

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Initiation of show cause proceedings against American Dial Tone, Inc., All American Telecom, Inc., Bellerud Communications, LLC, BLC Management LLC d/b/a Angles Communication Solutions, and LifeConnex Telecom, LLC for apparent violations of Chapter 364, F.S., Chapters 25-4 and 25-24, F.A.C., and FPSC Orders.

DOCKET NO. 110082-TP
ORDER NO. PSC-12-0177-FOF-TP
ISSUED: April 3, 2012

The following Commissioners participated in the disposition of this matter:

RONALD A. BRISÉ, Chairman
LISA POLAK EDGAR
ART GRAHAM
EDUARDO E. BALBIS
JULIE I. BROWN

ORDER CLOSING DOCKET

BY THE COMMISSION:

Background

On June 28, 2010, our staff opened Docket No. 100340-TP to investigate Associated Telecommunications Management Services' ("ATMS") compliance with certain Lifeline, Eligible Telecommunications Carrier ("ETC"), and universal service requirements applicable to ATMS companies doing business in Florida. These companies include American Dial Tone, Inc. ("ADT"), All American Telecom, Inc. ("All American Telecom"), Bellerud Communications, LLC ("Bellerud"), BLC Management LLC d/b/a Angles Communication Solutions ("BLC"), and LifeConnex Telecom, LLC ("LifeConnex").

As a result of our staff's investigation, on March 24, 2011, our staff opened Docket No. 110082-TP, in order to recommend we initiate show cause proceedings against ATMS. On March 29, 2011, our staff filed a combined recommendation in Dockets 100340-TP and 110082-TP, recommending our denial of ATMS' Petition for Mediation and initiating show cause proceedings against the five ATMS companies. The March 29, 2011 staff recommendation concluded that the companies were each in apparent willful violation of one or more Florida Statutes and our Rules and Orders. Our staff recommended the show cause proceedings include the cancellation of all companies' Competitive Local Exchange Carrier ("CLEC") certificates; the revocation of ADT's ETC designation; and the imposition of fines.

Subsequent to the filing of the recommendation, our staff and ATMS were able to agree on a Framework for Settlement ("Settlement Agreement") which met the goal of a show cause,

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that is, ensuring compliance with Florida Statutes and our Rules. Accordingly, on May 6, 2011, ATMS filed a Motion for Approval of Offer of Settlement Agreement. On June 16, 2011, we issued Order No. PSC-11-0259-AS-TP, which approved the Settlement Agreement and closed Docket No. 100340-TP (the investigation docket).

As part of the Settlement Agreement, ATMS surrendered all its Florida CLEC certificates, save one, American Dial Tone, Inc. In addition, ATMS agreed to make a \$2 Million payment to the State's General Revenue Fund in at least 8 quarterly increments of \$250,000.¹ Pursuant to the Order, Docket No. 110082-TP remained open to process the quarterly settlement payments as well as to monitor ongoing compliance with the terms of the Settlement Agreement during the four year period of the agreement.

As required by Order No. PSC-11-0259-AS-TP, ATMS made its initial \$250,000 payment on August 2, 2011. However, ATMS failed to make the second quarterly installment payment due October 28, 2011. In addition, on October 5, 2011, our staff notified ATMS it was in apparent violation of the terms of the Settlement Agreement, due to its failure to respond to a staff data request. As a result of this violation, ADT was required to take action to correct the violation and was subject to an automatic assessment of \$25,000. ADT failed to take corrective action and make this \$25,000 payment. As a result of these failures to remit payment, as well as take corrective action as required by the Settlement Agreement, ADT's CLEC certificate was administratively cancelled effective November 30, 2011. We have jurisdiction pursuant to Sections 120.80(13)(d), 364.10, 364.107, 364.183, 364.285, 364.33, and 364.386, Florida Statutes.

Closure of Docket

As explained above, on March 24, 2011, Docket No. 110082-TP was opened to process a staff-initiated show cause proceeding against five (5) telecommunications companies owned by ATMS. On June 16, 2011, we issued Order No. PSC-11-0259-AS-TP, approving a settlement agreement with ATMS, which resolved the issues prompting the show cause proceeding. As part of the agreement, among other conditions, ATMS surrendered all its Florida Certificates except American Dial Tone, Inc. (ADT). In addition, ATMS agreed to make a \$2 million payment to the State's General Revenue Fund in at least 8 quarterly increments of \$250,000. Pursuant to the Order, the docket was to remain open to process the quarterly payments and monitor ATMS's compliance with the settlement agreement over a four year period.

ATMS failed to make the second quarterly installment payment of \$250,000 due October 28, 2011. In addition, due to its failure to respond to a staff data request, ADT was required to take corrective action and was subject to an automatic assessment of \$25,000; ADT failed to make this payment also. As a result of these failures to remit payment and failure to take

¹ The Settlement Agreement provided that after the first 8 quarterly payments, further payments would be suspended pending a review of the company's compliance with the terms of the Settlement Agreement. If we had found that ATMS was not in material compliance with the terms of the Settlement Agreement, then the payments could have been resumed and any suspended payments may have become due and payable.

corrective action, pursuant to the terms of the settlement agreement, ADT's CLEC certificate was administratively cancelled on November 30, 2011.

With the cancellation of ADT's CLEC Certificate, there are no longer any ATMS telecommunications companies subject to our jurisdiction operating in Florida. In addition, there are no further company operations to be monitored for compliance, and there is no further enforcement action that we can take. Accordingly, we determine that the unpaid \$1,750,000 balance from the Settlement Agreement, as well as the \$25,000 automatic assessment, shall be referred to the Florida Department of Financial Services for further collection efforts. With that referral, we will close Docket No. 110082-TP, as there is no remaining action for us to take, there are no more payments to be processed, and there are no other conditions of the settlement agreement to be monitored.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the unpaid balances of \$1,750,000 from the Settlement Agreement and \$25,000 from the automatic assessment, for a total of \$1,775,000.00, are referred to the Florida Department of Financial Services for further collection efforts. It is further

ORDERED that Docket No. 110082-TP is closed.

By ORDER of the Florida Public Service Commission this 3rd day of April, 2012.



ANN COLE
Commission Clerk
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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

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 or judicial review of Commission orders that is available under Sections 120.57 or 120.68, 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 or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request:

- 1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or
- 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Office of Commission Clerk, and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.