

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for waiver of  
bond requirement in Rule 25-  
24.490(2), F.A.C., by BellSouth  
Long Distance, Inc.

DOCKET NO. 021198-TI  
ORDER NO. PSC-03-0154-PAA-TI  
ISSUED: January 29, 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 GRANTING BELL SOUTH LONG DISTANCE, INC.'S  
REQUEST FOR WAIVER OF BOND REQUIREMENT  
PURSUANT TO RULE 25-24.490(2),  
FLORIDA ADMINISTRATIVE CODE

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 December 2, 2002, we received a petition seeking a waiver of the bond requirements of Rule 25-24.490(2), Florida Administrative Code, from BellSouth Long Distance, Inc. (BSLD) The basis for seeking a waiver is set forth in the rule itself. The rule requires that a company maintain on file with this Commission a bond covering its current balance of deposits and advanced payments from its customers. In the alternative, we 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. In the past, we

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have addressed several bond waiver petitions, and have approved or denied them based on the financial data provided by the petitioning interexchange telecommunications company (IXC).

Rule 25-24.490(2), Florida Administrative Code, states as follows:

An IXC 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.

Rule 25-24.490(2), Florida Administrative Code, provides two alternatives for the protection of the consumers. The first alternative is a bond. The second alternative, to be approved by this Commission, is a showing of fiscal responsibility. BSLD is requesting in this petition that we approve the second alternative for them.

In its petition, BSLD stated that it was a wholly-owned subsidiary of BellSouth Corporation (BellSouth) and included the most recent Securities and Exchange Commission Form 10-K for its parent company and audited financial statements. Our analysis of the financial statements indicates that BellSouth has adequate liquidity, ownership equity, interest coverage, and profitability.

We find that BSLD has the financial means to guarantee the security of its customers' deposits. Accordingly, we find it appropriate that the bond requirement in Rule 25-24.490(2), Florida Administrative Code, be waived.

We note that there are no outstanding Regulatory Assessment Fees owed by BSLD. We are vested with jurisdiction in this matter pursuant to Section 364.337, Florida Statutes.

Based on the foregoing, it is

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ORDERED by the Florida Public Service Commission that BellSouth Long Distance, Inc.'s Petition for Waiver of Bond Requirement pursuant to Rule 25-24.490(2), Florida Administrative Code, is hereby granted. 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 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, this docket shall be closed.

By ORDER of the Florida Public Service Commission this 29th day of January, 2003.

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

By: Kay Flynn  
Kay Flynn, Chief  
Bureau of Records and Hearing  
Services

( S E A L )

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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.

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 February 19, 2003.

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.