

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for certificate to provide interexchange telecommunications service by Verizon Advanced Data Inc., and request for waiver of bond requirement in Rule 25-24.490(2), F.A.C.

DOCKET NO. 000789-TI
ORDER NO. PSC-00-2122-PAA-TI
ISSUED: November 7, 2000

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman
E. LEON JACOBS, JR.
LILA A. JABER
BRAULIO L. BAEZ

NOTICE OF PROPOSED AGENCY ACTION ORDER GRANTING
CERTIFICATE TO PROVIDE INTEREXCHANGE TELECOMMUNICATIONS
SERVICES AND APPROVING WAIVER OF BOND REQUIREMENT

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.

On June 29, 2000, we received an application for certification to provide interexchange telecommunications service (IXC) and a request for a waiver of the bond requirement in Rule 25-24.490(2), Florida Administrative Code, from Verizon Advanced Data Inc. (formerly known as Bell Atlantic Network Data, Inc.).

I. APPLICATION TO PROVIDE INTEREXCHANGE TELECOMMUNICATIONS SERVICES

Verizon Advanced Data, Inc. (Verizon) has applied for a certificate to provide Interexchange Telecommunications (IXC) service. Upon review of its application, it appears that Verizon has sufficient technical, financial, and managerial capability to

DOCUMENT NUMBER-DATE

14371 NOV-78

FPSC-RECORDS/REPORTING

ORDER NO. PSC-00-2122-PAA-TI
DOCKET NO. 000789-TI
PAGE 2

provide such service, as required under Section 364.337(3), Florida Statutes. Accordingly, we hereby grant Certificate No. 7589 to Verizon .

If this Order becomes final and effective, it shall serve as Verizon's certificate. Verizon should, therefore, retain this Order as proof of certification.

IXC providers are subject to Chapter 25-24, Florida Administrative Code, Part X, Rules Governing Telephone Service Provided by Interexchange Telephone Companies. IXC providers are also required to comply with all applicable provisions of Chapter 364, Florida Statutes, and Chapters 25-4, Florida Administrative Code.

In addition, under Section 364.336, Florida Statutes, certificate holders must pay a minimum annual Regulatory Assessment Fee (RAFs) of \$50 if the certificate was active during any portion of the calendar year. A RAFs Return notice will be mailed to Verizon. Neither the cancellation of the certificate nor the failure to receive a RAFs Return notice shall relieve Verizon from its obligation to pay RAFs.

II. WAIVER OF BOND REQUIREMENT

Also, we received a petition seeking a waiver of the bond requirements of Rule 25-24.490(2), Florida Administrative Code, from Verizon. The basis for seeking a waiver is set forth in the rule itself. Rule 25-24.490(2), Florida Administrative Code, states as follows:

An interexchange company may require a deposit as a condition of service and may collect advanced payments for more than one month of service if it maintains on file with the Commission a bond covering its current balance of deposits and advanced payments (for more than one month's service). A company may apply to the Commission for a waiver of the bond requirement by demonstrating that it possesses the financial resources and income to provide assurance of continued operation under its certificate over the long term.

ORDER NO. PSC-00-2122-PAA-TI
DOCKET NO. 000789-TI
PAGE 3

This rule requires that a company maintain on file with the Commission a bond covering its current balance of deposits and advanced payments from its customers. In the alternative, the Commission may waive the bond requirement if the company demonstrates that it possesses the financial resources and income to provide assurance of continued operation under its certificate over the long run.

Our staff has analyzed the audited financial statements of Bell Atlantic Corporation (Bell Atlantic)), parent company of Verizon, for the three year period that ended December 31, 1999. Although Bell Atlantic has minimal liquidity, the company has had sufficient common equity, positive net income and strong interest coverage for the three year period. Bell Atlantic has provided a line of credit to Verizon and will guarantee customer deposits for as long as necessary.

For purposes of granting a waiver based on the financial information provided, Verizon appears to meet the financial capability standard of Rule 25-24.490(2), Florida Administrative Code. Accordingly, we grant waiver of the bond requirement for Verizon.

Based on the foregoing,

ORDERED by the Florida Public Service Commission that we hereby grant Certificate No. 7589 to Verizon Advanced Data, Inc. which shall authorize it to provide Interexchange Telecommunications services, subject to the terms and conditions specified in the body of this Order. It is further

ORDERED that this Order shall serve as Verizon Advanced Data, Inc.'s certificate and should be retained by Verizon Advanced Data, Inc. as proof of certification. It is further

ORDERED by the Florida Public Service Commission that the bond requirement in Rule 25-24.490(2), Florida Administrative Code, shall be waived for Verizon Advanced Data, Inc. It is further

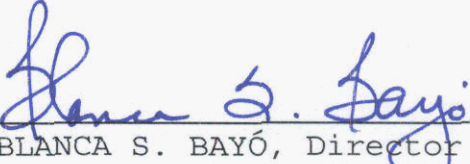
ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form

ORDER NO. PSC-00-2122-PAA-TI
DOCKET NO. 000789-TI
PAGE 4

provided by Rule 28-106.201, Florida Administrative Code, is received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings or Judicial Review" attached hereto. It is further

ORDERED that in the event this Order becomes final, this Docket shall be closed.

By ORDER of the Florida Public Service Commission, this 7th day of November, 2000.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

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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, Florida 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.

ORDER NO. PSC-00-2122-PAA-TI

DOCKET NO. 000789-TI

PAGE 5

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 Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on November 28, 2000.

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 docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.