

American Telecom

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June 13, 1997

970621

Charlie Pellegrini, Staff Counsel
Florida Public Service Commission
2540 Sherwood Oak Blvd
Tallahassee, Florida 32399-0850


Re: Amended Proposal

Dear Mr. Pellegrini:

We were requested to amend our original proposal to include the interest on the amount owed on overcharges for operator services. Enclose is our Amended Proposal for your review to the Commission

If there is any further information that the commission needs before your agenda on July 15, 1997, please do not hesitate to contact this office.

Sincerely,
American Telecommunications
Enterprise, Inc.

By: 
Carl E. Worboys,
Legal Counsel

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AMENDED
PROPOSAL TO THE
FLORIDA PUBLIC SERVICE
COMMISSION FOR SETTLEMENT
OF BILLING DISCREPANCIES AND
RESPONSE ISSUES TO INQUIRIES
FROM THE COMMISSION

American Telecommunications Enterprises, Inc. ("American Telecom") submits this proposal for settlement to the Florida Public Service Commission concerning two separate issues, over billing and response to the Commission's inquiries:

1. OVERCHARGES ON OPERATOR SERVICES

On an inquiry from the Commission, American Telecom examined its billing records regarding charges for intrastate Florida traffic and determined that American Telecom had in fact overcharged due to a rounding up of all calls to three minutes. This violation occurred only on operator service traffic and not on business and residential billing. Tests by the Commission's representative indicated that in July 31, 1996 our business and residential billing was correctly timed.

American Telecom determined that customers had been overbilled in the amount of \$4,494.36.

An investigation determined that the billing file for Florida had inadvertently been corrupted during a process to modify our rate structures for the Olympic time periods to occur in Georgia in the summer of 1996. At the time, a major customer was planning a major investment in privately owned payphones in Fulton County, Georgia and American Telecom was testing its billing procedures for private payphones in Georgia. Modifications were made to operator services billing in Florida where American Telecom had two small payphone clients.

American Telecom did correct the error on its own initiative.

It is submitted that the billing overcharges were caused by an error and not by an attempt to gouge the public. The excess charges represent a small part of the Company's total revenue and consequently occurred through operational mistakes and not bad faith.

To correct those operational mistakes, American Telecom now requires that all billing charges be approved by three individuals, Joseph Passalaqua, Spencer Lovelace and the undersigned prior to implementation. We have in addition curtailed the number of software personnel having access to the billing programs. This process will prevent improper assumptions by operational personnel and specific improper requests from customers.

2. RESPONSE TO THE COMMISSION

In 1996, American Telecom's Chief Executive Officer maintained his office in Seattle, Washington. On receipt of the inquiry from the Commission, the undersigned forwarded the information to that individual as per his directions.

With no operational authority at that time, the undersigned awaited directions. Those directions were not timely and American Telecom did not respond in the time frame required by statute. This situation has been remedied with the resignation of that officer, the closing of the Seattle office and consolidation of all responsibility in our Liverpool office.

With the resignation of that officer, certain contractual and operational functions fell to the undersigned and we were remiss in replying to the Commission requests. Due to the fact of travel commitments and the amount of material received from the various states, I fell very far behind in the work schedule.

This problem did not reflect in our responses to our customers, due to the fact that our customer service representatives were on duty six days per week to respond to inquiries.

Consequently, we ask that the Commission grant some consideration to a small company undergoing some very substantial changes during the period in question.

3. PROPOSAL

American Telecom proposes the following as settlement to the Commission:

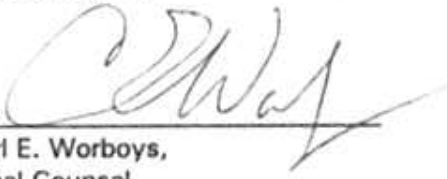
- (1) Refund of the \$4,494.36 to the customers overcharged by issuing the credits through our billing agent, EDS;
- (2) Written verification to the Commission that the credits have been issued;
- (3) A penalty paid to the Commission of twice the amount of overcharges or \$8,988.72;
- (4) A penalty paid to the Commission of \$10,000 for failure to timely respond to inquiries;
- (5) Continued checks and balances on the billing system by corporate officers;
- (6) Continued monitoring of the billing itself.

4. INTEREST

According to Florida Rule 25.4.114, the interest accrued on the amount of \$4,494.36 is \$412.56. American Telecom has agreed to pay the total of \$4,906.92 which is the overbilled amount with interest added.

We ask that the Commission look with favor on this proposal.

Respectively Submitted,
American Telecommunications
Enterprise, Inc.

By: 
Carl E. Worboys,
Legal Counsel