

Talbott *hw*
Vandiver *R*

FLORIDA PUBLIC SERVICE COMMISSION
Capital Circle Office Center • 2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

M E M O R A N D U M

AUGUST 22, 1996

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF COMMUNICATIONS (ISLER) *Ag* *ED*
DIVISION OF LEGAL SERVICES (WAGNER) *LW* *meb*

RE: DOCKET NO. 960914-TI - INITIATION OF SHOW CAUSE
PROCEEDINGS AGAINST I.S.C. INTERNATIONAL
TELECOMMUNICATIONS FOR VIOLATIONS OF RULES 25-24.470,
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY REQUIRED,
FLORIDA ADMINISTRATIVE CODE, AND 25-4.043, FLORIDA
ADMINISTRATIVE CODE, RESPONSE TO COMMISSION STAFF
INQUIRIES.

AGENDA: SEPTEMBER 3, 1996 - REGULAR AGENDA - PROPOSED AGENCY
ACTION - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: I:\PSC\LEG\WP\960914.RCM

CASE BACKGROUND

- A representative in the debit card industry provided staff with a debit card identified as I.S.C. International Telecommunications. The industry representative advised staff that this card, along with many others, are being sold in the Miami area. I.S.C. International Telecommunications (ISC) is not certificated as an interexchange carrier in Florida.
- Staff wrote ISC on July 9, 1996, for information about its operations in Florida and informed the company that an IXC certificate may be required for its operations. The letter was returned by the U.S. Post Office.
- Staff called the toll-free number used to access the debit card's long distance service and a recording was reached that advised the number is not in service or cannot be reached from the calling area. Staff called the "For Assistance" number and received a recording that advised the number had been temporarily disconnected.

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FPSC-RECORDS/REPORTING

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DISCUSSION OF ISSUES

ISSUE 1: Should I.S.C. International Telecommunications be ordered to show cause why a fine should not be imposed for violations of Rules 25-24.470, Florida Administrative Code, Certificate of Public Convenience and Necessity Required, and 25-4.043, Florida Administrative Code, Response to Commission Staff Inquiries?

RECOMMENDATION: Yes.

STAFF ANALYSIS: Rule 25-24.470, Florida Administrative Code, states:

No person shall provide intrastate interexchange telephone service without first obtaining a certificate of public convenience and necessity from the Commission. Services may not be provided, nor may deposits or payment for services be collected, until the effective date of a certificate, if granted. However, acquisition of equipment and facilities, advertising and other promotional activities may begin prior to the effective date of the certificate at the applicant's risk that it may not be granted. In any customer contacts or advertisements prior to certification, the applicant must advise the customer that certification has not and may never be granted.

In addition, Rule 25-24.480 (1)(a), Florida Administrative Code, incorporates Rule 25-4.043, Florida Administrative Code, and states that "The necessary replies to inquiries propounded by the Commission's staff concerning service or other complaints received by the Commission shall be furnished in writing within fifteen (15) days from the date of the Commission inquiry."

Communications staff was provided a debit card issued by I.S.C. International Telecommunications (ISC) that was being sold in the Miami area. Since it appeared ISC may be providing long distance service through the use of debit cards, on July 9, 1996, staff mailed ISC a certified letter and explained that there were two types of companies providing debit card service and asked ISC to describe what type of service it was providing, i.e., distributor/reseller or underlying carrier. A response was requested by July 25, 1996. The U.S. Post Office returned staff's original letter July 23, 1996 marked "Refused; Notified 7-18".

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On July 24, 1996, staff called the toll-free number listed on the debit card used to access the service and a recording was reached that advised the 800 number was not in service or could not be reached from our calling area. Staff then called a local Miami number which is listed on the debit card when calling for assistance. A recording was reached that advised the number had been temporarily disconnected.

Staff called BellSouth and was advised the account is in the name of Interglobal Services Corporation and the service has been disconnected.

Prepaid debit card service has become increasingly popular and while the Commission welcomes innovation in the telecommunications industry, we also have the responsibility of ensuring consumers receive the service being purchased. ISC's telephone service has been disconnected and, in fact, the company may no longer be providing service in Florida. Staff believes it important to go forward with the show cause since service has been purchased that is not available.

In previous dockets involving violations of the response requirement and providing service without an IXC certification, fines and/or settlements have ranged up to \$40,714. In this case, staff believes that providing service without an interexchange carrier certificate and refusing a certified letter from staff, warrants a penalty.

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ISSUE 2: Should this docket be closed?

RECOMMENDATION: No, this docket should remain open pending resolution of the show cause process.

STAFF ANALYSIS: If the Commission approves the staff recommendation on Issue 1, an order to show cause will be issued. I.S.C. International Telecommunications must respond, in writing, to the allegations set forth in the show cause order within 21 days of the issuance of the order. The company's response must contain specific allegations of facts and law. In the event the company is fined, the monies should be forwarded to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes.