State of Florida



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:

AUGUST 26, 1999

TO:

DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYÓ)

FROM:

DIVISION OF TELECOMMUNICATIONS (ISLER)

DIVISION OF LEGAL SERVICES (K. PEÑA; C. BEDELL)

RE:

DOCKET NO. 981949-TX - CANCELLATION BY FLORIDA PUBLIC SERVICE COMMISSION OF ALTERNATIVE LOCAL EXCHANGE CERTIFICATE NO. 4727 ISSUED TO CYPRESS TELECOMMUNICATIONS CORPORATION, FOR VIOLATION OF RULES 25-4.0161, F.A.C., REGULATORY ASSESSMENT FEES; TELECOMMUNICATIONS COMPANIES.

AGENDA:

09/07/99 - REGULAR AGENDA - INTERESTED PERSONS MAY

PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\CMU\WP\981949.RCM

CASE BACKGROUND

- 12/11/96 Cypress Telecommunications Corporation obtained alternative local exchange Certificate No. 4727.
- 12/11/97 1997 Regulatory Assessment Fee (RAF) Notice was mailed. Payment was due 01/30/98.
- 12/15/97 The United States Postal Service (USPS) returned the receipt, which showed the RAF notice was signed for and delivered.
- 12/02/98 The Division of Administration advised this company had not paid its 1997 RAFs and statutory penalty and interest charges for the years 1996 and 1997.

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• 03/16/99 - At the Agenda Conference, the Commission approved staff's recommendation to fine the company \$500 for nonpayment of the RAFs.

- 03/17/99 Staff received a letter from the company's General Counsel, Mr. David Wintersgill, which asked that the company's certificate be canceled voluntarily.
- 04/06/99 Order No. PSC-99-0678-FOF-TX was issued, which imposed a \$500 fine. The company had until April 27, 1999 to protest the Order. Staff used the company's March 17 letter as its protest to the Order.
- 06/09/99 Order No. PSC-99-1191-PAA-TX was issued, which canceled the company's certificate at the Commission's own motion. The company had until June 30, 1999, to protest the Order.
- 06/17/99 The Commission received a letter from the company, which stated that since the company never did business in Florida, it did not believe it owed the regulatory assessment fees.
- 07/09/99 Staff wrote the company and explained that regulatory assessment fees are due whether or not a company actually conducts business and explained that the RAFs could not be waived.
- 07/30/99 The company paid all past due charges, including statutory penalty and interest charges and requested voluntary cancellation of its certificate.

Therefore, staff believes the following recommendations are appropriate.

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DISCUSSION OF ISSUES

ISSUE 1: Should the Commission grant Cypress Telecommunications Corporation a voluntary cancellation of its alternative local exchange Certificate No. 4727?

RECOMMENDATION: Yes. The Commission should grant the company a voluntary cancellation of its alternative local exchange certificate with an effective date of July 30, 1999. (Isler)

STAFF ANALYSIS: Rule 25-4.0161, Florida Administrative Code, requires the payment of regulatory assessment fees by January 30 of the subsequent year for telecommunications companies, and provides for penalties and interest as outlined in Section 350.113, Florida Statutes, for any delinquent amounts.

After the Commission voted to fine the company \$500 for nonpayment of its RAF but prior to the Order being issued, the company wrote and requested a voluntary cancellation of its certificate. Staff brought this matter back to the Commission to address whether a voluntary cancellation should be granted. On June 6, 1999, Order No. PSC-99-1191-PAA-TX was issued which canceled the company's certificate on the Commission's own motion. The company had until June 30, 1999 to respond.

On June 17, 1999, the company responded and advised that since it had never conducted business in the state, it did not believe that RAFs were due. Staff wrote the company a letter dated July 9 and explained that minimum regulatory assessment fees were due even if the company did not conduct business. Staff advised the company of the correct amount to pay before a voluntary cancellation could be recommended. On July 30, 1999, the company paid the outstanding amount in full.

Accordingly, staff believes the company's request for a voluntary cancellation of its pay telephone certificate should be granted with an effective date of July 30, 1999.

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ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes, if the Commission approves staff's recommendation in Issue 1, this docket should be closed. (K. Peña; C. Bedell)

STAFF ANALYSIS: If the Commission approves staff's recommendation in Issue 1, no other issues remain unresolved and this docket should be closed.