	2002	2000 2001 2002
Natel, L.L.C.	T J385	2002	2000 2002
Summit Telco, L.L.C.	TJ469	2002	2002

For the reason described above, pursuant to Rule 25-24.820(1)(b) and (c), Florida Administrative Code, we find it appropriate to cancel each entity's respective tariff and remove the company from the IXC register for failure to comply with Section 364.336, Florida Statutes, and Rule 25-4.0161, Florida

p.4

Administrative Code, unless each entity pays a \$1000 penalty and remits all past due RAFs, along with accrued statutory penalties and interest charges, to the Florida Public Service Commission. Each entity must comply with these requirements within 14 days after the issuance of the Consummating Order, as explained in the Notice of Further Proceedings attached to this Order. The payment should be identified with the docket number and the company's name. The penalties will be remitted to the Department of Financial Services for deposit in the State of Florida General Revenue Fund, pursuant to Section 364.285 (1), Florida Statutes.

When the appropriate fees, statutory penalties, interest charges, and penalties are received, each docket shall be closed. Should any of the entities fail to comply with this Order within 14 days after the issuance of the Consummating Order, the entity shall have its respective tariff cancelled and the company shall be removed from the IXC register, effective on the date of issuance of the Consummating Order; the collection of the past due fees shall be referred to the Department of Financial Services for further collection efforts; and the docket shall be closed. The cancellation of the registration in no way diminishes an entity's obligation to pay applicable delinquent RAFs, and accrued statutory penalties and interest charges. If an entity's registration is cancelled in accordance with this Order, that entity shall immediately cease and desist providing IXC Telecommunications services in Florida. We are vested with jurisdiction over this matter pursuant to Sections 364.336, 364.337, and 364.285, Florida Statutes.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that each of the entities listed herein shall pay the past due Regulatory Assessment Fees, statutory penalties, interest charges, and a \$1000 penalty to the Florida Public Service Commission for failure to comply with Section 364.336, Florida Statutes, and Rule 25-4.0161, Florida Administrative Code, within 14 days after the issuance of the Consummating Order. The penalties will be transmitted to the Department of Financial Services for deposit in the State of Florida General Revenue Fund. It is further

ORDERED that should any of the entities fail to comply with this Order, that entity's respective tariff shall be cancelled and the company shall be removed from the IXC register, effective on the date of issuance of the Consummating Order, the collection of the past due fees shall be referred to the Department of Financial Services for further collection efforts, and the respective docket shall be closed. It is further

ORDERED that the cancellation of the tariff and the removal of the entity from the IXC register in no way diminishes any of the entities' obligation to pay applicable delinquent Regulatory Assessment Fees, and accrued statutory penalties and interest charges. It is further

ORDERED that if an entity's registration is canceled in accordance with this Order, that entity shall immediately cease and desist providing IXC Telecommunications services in Florida. It is further

ORDERED that any protest to the action proposed herein shall specify the entity or entities to which it applies. It is further

ORDERED that, if a protest to this Order is filed, the protest shall not prevent the action proposed herein from becoming final with regard to the remaining entities listed in this Order. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate patition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, these dockets shall be closed upon payment of the penalties, and fees, or upon the cancellation of each entity's respective tariff and removal of the company from the IXC register. By ORDER of the Florida Public Service Commission this 24th Day of October, 2003.

BLANCA S. BAYÓ, Director Division of the Commission Clerk and Administrative Services

(SEAL)

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, all statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding,

in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on <u>November 14, 2003</u>.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

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ATTACHMENT B

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to avoid penalty and interest charges, the regulatory assessment fee return must be filed on or before 01/30/2003 Interexchange Company Regulatory Assessment Fee Return

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STATUS:	Florida Public Service Commission (See Filing Instructions on Back of Form)		FOR PSC USE ONLY Check#
X Actual Return Estimated Return Amended Return PERIOD COVERED: 01/01/2002 TO 12/31/2002	TJ469-02-0-R Summit Telco, L.L.C. 2646 South Loop West, Suite 660 Houston, TX 77054-2600		\$ 0603001 003001 \$ P 0603001 004011 \$ 1
	CC: P. Isler Please Complete Below If Official Mailing Address Has C	hanged	Postmark Date Initials of Preparet

	(Name of Company)	(Address)			(City/State)	(Zip)
LINE NO.	ACCOUNT CLASSIFICATION	GRO	FLORIDA SS OPERATING I	EVENUE	INTR	ASTATE REVENUE	
1. 2. 3. 4. 5.	Long Distance Services Access Services Private Line Services Leased Facilities & Circuits Services Miscellaneous Services	\$	428.85		\$ 	29.28	
6. 7.	TOTAL Telephone Services LESS: Amounts Paid to Other Telecommunications Companies* (see "2. Fees" on back)	s	428.85)	\$	29.28	
8. 9. 10. 11.	TOTAL REVENUES For Regulatory Assessment Fee Calculation Regulatory Assessment Fee Due (Multiply Line 8 by 0.0015) Penalty for Late Payment (see "3. Failure to File by Due Date" on back) Interest for Late Payment (see "3. Failure to File by Due Date" on back)		12.50 5.00		*******	29.28 .04	
12.	TOTAL AMOUNT DUE mounts must be intrastate only and must be verifiable.		0.00		\$	67.50	

AS PROVIDED IN SECTION 364.336, FLORIDA STATUTES, THE MINIMUM ANNUAL FEE IS \$50

() Facilities-Based Carrier (() Alternate-Operator Service (X) Reseller) Rebiller	CURRENT COMPANY STATUS () Call Aggregator () Other:		
Complete below if billing agent if other than yo	urself.	BILLING INFORMATION		()
(Name) What is the total amount of customer deposits c Amount: \$ for 19	ollected?	(Address: City/State/Zip)	What is the total amount of Amount: \$	(Telephone) bond held (if applicable)? Expires:
Do you lease telecommunications' facilities? If YES, who do you lease these facilities from? Address:	Name:			
I, the undersigned owner/officer of the abov	e-named company.	have read the foregoing and declare that to the	e best of my knowledge and be	lief the above information is a

true and correct statement. I am aware that pursuant to Section 837.06, Florida Statutes, whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his/her duty shall be guilty of a misdemeanor of the second degree.

allen h fines	President	11/05/03
(Signature of Company Official)	(Title)	(Date)
Arthur W. Jones (Preparer of Form - Please Print Name)	Telephone Number (713) 838-7100 Fax Number (71)	3) 838-7153
PSC/CMU-153 (Rev. 11/11/99)	F.E.I. No. 76-0616997	99 - 1- 4 4 m ppper segment - 4 m ppper segment

P.O. BO	I IT TELCO L.L.C. X 540064 DN, TX 77254-0064	REDA	CTED	STERLING BANK HOUSTON, TX 77240		1465 88-554/1130 25
PAY Si TO THE ORDER OF	Fiscal Services 2540 Shumard	Service Commiss	ion	^{DATE} 11/4/2003	\$	amount 67.50
и́ЕМО	030794-TI PSC	-03-1205-PAA-TI	· _	arthur	nf	mis M
	Fiscal Services 2540 Shumard		ion	CHECK DATE CHECK AMT		1465 1/4/2003 <u>67.50</u>
CostCtr ADMHOUTX	Docket # 030794-TI	Order Date 10/24/2003	Amount 67.50	Description Order # PSC-03-120 Docket # 030794-TI SUMMIT Telco, LLC		
				Year 2002 RAFS		

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Sixty Seven Dollars and 50/100		• •
Florida Public Service Commission Fiscal Services 2540 Shumard Oak Blvd Tallahassee, Florida 32399-0850	11/4/2003	\$ 67.50
030794-TI PSC-03-1205-PAA-TI		
Florida Public Service Commission Fiscal Services 2540 Shumard Oak Blvd	CHECK DATE:	11/4/2003

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Tallahassee, Fl	orida 32399-0850		CHECK AMT:	\$	<u>67.50</u>
Docket #	Order Date	Amount	Description		
030794-TI	10/24/2003	67.50	Order # PSC-03-1205-P	AA-TI	
			Docket # 030794-TI		
			SUMMIT Telco, LLC - T.	1469	
			Year 2002 RAFS		
	Docket #		Docket # Order Date Amount	Docket # Order Date Amount Description 030794-TI 10/24/2003 67.50 Order # PSC-03-1205-PA Docket # 030794-TI SUMMIT Telco, LLC - T.	Docket # Order Date Amount Description 030794-TI 10/24/2003 67.50 Order # PSC-03-1205-PAA-TI Docket # 030794-TI SUMMIT Telco, LLC - TJ469

Fiscal Services 2540 Shumard	CHECK DATE: CHECK AMT:	1/4/2003 <u>67.50</u>			
Invoice No.	Invoice Date	Amount	Description		
030794-TI	10/24/2003	67.50	Order # PSC-03-1205-P	AA-TI	
			Docket # 030794-TI		
			SUMMIT Telco, LLC - T.	J469	
			Year 2002 RAFS		
	Fiscal Services 2540 Shumard Tallahassee, F Invoice No.	Fiscal Services 2540 Shumard Oak Blvd Tallahassee, Florida 32399-0850 Invoice No. Invoice Date	2540 Shumard Oak Blvd Tallahassee, Florida 32399-0850 Invoice No. Invoice Date Amount	Fiscal Services 2540 Shumard Oak Blvd Tallahassee, Florida 32399-0850 CHECK AMT: Invoice No. Invoice Date Amount 030794-TI 10/24/2003 67.50 Order # PSC-03-1205-P Docket # 030794-TI SUMMIT Telco, LLC - T	Fiscal Services 2540 Shumard Oak Blvd Tallahassee, Florida 32399-0850 CHECK AMT: \$ Invoice No. Invoice Date Amount Description 030794-TI 10/24/2003 67.50 Order # PSC-03-1205-PAA-TI Docket # 030794-TI Docket # 030794-TI SUMMIT Telco, LLC - TJ469

ATTACHMENT C



Lovegate' e-mail worm hits Web

By Reuters

Posted: 25 February 2003

The Lovegate.C Internet e-mail worm hit SA today, after spreading quickly throughout Asia and Europe yesterday. It slowed down as US companies started updating their anti-virus software, but not before infecting 10 000 computers worldwide. Local intranets were also hit, according to local security specialist AveS Cyber Security.

The worm, which first appeared in Asia, sends messages to two different email addresses in Beijing once it infects a computer. "The virus author could then connect to the infected system and do anything he wants to, [like] steal confidential information, delete files or run other applications on the computer," said Joe Hartmann, director of North American anti-virus research for Tokyo-based Trend Micro.

Once a computer user clicks on the attachment, the worm – a selfpropagating computer virus – spreads by sending itself to recipients listed in an infected computer's address book, added Johan Botha, software engineer at AVES. If the computer is running Microsoft's Outlook or Outlook Express e-mail programs the worm automatically replies to new incoming emails using the same subject line as the original message.

Botha says the worm is "a nuisance" to remove once it has found its way onto a network. He adds that the virus is also spread via network shares and has back-door Trojan capability. It attempts to copy itself to all the computers on a local network, and then infects them. By default, the Trojan component listens on port 10168 and if the infected computer is running Windows NT, 2000 or XP, the worm will attempt to disguise itself as the normal Windows process, "LSASS.EXE".

Botha says three strains of this worm have been released in the last week. "Both the W32.HLLW.Lovgate@mm and W32.HLLW.Lovgate.B@mm worms were discovered on 19 February and are very similar in functionality. The W32.HLLW.Lovgate.C@mm was discovered on 24 February and has similar functionality to its predecessors, but with an added twist or two. All three of these strains are reported as highly distributed."

Both McAfee and Symantec have released new virus definitions to detect this new strain of the worm. Symantec has released a standalone fix/removal tool for this worm, which is downloadable from <u>www.sarc.com</u>. 1.1.

Internationally, the worm created widespread havoc. Hartmann says Antivirus vendors updated their software to protect people against the new worm, which had significantly slowed its spread. There had been about 10 000 infections worldwide, Hartmann said.

In SA the attacks seem isolated. Some reports were received of local infections, but anti-virus companies say there have been few problems elsewhere.

SecureData sales director Wayne Biehn says no calls have been logged with the company's system engineers. Network Associates, vendor of the McAfee anti-virus software products, has only had a "few questions" about the worm.

> Article printout from ITWeb courtesy of Lexmark South Africa. Copyright © 1996-2003 ITWeb Limited

VERIFICATION

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VERIFICATION

On behalf of Summit Telco, LLC, I hereby certify upon penalty of perjury that I am Manager and President of Summit Telco, LLC and that the factual statements in the foregoing filing are true, complete, and correct to the best of my knowledge, information, and belief.

SUMMIT TELCO, LLC

By: Arthur M. Jones Title: President

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Sworn and subscribed before me this $\underline{//}$ day of November, 2003.

YOLANDA R. MOTT NOTARY PUBLIC, STATE OF TEXAS MY COMMISSION EXPIRES Notary Public JUNE 30, 2004 CARAGE CONTRACTOR My commission expires