

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Initiation of show cause proceedings against World Access Communications Corp. for violation of Rule 25-24.4701, F.A.C., Provision of Regulated Communications Service to Uncertificated Resellers Prohibited.

DOCKET NO. 960216-TI  
ORDER NO. PSC-97-0811-AS-TI  
ISSUED: July 7, 1997

The following Commissioners participated in the disposition of this matter:

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

**FINAL ORDER APPROVING SETTLEMENT**

BY THE COMMISSION:

1. **CASE BACKGROUND**

Telecuba, Inc. (Telecuba), a provider of telecommunications services through the use of prepaid calling cards, purchased long distance services from World Access Communications Corporation (World Access), holder of Inter-Exchange Carrier (IXC) Certificate of Public Convenience and Necessity No. 2385.

Telecuba resold World Access' services to end user customers who purchased a debit card that could be used to access an 800 number to place telephone calls. Telecuba or its agents sold the cards to end user customers for a flat fee for a certain amount of minutes of use. Telecuba did not have an IXC certificate giving it authority to resell such intrastate services in Florida. World Access purchased the network time for the 800 access numbers at a wholesale rate from AT&T. World Access thereby had control over the numbers' use and resale to other telecommunications companies and the general public.

In early December, 1995, Mr. Luis Coello, Telecuba's president and sole shareholder, contacted our staff several times by

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a credit balance of \$5,994.20 on the non-working Telecuba cards. Telecuba has since provided documentation in response to our staff's request for production of documents and through sworn testimony that it has refunded or replaced cards for a total amount of \$12,055.00.

We also intended to address World Access' sale of intrastate telecommunications services to an uncertificated reseller in this show cause proceeding. In World Access' proposed settlement (Attachment A), the company offered to pay a \$3,500 contribution into the State of Florida General Revenue Fund and to comply with all aspects of Rule 25-24.4701, Florida Administrative Code.

In previous dockets involving companies operating without a certificate, fines and settlements have ranged up to \$40,714. In this case, a \$3,500 contribution appears reasonable. World Access has cooperated with us and is making every effort to comply with our rules in the future. Many of the cases where we have levied greater fines or agreed to higher proposed settlements involved companies that could not be located and did not respond to our staff's inquiries. Therefore, we believe that the settlement proposal of a \$3,500 contribution is appropriate.

The \$3,500 contribution is hereby accepted and shall be forwarded upon our receipt to the Office of the Comptroller for deposit in the State of Florida General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. We also require that World Access remit the \$3,500 contribution, submit written verification of compliance with all aspects of Rule 25-24.4701, Florida Administrative Code, and provide Telecuba with the necessary information so that Telecuba can accomplish a refund to the affected customers, within 30 days of the date this Order becomes final.

This docket shall be closed upon receipt of World Access's contribution of \$3,500 to the General Revenue Fund, written verification of compliance with all aspects of Rule 25.24.4701, Florida Administrative Code, and the provision of all necessary information to Telecuba to accomplish the refund the affected Telecuba customers, within 30 days of the date this order becomes final.

telephone regarding his complaint that World Access had disconnected the 800 access numbers that Telecuba was using to provide its prepaid calling service. Telecuba was unable to get World Access to reconnect the numbers and unable to get AT&T to reassign the numbers to Telecuba. Carlos Rodriguez, a World Access representative, communicated to our staff that Telecuba was disconnected because of its failure to fulfill its business obligations. As a result, end users who had purchased debit cards were not able to complete telephone calls and receive the telephone service for which they had already paid. The companies have been unable to resolve their differences.

By Order No. PSC-96-0646-FOF-TI, issued May 10, 1996, we initiated proceedings to require World Access to show cause why the Commission should not fine World Access or cancel its certificate for violation of Rule 25-24.4701, Florida Administrative Code, provision of regulated communications service to uncertificated resellers prohibited. We also ordered World Access to show cause why it should not provide call detail records necessary for Telecuba to refund customers who had purchased non-working debit cards. On May 31, 1996, World Access filed its Response to the Show Cause Order and requested a formal proceeding under Chapter 120, Florida Statutes, and the matter was set for hearing on May 27, 1997.

On May 12, 1997, World Access submitted a written proposal to contribute \$3,500 to the State of Florida General Revenue Fund in lieu of our continuing the show cause proceeding. (Attachment A) As a part of this proposal, World Access also agreed to revise its tariff to bring it into compliance with Rule 25-24.4701, Florida Administrative Code, and to provide Telecuba with the necessary information to effect refunds to the purchasers of non-working Telecuba debit cards. This Order addresses the World Access settlement proposal.

## II. DISCUSSION

Since the commencement of this show cause proceeding, World Access has cooperated with our staff in an effort to resolve the areas of dispute and to assist, where possible, in the refund to the Telecuba customers whose cards were rendered useless by World Access' disconnection of the 800 numbers. World Access has provided a call detail records summary that shows the total amount of unused time on the Telecuba cards. This information indicates

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Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the proposed settlement offer by World Access Communications Corporation is hereby accepted in lieu of continuing the show cause proceeding against the company for violation of Rule 25-24.4701, Florida Administrative Code. It is further

ORDERED that World Access Communications Corporation's \$3,500 contribution shall be forwarded upon its receipt to the Office of the Comptroller for deposit in the State of Florida General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. It is further

ORDERED that World Access Communications Corporation shall remit the \$3,500 contribution, submit written verification of compliance with all aspects of Rule 25-24.4701, Florida Administrative Code, and provide Telecuba, Inc. and the Commission with the necessary information so that Telecuba, Inc. can accomplish a refund to the affected customers, within 30 days of the date this Order becomes final. It is further

ORDERED that this docket shall be closed upon receipt of World Access Communications Corporation's contribution of \$3,500 to the General Revenue Fund, written verification of compliance with all aspects of Rule 25.24.4701, Florida Administrative Code, and the provision of all necessary information to Telecuba, Inc. and the Commission so that Telecuba, Inc. can accomplish a refund to the affected customers, within 30 days of the date this order becomes final.

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By ORDER of the Florida Public Service Commission, this 7th  
day of July, 1997.



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BLANCA S. BAYÓ, Director  
Division of Records and Reporting

( S E A L )

WPC

Commissioner Diane K. Kiesling dissented as follows:

I respectfully dissent. World Access is equally culpable in the unauthorized resale of communications services by Telecuba because World Access knew or should have known that Telecuba was uncertificated. For this reason, the amount World Access agreed to pay should reflect that culpability and should be higher than agreed to by the majority.

MAY-12-97 12:38 FROM KATZ KUTTER HAIGLER

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**Basic Terms of Settlement Agreement**

**World Access Communications Corp.**

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1. World Access has amended its tariff to conform with the requirements of FPSC Rule 25-24.4701, Fla. Administrative Code. World Access agrees to make a voluntary contribution of \$3,500.00 to the general revenue fund of the State of Florida.

2. World Access agrees to cooperate with the Commission in its showcause proceeding against Telecuba in order to facilitate refunds to those customers who may have credit balances as a result of the sale of debit cards by Telecuba. World Access agrees to provide the Commission with a summary of call detail records showing the amount of refunds due to Telecuba customers.

3. World Access agrees to comply with the provisions of FPSC Rule 25-24.4701, Florida Administrative Code.