

Hublic 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 23, 2001
- TO: DIRECTOR, DIVISION OF THE COMMISSION CLERK & ADMINISTRATIVE SERVICES (BAYÓ)
- FROM: DIVISION OF REGULATORY OVERSIGHT (T. WILLIAMS)
- RE: DOCKET NO. 001754-TX JOINT APPLICATION OF TELECONEX, INC. (HOLDER OF ALEC CERTIFICATE NO. 5207) AND PRE-CELL SOLUTIONS, INC., PARENT COMPANY OF PRE-CELL SOLUTIONS/FAMILY PHONE SERVICE, INC. (HOLDER OF ALEC CERTIFICATE NO. 5265) FOR MERGER OF FAMILY PHONE SERVICE WITH AND INTO TELECONEX, FOR TRANSFER OF CONTROL OF TELECONEX TO PRE-CELL, AND FOR CANCELLATION OF CERTIFICATE NO. 5265.
- AGENDA: 09/04/2001 REGULAR AGENDA INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\LEG\WP\001754.RCM

· CASE BACKGROUND

On December 5, 2000, TeleConex, Inc. (holder of ALEC Certificate No. 5207) and Pre-Cell Solutions, Inc., parent company of Pre-Cell Solutions/Family Phone Service, Inc. (holder of ALEC Certificate No. 5265), filed a joint application for merger of Family Phone Service with and into TeleConex, transfer of control of TeleConex to Pre-Cell Solutions, Inc., and for cancellation of Certificate No. 5265. Accordingly, by Order No. PSC-01-0205-PAA-TX, issued January 23, 2001, the Commission approved the merger of Family Phone Service with and into TeleConex, the transfer of control of TeleConex to Pre-Cell Solutions, Inc., and the transfer of Centrol of TeleConex to Pre-Cell Solutions, Inc., and the transfer of the transfer the transfert

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cancellation of Certificate No. 5265. That Order was consummated by Order No. PSC-01-0400-CO-TX, issued February 16, 2001.

We are vested with jurisdiction over this matter pursuant to Sections 364.336, 364.285, and 364.3375, Florida Statutes.

DISCUSSION OF ISSUES

ISSUE 1: Should Order No. PSC-01-0205-PAA-TX be vacated?

<u>RECOMMENDATION</u>: Yes, the merger upon which the order was based, was abandoned.

STAFF ANALYSIS: On August 13, 2001, Pre-Cell filed a letter informing the Commission that the terms and funding of the merger became scarce and the deal was ultimately abandoned. Therefore, Pre-Cell requests that both parties be returned to their original status. Pre-Cell also requests that its ALEC certificate be reinstated.

Staff recommends that Order No. PSC-01-0205-PAA-TX be vacated.

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ISSUE 2: Should the Commission grant Pre-Cell Solutions/ Family Phone, Inc.'s request for reinstatement of Certificate No. 5265?

<u>RECOMMENDATION</u>: Yes, if the Commission approves staff's recommendation in Issue 1, Certificate No. 5265 should be reinstated.

STAFF ANALYSIS: Staff believes that Pre-Cell's request is appropriate. Due to the complexity and timing of the merger, the certificate was prematurely cancelled, albeit at the company's request. Therefore staff recommends that Alternative Access Vendor Certificate No. 5265 should be reinstated if the Commission approves staff's recommendation in Issue 1.

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ISSUE 3: Should this docket be closed?

<u>RECOMMENDATION</u>: Yes, this docket should be closed.

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STAFF ANALYSIS: With the Commission's approval of Issue 2, Certificate No. 5265 should be reinstated and this docket should be closed.

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