



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-

DATE: JANUARY 21, 1999

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

FROM: DIVISION OF LEGAL SERVICES (MILLER) *Jam MB*
DIVISION OF COMMUNICATIONS (BIEGALSKI) *KB AD*

RE: DOCKET NO. 990014-TI - INITIATION OF SHOW CAUSE PROCEEDING AGAINST WATS INTERNATIONAL CORPORATION FOR APPARENT VIOLATION OF RULE 25-24.470, FLORIDA ADMINISTRATIVE CODE, CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY REQUIRED, RULE 25-4.043, FLORIDA ADMINISTRATIVE CODE, RESPONSE TO COMMISSION STAF. INQUIRIES AND RULE 25-24.480, FLORIDA ADMINISTRATIVE CODE, RECORDS & REPORTS; RULES INCORPORATED

AGENDA: 02/02/99 - REGULAR AGENDA - SHOW CAUSE - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\CMU\WP\990014.RCM

CASE BACKGROUND

On June 28, 1993, by Order No. PSC-93-0959-FOF-TI, in Docket No. 930358-TI, the Commission issued certificate no. 3182 to WATS International Corporation (WATS) to provide interexchange telecommunications service in Florida. On October 14, 1997, by Order No. PSC-97-1253-FOF-TI, in Docket No. 971105-TI, the Commission canceled WATS' certificate for failure to pay regulatory assessment fees, statutory penalties and interest.

Although WATS' certificate has been canceled since 1997, staff has recently received some consumer complaints regarding apparent unauthorized monthly service fees billed to the customers' accounts. Staff faxed a copy of the complaints to WATS requesting a response within 15 days. WATS did not respond to the initial request, and staff then sent a certified letter to the company. The letter was returned by the United States Postal Service stamped

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"Forwarding Time Expired". In addition, the telephone number listed in the Master Commission Directory has been disconnected and there is no listing with directory assistance.

Therefore, staff believes the following recommendations are appropriate.

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission order WATS International Corporation to show cause in writing why fines of \$25,000 for apparent violation of Rule 25-24.470, Florida Administrative Code, Certificate of Public Convenience and Necessity, \$10,000 for apparent violation of Rule 25-4.043, Florida Administrative Code, Response to Commission Staff Inquiries and \$500 for apparent violation of Rule 25-24.480, Florida Administrative Code, Records & Reports; Rules Incorporated, should not be assessed?

RECOMMENDATION: Yes. The Commission should require WATS to show cause in writing within 21 days of the issuance of the Commission's Order why it should not be fined \$25,000 for apparent violation of Rule 25-24.470, Florida Administrative Code, \$10,000 for apparent violation of Rule 25-4.043, Florida Administrative Code, and \$500 for apparent violation of Rule 25-24.480, Florida Administrative Code. The company's response should contain specific allegations of fact and law. If WATS fails to respond to the show cause, the fines should be deemed assessed. If the fines are paid, they should be remitted by the Commission to the State of Florida General Revenue Fund pursuant to Section 364.285, Florida Statutes. If the fines are not paid after reasonable collection efforts by the Commission, they should be forwarded to the Comptroller's Office for collection. (Biegalski)

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

- (1) No person shall provide intrastate interexchange telephone service without first obtaining a certificate of public convenience and necessity from the Commission.

Based on the information received from consumers, it appears that WATS is providing telecommunications service in Florida without a certificate, in apparent violation of Rule 25-24.470, Florida Administrative Code.

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In addition, Rule 25-4.043, Florida Administrative Code, Response to Commission Staff Inquiries, states:

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.

Staff sent a certified letter to WATS on September 29, 1998, with a response date of October 9, 1998. The letter was returned by the United States Postal Service stamped "Forwarding Time Expired". In this regard, it appears that WATS is in violation of Rule 25-4.043, Florida Administrative Code.

Furthermore, Rule 25-24.480, Florida Administrative Code, states:

(2) Each company shall file updated information for the following items with the Division of Communications and the Division of Records and Reporting within 10 days after such changes occur.

(a) The address of the certificate holder's main corporate and Florida offices (if any) including street name and address and post office box, city, state and zip code.

(b) Telephone number, name, and address of the individual who is to serve as primary liaison with the Commission in regards to the ongoing Florida operations of the certificated company.

Staff tried to contact WATS via the telephone number listed in the Master Commission Directory. This telephone number has been disconnected and there is no listing with directory assistance. Therefore it appears that WATS is in violation of Rule 25-24.480, Florida Administrative Code.

Accordingly, staff recommends that the Commission order WATS to show cause why a \$25,000 fine for apparent violation of Rule 25-24.470, Florida Administrative Code, a \$10,000 fine for failure to comply with Rule 25-4.043, Florida Administrative Code, and a \$500 fine for failure to comply with Rule 25-24.480, Florida Administrative Code, should not be assessed.