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FLORIDA PUBLIC SERVICE COMMISSION  
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**M E M O R A N D U M**

JANUARY 23, 1997

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

**FROM:** DIVISION OF LEGAL SERVICES (CULPEPPER) *JK MB*  
DIVISION OF COMMUNICATIONS (ISLER) *pic TW*

**RE:** DOCKET NO. 961089-TI - CONETCO COMMUNICATIONS D/B/A  
COMMUNICATIONS NETWORK CORPORATION - INITIATION OF SHOW  
CAUSE PROCEEDINGS FOR VIOLATION OF RULE 25-4.043, FLORIDA  
ADMINISTRATIVE CODE, RESPONSE TO COMMISSION STAFF  
INQUIRIES

**AGENDA:** FEBRUARY 4, 1997 - REGULAR AGENDA - PROPOSED AGENCY  
ACTION - INTERESTED PERSONS MAY PARTICIPATE

**CRITICAL DATES:** NONE

**SPECIAL INSTRUCTIONS:** S:\PSC\CMU\WP\961089TI.RCM

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**CASE BACKGROUND**

An industry representative brought to staff's attention a debit card identified as "The Travel Phone Card," which was being distributed in the Miami area. Staff had concerns regarding this debit card; thus, staff commenced an investigation to find the company that was issuing the card. Staff determined that Conetco Communications d/b/a Communications Network Corporation (Conetco), holder of Certificate No. 3974, was likely the company issuing "The Travel Phone Card." Staff, however, was unable to get any pertinent information from the one customer representative that staff was able to contact. Attempts to contact a company officer were unsuccessful. Since August 22, 1996, staff has been unable to contact anyone from Conetco.

An attorney for WorldCom Network Services, Inc. d/b/a WilTel Network Services, Inc. (WilTel) advised staff that it had filed an involuntary Chapter 11 bankruptcy petition against Conetco. The Bankruptcy Court issued a Consent Order which mandated that Conetco

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immediately transfer its 1+ customer base, among other things, to WilTel.

By Order No. PSC-96-1437-FOF-TI, issued November 26, 1996, the Commission initiated proceedings to require Conetco to show cause why it should not be fined up to \$25,000 per day or have its Certificate No. 3974 cancelled for violation of Rule 25-4.043, Florida Administrative Code, Response to Commission Staff Inquiries.

The Commission's Case Management System shows that the certified copy of Order No. PSC-96-1437-FOF-TI was returned by the Post Office.

Therefore, staff believes the following recommendations are appropriate.

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### **DISCUSSION OF ISSUES**

**ISSUE 1:** Should Conetco Communications d/b/a Communications Network Corporation be ordered to pay a fine of \$25,000, with the monies to be forwarded to the Office of the State Treasurer for deposit in the General Revenue Fund, for violation of Rule 25-4.043, Florida Administrative Code, Response to Commission Staff Inquiries, or have its certificate cancelled?

**RECOMMENDATION:** Yes. Conetco Communications d/b/a Communications Network Corporation should be ordered to pay a fine of \$25,000 to the Florida Public Service Commission, with the monies to be forwarded to the Office of the State Treasurer for deposit in the General Revenue Fund, for violation of Rule 25-4.043, Florida Administrative Code, Response to Commission Staff Inquiries. If Conetco does not pay the fine within 30 days from the date an order issued upon this recommendation becomes final, Conetco should have its Certificate No. 3974 cancelled.

**STAFF ANALYSIS:** Staff made numerous attempts to contact Conetco, including two certified letters and several telephone calls. After several attempts, staff reached a customer service representative for Conetco. That representative was, however, unable to provide any answers to staff's questions about Conetco's debit card operations in Florida. Staff then attempted to contact a company officer. On August 22, 1996, the officer left staff a voice mail message, but since that time, staff has been unable to contact anyone from Conetco.

An attorney for WorldCom Network Services, Inc. d/b/a WilTel Network Services, Inc. (WilTel) advised staff that WilTel had filed an involuntary Chapter 11 bankruptcy petition against Conetco. The Bankruptcy Court issued a Consent Order which mandated that Conetco immediately transfer its 1+ customer base, among other things, to WilTel.

On November 26, 1996, the Commission issued Order No. PSC-96-1437-FOF-TI requiring Conetco to show cause why it should not be fined up to \$25,000 per day or have its Certificate No. 3974 cancelled for violation of Rule 25-4.043, Florida Administrative Code, Response to Commission Staff Inquiries. The Post Office returned as undeliverable to the Commission the certified copy of the order on December 26, 1996.

In previous dockets involving companies that did not respond to staff inquiries, fines and settlements have ranged up to \$1,000 or the companies' certificates were cancelled. Therefore, in view of the company's failure to respond to either the certified

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copy of the Show Cause Order No. PSC-96-1437-FOF-TI or staff's inquiries, staff recommends that Conetco be fined \$25,000. If the company pays the fine, the monies will be forwarded to the Office of the State Treasurer for deposit in the General Revenue Fund. If, however, Conetco does not pay the fine within 30 days from the date an order issued upon this recommendation becomes final, staff recommends that Certificate No. 3974 be cancelled without further Commission action.

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**ISSUE 2:** Should this docket be closed?

**RECOMMENDATION:** Yes. If the Commission approves staff's recommendation on Issue 1, a proposed agency action order imposing a fine will be issued. If no person whose substantial interests are affected, files a timely request for a Section 120.57, Florida Statutes, hearing within 21 days, the Order will become final. If no protest is timely filed, Conetco Communications d/b/a Communications Network Corporation should then have 30 days from the date the Order becomes final to pay the fine to the Florida Public Service Commission, with the monies to be forwarded to the Office of the State Treasurer for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. If Conetco does not pay the fine within the allotted time period, Certificate No. 3974 should be cancelled without further Commission action and this docket should be closed.

**STAFF ANALYSIS:** If the Commission approves staff's recommendation on Issue 1, a proposed agency action order imposing a fine will be issued. If no person whose substantial interests are affected, files a timely request for a Section 120.57, Florida Statutes, hearing within 21 days, the Order will become final. Conetco Communications d/b/a Communications Network Corporation should then have 30 days from the date the Order becomes final to pay the fine. If the fine is not paid within the time allowed, Certificate No. 3974 should be cancelled without further Commission action and this docket should be closed.