



Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

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PSC

DATE: JANUARY 25, 2001

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

FROM: DIVISION OF COMPETITIVE SERVICES (ISLER) *PIE*
DIVISION OF LEGAL SERVICES (ELLIOTT) *JAE* *msd* *W*

RE: DOCKET NO. 001251-TI - CANCELLATION BY FLORIDA PUBLIC SERVICE COMMISSION OF INTEREXCHANGE TELECOMMUNICATIONS CERTIFICATE NO. 4407 ISSUED TO PREFERRED CARRIER SERVICES, INC. D/B/A TELEFONOS PARA TODOS AND D/B/A PHONES FOR ALL FOR VIOLATION OF RULE 25-4.0161, F.A.C., REGULATORY ASSESSMENT FEES; TELECOMMUNICATIONS COMPANIES.

AGENDA: 02/06/01 - REGULAR AGENDA - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\CMP\WP\001251.RCM

CASE BACKGROUND

- **03/22/96** - This company obtained Florida Public Service Commission Certificate No. 4407.
- **12/08/99** - The Division of Administration mailed the 1999 RAF notice. The due date was January 31, 2000.
- **02/29/00** - The Division of Administration mailed a delinquent notice.
- **09/20/00** - Mr. Alex Valencia called staff and requested information about this docket. Staff was advised that the company would pay the outstanding balance and make a settlement offer.

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- **09/29/00** - The Commission received the company's check for the outstanding amount, including statutory penalty and interest charges. The company reported no revenues for the period ended December 31, 1999. In addition, the company proposed a settlement.
- **10/23/00** - The Commission received notice that this company had filed for Chapter 11 bankruptcy.

The Commission is vested with jurisdiction over this matter pursuant to Sections 364.336 and 364.285, Florida Statutes. Accordingly, staff believes the following recommendations are appropriate.

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission accept the settlement offer proposed by Preferred Carrier Services, Inc. d/b/a Telefonos Para Todos and d/b/a Phones For ALL to resolve the apparent violation of Rule 25-4.0161, Florida Administrative Code, Regulatory Assessment Fees; Telecommunications Companies?

RECOMMENDATION: Yes. The Commission should accept the company's settlement proposal. Any contribution should be received by the Commission within ten business days from the date of the Commission Order and should identify the docket number and company name. The Commission should forward the contribution to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. If the company fails to pay in accordance with the terms of the Commission Order, cancellation of the certificate cannot be pursued at this time due to the pending bankruptcy proceedings. (Isler)

STAFF ANALYSIS: Rule 25-4.0161, Florida Administrative Code, which implements Section 364.336, Florida Statutes, 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 this docket was opened, but prior to staff filing a recommendation, on September 29, 2000, the Commission received the company's payment for the outstanding regulatory assessment fee, including statutory penalty and interest charges, and a letter from the company which offered to pay a \$200 contribution. In addition, the company proposed to pay future RAFs on a timely basis. This settlement amount is consistent with amounts the Commission has accepted for recent, similar violations.

On October 23, 2000, the Commission received a letter from Tax Partners, L.L.C., which advised that Preferred Carrier Services, Inc. d/b/a Telefonos Para Todos and d/b/a Phones For ALL had filed for a Chapter 11 Bankruptcy. On October 26, staff called Mr. Valencia and asked if the company wished to withdraw its settlement proposal. Mr. Valencia advised staff it is the company's intention to stand by its settlement proposal.

Accordingly, staff believes the terms of the settlement agreement as summarized in this recommendation should be accepted. Any contribution should be received by the Commission within ten

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business days from the date of the Commission Order and should identify the docket number and company name. The Commission should forward the contribution to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. If the company fails to pay in accordance with the terms of the Commission Order, cancellation of the certificate cannot be pursued at this time due to the pending bankruptcy proceedings.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes. If the Commission approves or denies staff's recommendation in Issue 1, this docket should be closed. (Elliott)

STAFF ANALYSIS: Whether staff's recommendation on Issue 1 is approved or denied, this docket should be closed.