

Commissioners:
JULIA L. JOHNSON, CHAIRMAN
SUSAN F. CLARK
J. TERRY DEASON
JOE GARCIA
DIANE K. KIESLING



DIVISION OF COMMUNICATIONS
WALTER D'HAESELEER
DIRECTOR
(850) 413-6600

Public Service Commission

July 3, 1997

961479-TI

Mr. John Fudesco, President
Atlas Communications, Ltd.
482 Norristown Road, Suite 200
Blue Bell, PA 19422

Dear Mr. Fudesco:

This is a follow up to our telephone conversations concerning Phone Calls, Inc. (PCI). It is my understanding from our conversations that Atlas is PCI's underlying carrier and that Sprint is your company's underlying carrier. Atlas entered into a contract with PCI at the end of May or beginning of June, 1996, and processed only one batch of change orders for PCI. After that, Atlas began receiving so many slamming complaints that you began your own investigation into PCI. You advised me that PCI stopped responding to Atlas and end users concerning the slamming complaints; therefore, Atlas went into federal court (either Philadelphia or Baltimore) and received approval to take control of PCI's rates and rate structure. You also stated that PCI "wanted" to bill end users 31 cents a minute plus a 30 cents per call charge. Atlas decided that because 60% of the country is still on AT&T's network, Atlas believed that using the AT&T time of day rate for the remaining PCI end users would be more equitable.

You told me that the New York Public Service Commission had a similar situation with PCI and that NYPSC's General Counsel wrote you, NYNEX, and USBI a letter advising that Atlas could continue to service the approximately 6,000 New York consumers still on PCI's service.

In order to complete our investigation of PCI, I need additional information. Please respond, in writing, by July 18, 1997, to the following.

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- LIN _____
- OPC _____
- RCH _____
- SEC 1 _____
- WAS _____
- OTU _____

- ▶ Provide staff with a copy of the federal court order whereby you stated Atlas was granted permission to take control of PCI's rates and rate structure.
- ▶ Please explain why the Florida Public Service Commission was not advised of this action, which appears to be in violation of Rule 25-24.472, Florida Administrative Code, Improper Use of a Certificate.
- ▶ Provide staff with a copy of the NYPSC's letter authorizing Atlas to continue serving PCI's New York consumers.

DOCUMENT NUMBER - DATE

06793 JUL -76

FPSC-RECORDS/REPORTING

Mr. John Fudesco, President

Page 2


July 3, 1997

- ▶ Cite the tariff under which Atlas is billing the approximately 3,000 Florida consumers for intrastate calls.
- ▶ Provide staff with a list of the approximately 3,000 Florida consumers.

I understand your concern and your belief that Atlas is a victim as much as the consumers whose service was slammed by PCI. However, it is my opinion that this Commission could not allow Atlas to continue to serve end users under a certificate number that has been canceled. Also, after talking with my supervisor, it is my understanding that if this Commission ordered all IXCs to discontinue serving PCI, the end users' long distance 1+ calls would default to the underlying carrier (Atlas or Sprint) and these consumers would be billed as casual users until the consumers choose another carrier.

If you have any questions, just let me know. I can be reached at (904) 413-6502-voice and (904) 413-6503-fax.

Sincerely,



Paula J. Isler
Research Assistant
Bureau of Service Evaluation

cc: Docket No. 961479-TI