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July 13, 2001

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VIA OVERNIGHT DELIVERY

Florida Public Service Commission
2540 Shumard Oak Boulevard
Gerald Gunter Building
Tallahassee, Florida 32399-0850

Re: **Settlement Proposal of OLS, Inc.**

Ladies and Gentlemen:

On behalf of OLS, Inc. we hereby transmit an original and seven (7) copies of its revised Settlement Proposal.

An extra copy of this letter and filing is enclosed to be date-stamped and returned to the undersigned in the pre-addressed, postage-paid envelope provided. Should any questions arise, kindly contact the undersigned.

Respectfully submitted,



Paul A. Dean
Regulatory Counsel

Enclosures

DOCUMENT NUMBER-DATE
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July 13, 2001

Via Overnight Mail and Facsimile

Felicia Banks/Dale Buys
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Revised Settlement Proposal of OLS, Inc.
Docket No. 010245

Felicia, Dale and Staff:

On behalf of OLS, Inc ("OLS"), thank you for the time you took to meet with OLS and to follow up with the settlement of this matter.

Per our discussions, OLS respectfully tenders the following settlement offer to terminate the initiation of show cause proceedings in Docket No. 010245-T1 relating to 49 alleged slamming complaints. OLS makes this offer in the interest of resolving this matter with the Commission amicably and makes no admission of liability.

This is the first time in OLS' history that the Commission has sought to initiate show cause proceedings with respect to OLS operations in Florida. Based on OLS' history and its proven proactive efforts, both internally and with the Commission, to eliminate the likelihood of future complaints, OLS hereby submits the following settlement proposal:

1. OLS will make a voluntary payment of \$1,500 per complaint to the state of Florida general revenue fund for thirty-four (34) complaints involving technical third party verification deficiencies, for a total payment of Fifty-One Thousand Dollars (\$51,000).

2. Given OLS' status as a small, family operated business and the already significant costs OLS has incurred in its internal investigations, in making restitution to the 49 complainants involved in this proceeding in transitioning to "in-house" marketing, OLS proposes to satisfy this obligation with 6 equal monthly payments consistent with the following payment schedule:

- \$8,500 within 30 days from the Commission's Final Order approving this proposal, followed by five (5) monthly payments, within 30-day intervals, of \$8,500 each.

3. OLS agrees to a suspension of its marketing in the State of Florida for a period of six (6) months from the date of the Commission's Final Order approving this proposal. In the meantime, OLS will work with Commission Staff to establish a third party verification script that fully complies with the Commission's requirements and sets forth a clear and conspicuous verification. Additionally, during this time, OLS will work to expand its existing monitoring units to not only cover current telemarketing monitoring, but also third party verification monitoring to ensure compliance with all State and Commission rules and regulations.

4. OLS agrees to respond to all complaints lodged against it that were received before June 29, 2001 by August 1, 2001. Further, OLS agrees to settle all outstanding complaints lodged against it no later than 30 days after the Commission's Final Order approving the proposal.

5. OLS will work with the Commission to establish a warm line transfer between the Commission and OLS' customer service department. The warm line transfer will be finalized and ready for operation within 120 days after the Commission's Final Order approving this proposal.

6. In conjunction with its sixth and final payment, OLS will provide the Commission with a complete report detailing its compliance with the final terms and conditions of this settlement.

7. OLS agrees to waive any objection to the administrative cancellation of its certificate should it fail to pay in accordance with its settlement offer. If, however, there is a factual dispute as to the manner or level of compliance with any other provision in the settlement, staff will bring the matter to the Commission for consideration and will allow OLS an opportunity to be heard on the matter.

8. Per staff request, OLS affirms its intent to abide by the Administrative rules promulgated by the Public Service Commission with respect to its Florida operations. Specifically, OLS recognizes that Florida law requires a response in 15 days and will comply with that time frame when responding to future complaints.

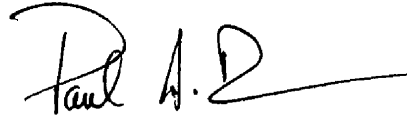
Finally, OLS would like to bring to the Commission's attention that, effective May 25, 2001, OLS will be transitioning from LEC billing to direct billing. Under this billing method,

the customers will receive a direct bill from OLS, including OLS' Customer Service Number and other pertinent information regarding their long distance service. With this new procedure, OLS can provide its customers more efficient and higher quality service.

OLS has already implemented direct billing with its US West customers and has found that the process significantly reduced the number of complaints. However, it has been OLS's experience that the change in billing may initially generate additional inquires during the first billing cycle. To minimize this possibility, OLS will ensure that all customers are provided with a billing insert explaining the change in billing,

We trust that the above proposal will meet the Commission's approval and we look forward to your response.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Paul A. Dean", with a long horizontal flourish extending to the right.

Paul A. Dean
Loubna W. Haddad

Regulatory Counsel to OLS, Inc.