

BEFORE THE PUBLIC SERVICE COMMISSION

ORIGINAL

1
2 Access One Communications, Inc.)

3 Complainant,)

Docket No. 990108-TP

4 vs.)

5 BellSouth Telecommunications, Inc.,)

Dated: May 14, 1999

6 Respondent,)

7 _____)

8 **DIRECT TESTIMONY OF MARK QUINLAN**

9 **ON BEHALF OF RFC CAPITAL CORPORATION**

10 **Q: Please state your name and business address.**

11 A: My name is Mark Quinlan. My business address is 130 East Chestnut Street,
12 Columbus, Ohio 43215.

13 **Q: By whom and in what capacity are you involved?**

14 A: I am Vice President of RFC Capital Corporation.

15 **Q: What is RFC's relationship with Access One Communications, Inc.?**

16 A: Access One is a customer of RFC. Specifically, RFC is Access One's accounts
17 receivable lender.

18 **Q: How long has RFC been Access One's accounts receivable lender?**

19 A: Since December, 1997.

20 **Q: Prior to August, 1998, what was RFC's advance rate against Access One's**
21 **accounts receivable?.**

22 A: 98%.

23 **Q: Did RFC change its advance rate to Access One?**

24 A: Yes, in August, 1998 we were forced to lower the advance rate to 84% of Access
25 One's monthly receivables.

DOCUMENT NUMBER-DATE

06182 MAY 17 99

FPSC-RECORDS/REPORTING

1 **Q: What caused RFC to make this decision?**

2 A: Based on our review of Access One's reports of its operations and our
3 conversations with Access One's representatives, we determined that Access One was
4 experiencing a significant problem with uncollected customer balances which reduced the
5 rate of collectable receivables to the point where RFC decided it was necessary to lower
6 the advance rate.

7 **Q: Did you understand the reasons for Access One's uncollected balances**
8 **problem?**

9 A: Yes. It seemed that a pattern developed where customers who elected to
10 terminate their service with Access One would not pay their final bills. On an individual,
11 customer by customer basis the amounts were so small that it was not practical to attempt
12 meaningful collection efforts. On an aggregate basis, however, the numbers were very
13 large and amounted to approximately 6% of Access One's total monthly receivables.

14 **Q: If Access One had been able to lower its customer bad debt rate, would RFC**
15 **have been willing to increase its advance rate to Access One?**

16 A: Absolutely. We still are.

17 **Q: Does this conclude your testimony?**

18 A: Yes it does.

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