



# Public Service Commission

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RECORDS AND REPORTING  
*[Handwritten signatures and initials]*

**DATE:** OCTOBER 26, 2000

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

**FROM:** DIVISION OF REGULATORY OVERSIGHT (TWILLIAMS)  
DIVISION OF LEGAL SERVICES (KNIGHT) *WOK C.P.F.*

**RE:** DOCKET NO. 001541-TI - REQUEST FOR ACKNOWLEDGMENT AND APPROVAL OF CONSOLIDATION OF BLT TECHNOLOGIES, INC. (HOLDER OF IXC CERTIFICATE NO. 3577), MCI WORLDCOM COMMUNICATIONS, INC. (HOLDER OF IXC CERTIFICATE NO. 1528), AND TOUCH 1 LONG DISTANCE, INC. (HOLDER OF IXC CERTIFICATE NO. 2363), ALL OPERATING SUBSIDIARIES OF WORLDCOM, INC., WITH MCI WORLDCOM COMMUNICATIONS, INC. BEING THE SURVIVING ENTITY; FOR CANCELLATION OF CERTIFICATES NOS. 3577 AND 2363; AND FOR WAIVER OF RULE 25-4.118, F.A.C., WHICH PRECLUDES A CHANGE IN A CUSTOMER'S PRESUBSCRIBED TOLL SERVICE PROVIDER WITHOUT THE CUSTOMER'S PRIOR AUTHORIZATION.

**AGENDA:** 11/07/00 - REGULAR AGENDA - INTERESTED PERSONS MAY PARTICIPATE

**CRITICAL DATES:** NONE

**SPECIAL INSTRUCTIONS:** NONE

**FILE NAME AND LOCATION:** S:\PSC\RGO\WP\001541.RCM

### CASE BACKGROUND

On October 6, 2000, this Commission received an application from MCI WorldCom Communications, Inc. (MCI) seeking approval for consolidation of all operating subsidiaries of WorldCom, Inc., BLT Technologies, Inc. (holder of IXC Certificate No. 3577), MCI Worldcom Communications, Inc. (holder of IXC Certificate No. 1528), and Touch 1 Long Distance, Inc. (holder of IXC Certificate No. 2363). The surviving entity of the consolidation would be MCI

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WorldCom Communications, Inc. Further, WorldCom Inc. has requested cancellation of BLT Technologies, Inc. IXC Certificate No. 3577 and Touch 1 Long Distance, Inc. IXC Certificate No. 2363 and a waiver of Rule 25-4.118, Florida Administrative Code, which precludes a change in a customer's presubscribed toll service provider without the customer's prior authorization.

### DISCUSSION OF ISSUES

**ISSUE 1:** Should MCI WorldCom Communications, Inc. (MCI) request for approval to consolidate BLT Technologies, Inc. (holder of IXC Certificate No. 3577), MCI Worldcom Communications, Inc. (holder of IXC Certificate No. 1528), and Touch 1 Long Distance, Inc. (holder of IXC Certificate No. 2363) with MCI Worldcom Communications, Inc. becoming the surviving entity be approved?

**RECOMMENDATION:** Yes. (Williams)

**STAFF ANALYSIS:** By consolidating operations MCI WorldCom Communications, Inc. (MCI) would simplify the managerial tasks, customer confusion and regulatory burdens. The consolidation will also allow MCI to operate more efficiently and effectively by eliminating a number of redundant administrative functions.

Further, the proposed consolidation will have no material adverse impact on consumers in Florida. The interexchange service and prepaid calling card services will continue to be provided over the same transmission facilities and infrastructure currently being used. Customer service will continue to be provided by the same teams of consumer representatives.

Accordingly, staff recommends that the request for consolidation be approved.

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ISSUE 2: Should MCI WorldCom Communications, Inc. request for cancellation of BLT Technologies, Inc. IXC Certificate No. 3577 and Touch 1 Long Distance, Inc. IXC Certificate No. 2363 be approved?

RECOMMENDATION: Yes. (Williams)

STAFF ANALYSIS: By consolidating operations MCI WorldCom Communications, Inc. (MCI) would simplify the managerial tasks, customer confusion, regulatory burdens, and will allow MCI to operate more efficiently and effectively by eliminating a number of redundant administrative functions.

Accordingly, staff recommends that the request for cancellation of BLT Technologies, Inc. IXC Certificate No. 3577 and Touch 1 Long Distance, Inc. IXC Certificate No. 2363 be approved.

ISSUE 3: Should MCI WorldCom Communications, Inc. be relieved in this instance of the interexchange carrier selection requirements of Rule 25-4.118, Florida Administrative Code?

RECOMMENDATION: Yes. (Knight)

STAFF ANALYSIS: Pursuant to Rule 25-4.118(1), Florida Administrative Code, the provider of a customer shall not be changed without the customer's authorization. Rule 25-4.118(2) Florida Administrative Code, provides that an IXC shall submit a change request only if one of the following has occurred:

(a) The provider has a letter of agency from the customer requesting the change.

(B) the provider has received a customer-initiated call for service.

(c) A third party firm has verified the customer's requested change.

As stated in Rule 25-24.455(4), Florida Administrative Code, the Commission may grant a waiver to the extent that it determines that it is consistent with the public interest to do so. Further, the Commission may grant the petition in whole or part, may limit

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the waiver to certain geographic areas and/or may impose reasonable alternative regulatory requirements on the petitioning company.

Staff believes that in this instance it is in the public interest to waive the carrier selection requirements of Rule 25-4.118, Florida Administrative Code. The companies have provided for a seamless transition while ensuring that the affected customers understand available choices with the least amount of disruption to the customers. The customers will receive ample notification of the transfer and have the opportunity to participate. If prior authorization is required in this event, customers may fail to respond to a request for authorization, neglect to select another carrier, and lose their long distance service. Furthermore, Staff believes that granting this waiver will avoid unnecessary slamming complaints during this transition. Accordingly, staff recommends that the interexchange carrier selection requirements in Rule 25-4.118, Florida Administrative Code, be waived for the MCI consolidation.

ISSUE 4: Should this docket be closed?

RECOMMENDATION: If no person whose substantial interests are affected by the Commission's Proposed Agency Action, files a protest within 21 days of the issuance date of the order, this docket should be closed. (Knight)

STAFF ANALYSIS: This docket should be closed, if no person whose substantial interests are affected by the Commission's Proposed Agency Action, files a protest within 21 days of the issuance date of the order.