



# 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-

RECEIVED-1150  
JUL 24 AM 11:13  
COMMISSION CLERK

**DATE:** JULY 25, 2002

**TO:** DIRECTOR, DIVISION OF THE COMMISSION CLERK & ADMINISTRATIVE SERVICES (BAYÓ)

**FROM:** DIVISION OF COMPETITIVE MARKETS & ENFORCEMENT (BUYS) *DRB*  
OFFICE OF THE GENERAL COUNSEL (DODSON) *JMD P/L*

**RE:** DOCKET NO. 020668-TI - COMPLIANCE INVESTIGATION OF CHRISTIAN TELECOM NETWORK, LLC FOR APPARENT VIOLATION OF RULE 25-24.470, F.A.C., CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY REQUIRED, AND RULE 25-4.043, F.A.C., RESPONSE TO COMMISSION STAFF INQUIRIES.

**AGENDA:** 08/06/02 - REGULAR AGENDA - PROPOSED AGENCY ACTION - INTERESTED PERSONS MAY PARTICIPATE

**CRITICAL DATES:** NONE

**SPECIAL INSTRUCTIONS:** NONE

**FILE NAME AND LOCATION:** S:\PSC\CMP\WP\020668.RCM

### CASE BACKGROUND

- October 10, 2001 - The Commission received a complaint from a Florida consumer (customer) regarding an unauthorized switch of his long distance provider from Sprint to Qwest. The customer's local phone bill indicated that his service provider is Qwest. Subsequently, the customer received a separate bill for long distance service from Christian Telecom Network, LLC (CTN). That bill indicated that service is provided by WorldTeq, Qwest.
- November 13, 2001 through December 10, 2001 - Qwest submitted three letters to staff in response to the customer's complaint. Qwest informed staff that it was discussing the matter with both WorldTeq Corporation and CTN. Qwest

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

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concluded that the complaint should be addressed to WorldTeq Corporation, one of its resellers.

- January 15, 2002 - Staff sent a certified letter via U.S. Mail to CTN requesting a reply to the customer's complaint and informing CTN of its apparent requirement to obtain an interexchange company (IXC) certificate from the Commission (Attachment A).
- January 30, 2002 - Staff's letter was returned unopened with a statement stamped on the envelope denoting that the forwarding order had expired (Attachment B).
- April 16, 2002 - Staff sent a facsimile to WorldTeq Corporation requesting that the company review the customer's complaint and provide a written reply to staff by May 7, 2002.
- May 1, 2002 - WorldTeq Corporation submitted its reply (Attachment C) in which the company indicated the customer has a contract with one of its resellers, CTN. In its reply, WorldTeq Corporation included a copy of a letter of agency (LOA) purportedly provided by CTN to WorldTeq Corporation and listed the contact information for CTN. Subsequently, staff called CTN and spoke with Mr. Carl Zimmerman, an operations partner of CTN. Mr Zimmerman requested that staff send the complaint and letter to him via facsimile.
- May 2, 2002 - Staff sent a facsimile of its letter dated January 15, 2002, and a copy of the customer's complaint to CTN (Attachment D). A reply to the customer complaint was due May 17, 2002, and staff requested that CTN submit its application for a certificate to the Commission by May 31, 2002.
- July 9, 2002 - Staff opened this docket to address CTN's apparent violation of Rule Nos. 25-24.470 and 25-4.043, Florida Administrative Code.

The Commission is vested with jurisdiction over these matters pursuant to Sections 364.183, 364.285, and 364.337, Florida Statutes. Further, staff's recommended penalty is consistent with penalties imposed upon other interexchange companies by the Commission in previous dockets for the same apparent rule violations. Accordingly, staff believes the following recommendations are appropriate.

**DISCUSSION OF ISSUES**

**ISSUE 1:** Should the Commission impose a \$25,000 penalty on Christian Telecom Network, LLC for apparent violation of Rule 25-24.470, Florida Administrative Code, Certificate of Public Convenience and Necessity Required?

**RECOMMENDATION:** Yes. The Commission should impose a \$25,000 penalty on Christian Telecom Network, LLC \$25,000 for apparent violation of Rule 25-24.470, Florida Administrative Code, Certificate of Public Convenience and Necessity Required. The penalty should be paid to the Florida Public Service Commission and forwarded to the Office of the Comptroller for deposit in the General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. If the Commission's Order is not protested and the penalty is not received within fourteen calendar days after the issuance of the Consummating Order, the collection of the penalty should be referred to the Office of the Comptroller. **(Buys, Dodson)**

**STAFF ANALYSIS:** Rule 25-24.470, Florida Administrative Code, Certificate of Public Convenience and Necessity Required, states in pertinent part:

(1) No person shall provide intrastate interexchange telephone service without first obtaining a certificate of public convenience and necessity from the Commission. Services may not be provided, nor may deposits or payment for services be collected, until the effective date of a certificate, if granted. . . .

Staff determined that CTN is providing intrastate IXC telephone service based on correspondence from Qwest and WorldTeq Corporation. Qwest indicated that WorldTeq is reselling its services, and subsequently, WorldTeq indicated that CTN is one of its resellers. Furthermore, the LOA provided by WorldTeq Corporation (Attachment C) indicates that CTN has apparently been providing intrastate IXC telephone service in Florida as early as August 11, 1997.

Moreover, pursuant to Rule 24-4.003, Florida Administrative Code, Definitions, the definition of an IXC includes a company who collects fees directly from subscribers, or it bills for interexchange telecommunications services in its own name. The

bill from CTN (Attachment E) provided to staff in the customer's complaint clearly indicates that CTN is billing for IXC telecommunications services in its own name, and thus is considered an interexchange telecommunications company and requires a certificate from the Commission.

Staff spoke with Mr. Zimmerman at CTN on May 1, 2002, and subsequently sent him a facsimile on May 2, 2002, informing the company of its requirement to obtain an IXC certificate from the Commission. Staff requested that CTN submit its application to the Commission by May 31, 2002. As of July 11, 2002, CTN has not submitted its application.

Staff believes that CTN's apparent violation of Rule 25-24.470, Florida Administrative Code, is "willful" in the sense intended by Section 364.285, Florida Statutes. In Order No. 24306, issued April 1, 1991, in Docket No. 890216-TL, In re: Investigation Into The Proper Application of Rule 25-14.003, F.A.C., Relating To Tax Savings Refund for 1988 and 1989 For GTE Florida, Inc., having found that the company had not intended to violate the rule, the Commission nevertheless found it appropriate to order it to show cause why it should not be fined, stating that "In our view, willful implies intent to do an act, and this is distinct from intent to violate a rule." Thus, any intentional act, such as CTN's conduct at issue here, would meet the standard for a "willful violation."

By Section 364.285, Florida Statutes, the Commission is authorized to impose upon any entity subject to its jurisdiction a penalty of not more than \$25,000 per day for each offense, if such entity is found to have refused to comply with or to have willfully violated any lawful rule or order of the Commission, or any provision of Chapter 364. Utilities are charged with knowledge of the Commission's rules and statutes. Additionally, "[i]t is a common maxim, familiar to all minds, that 'ignorance of the law' will not excuse any person, either civilly or criminally." Barlow v. United States, 32 U.S. 404, 411 (1833).

Accordingly, staff recommends that the Commission should impose a \$25,000 penalty on Christian Telecom Network, LLC \$25,000 for apparent violation of Rule 25-24.470, Florida Administrative Code, Certificate of Public Convenience and Necessity Required. The penalty should be paid to the Florida Public Service Commission and forwarded to the Office of the Comptroller for deposit in the

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General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. If the Commission's Order is not protested and the penalty is not received within fourteen calendar days after the issuance of the Consummating Order, the collection of the penalty should be referred to the Office of the Comptroller.

**ISSUE 2:** Should the Commission impose a \$10,000 penalty on Christian Telecom Network, LLC \$10,000 for apparent violation of Rule 25-4.043, Florida Administrative Code, Response to Commission Staff Inquiries?

**STAFF RECOMMENDATION:** Yes. The Commission should impose a \$10,000 penalty on Christian Telecom Network, LLC for apparent violation of Rule 25-4.043, Florida Administrative Code, Response to Commission Staff Inquiries. The penalty should be paid to the Florida Public Service Commission and forwarded to the Office of the Comptroller for deposit in the General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. If the Commission's Order is not protested and the penalty is not received within fourteen calendar days after the issuance of the Consummating Order, the collection of the penalty should be referred to the Office of the Comptroller.  
**(Buys, Dodson)**

**STAFF ANALYSIS:** Rule 25-4.043, Florida Administrative Code, Response to Commission Staff Inquiries, states:

The necessary replies to inquiries propounded by the Commission's staff concerning service or other complaints received by the Commission shall be furnished in writing within fifteen (15) days from the date of the Commission inquiry.

On January 15, 2002, staff sent a certified letter via U.S. Mail to CTN at 44745 El Prado Road, Temecula, California. The letter was returned to sender due to the expiration of the postal forwarding order. On May 1, 2002, WorldTeq Corporation provided staff with CTN's current contact information. The address was the same one staff used for its certified letter. Staff called CTN and spoke with Mr. Zimmerman regarding staff's inquiry into the

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company's apparent requirement to obtain a certificate and the customer complaint. Staff informed Mr. Zimmerman of the letter sent to CTN that was returned. Mr. Zimmerman explained that mail is not delivered to the El Prado Road address and requested that staff send him a facsimile of the customer complaint and staff's letter dated January 15, 2002. Subsequently, staff sent CTN a facsimile of the requested information. The transmission verification report (Attachment F) indicates that the facsimile was successfully transmitted to 909-694-5915. A reply was due on May 17, 2002. As of July 16, 2002, CTN has not furnished staff with a written reply. CTN's reply is 60 days past due. Staff believes that CTN was aware of staff's inquiry and the company has been given sufficient opportunity to provide staff with a written reply.

Therefore, staff believes that CTN's apparent violation of Rule 25-4.043, Florida Administrative Code, is "willful" in the sense intended by Section 364.285, Florida Statutes. In Order No. 24306, issued April 1, 1991, in Docket No. 890216-TL, In re: Investigation Into The Proper Application of Rule 25-14.003, F.A.C., Relating To Tax Savings Refund for 1988 and 1989 For GTE Florida, Inc., having found that the company had not intended to violate the rule, the Commission nevertheless found it appropriate to order it to show cause why it should not be fined, stating that "In our view, willful implies intent to do an act, and this is distinct from intent to violate a rule." Thus, any intentional act, such as CTN's conduct at issue here, would meet the standard for a "willful violation."

By Section 364.285, Florida Statutes, the Commission is authorized to impose upon any entity subject to its jurisdiction a penalty of not more than \$25,000 per day for each offense, if such entity is found to have refused to comply with or to have willfully violated any lawful rule or order of the Commission, or any provision of Chapter 364. Utilities are charged with knowledge of the Commission's rules and statutes. Additionally, "[i]t is a common maxim, familiar to all minds, that 'ignorance of the law' will not excuse any person, either civilly or criminally." Barlow v. United States, 32 U.S. 404, 411 (1833).

Accordingly, staff recommends that the Commission should impose a \$10,000 penalty on Christian Telecom Network, LLC for apparent violation of Rule 25-4.043, Florida Administrative Code, Response to Commission Staff Inquiries. The penalty should be paid to the Florida Public Service Commission and forwarded to the

DATE: July 25, 2002

Office of the Comptroller for deposit in the General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. If the Commission's Order is not protested and the penalty is not received within fourteen calendar days after the issuance of the Consummating Order, the collection of the penalty should be referred to the Office of the Comptroller.

**ISSUE 3:** Should this docket be closed?

**RECOMMENDATION:** The Order issued from this recommendation will become final upon issuance of a Consummating Order, unless a person whose substantial interests are affected by the Commission's decision files a protest within 21 days of the issuance of the Proposed Agency Action Order. This docket should then be closed administratively upon either receipt of the penalties, or upon referral of the penalties to the Office of the Comptroller for collection if the penalties are not paid within fourteen calendar days after issuance of the Consummating Order. **(Dodson)**

**STAFF ANALYSIS:** The Order issued from this recommendation will become final upon issuance of a Consummating Order, unless a person whose substantial interests are affected by the Commission's decision files a protest within 21 days of the issuance of the Proposed Agency Action Order. This docket should then be closed administratively upon either receipt of the penalties, or upon referral of the penalties to the Office of the Comptroller for collection if the penalties are not paid within fourteen calendar days after issuance of the Consummating Order.

STATE OF FLORIDA

COMMISSIONERS:  
LILA A. JABER, CHAIRMAN  
J. TERRY DEASON  
BRAULIO L. BAEZ  
MICHAEL A. PALECKI  
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DIVISION OF COMPETITIVE SERVICES  
WALTER D'HAESELEER  
(850) 413-6600

2002 JAN 30 AM 10:35  
DIVISION OF  
COMPETITIVE SERVICES

Public Service Commission

January 15, 2002

CERTIFIED

Mr. Carl Zimmerman, Operations Partner  
Christian Telecom Network, LLC  
44745 El Prado Road  
Temecula, California 92590

**Re: Inquiry into provision of interexchange telephone service in Florida without prior approval from the Commission and slamming complaint of Mr. Raymond Hatcher (Request No. 409737T).**

Dear Mr. Zimmerman:

The Florida Public Service Commission (Commission) received a complaint from Mr. Raymond Hatcher (Enclosure 1) regarding the unauthorized switch of his interexchange telephone service to Christian Telecom Network, LLC (CTN). Apparently, CTN is reselling interexchange telecommunications services or billing for those services. In either circumstance, Commission rules require that CTN obtain a Certificate of Public Convenience and Necessity (Certificate) prior to providing services in Florida. Rule 25-24.470, Florida Administrative Code, Certificate of Public Convenience and Necessity Required, states:

No person shall provide intrastate interexchange telephone service without first obtaining a certificate of public convenience and necessity from the Commission. Services may not be provided, nor may deposits or payment for services be collected, until the effective date of a certificate, if granted. However, acquisition of equipment and facilities, advertising and other promotional activities may begin prior to the effective date of the certificate at the applicant's risk that it may not be granted. In any customer contacts or advertisements prior to certification, the applicant must advise the customer that certification has not and may never be granted.

Pursuant to Rule 24-4.003, Florida Administrative Code, Definitions, the definition of an interexchange telecommunications company includes a company who collects fees related to interexchange telecommunications services directly from its subscribers, or it bills for interexchange telecommunications services in its own name. Based on the copy of the bill CTN sent to Mr. Hatcher (Enclosure 2), it appears that CTN is doing both.



Mr. Carl Zimmerman  
Page 2  
January 15, 2002

To resolve this matter, CTN should file an application with the Commission to obtain a Certificate by February 1, 2001. You can find the necessary information and application form on the Commission's website, <http://www.psc.state.fl.us>.

In addition, Mr. Hatcher filed a slamming complaint. According to the PIC history for Mr. Hatcher's account, his presubscribed interexchange carrier was switched to Qwest's network on March 26, 2001. Qwest has indicated to staff that it resells to WorldTeq, Inc. who apparently resells to CTN. Therefore, it appears that CTN switched Mr. Hatcher's service.

Mr. Zimmerman, please investigate Mr. Hatcher's complaint and provide me with a response by February 1, 2002. CTN's response should include proof that Mr. Hatcher authorized CTN to change his long distance carrier either in the form of a Letter of Agency or recording of a third party verification. Also, please include CTN's proposed resolution to Mr. Hatcher's complaint, and a detailed explanation of the services for which Mr. Hatcher was billed.

Should you have any questions, please call me at 850-413-6536.

Sincerely,



Dale R. Buys  
Regulatory Analyst  
Bureau of Service Quality

DRB  
Enclosures (2)

cc: Jackie Gilchrist (CME)  
Florida Department of Revenue



DATE: July 25, 2002



May 1, 2002

Dale Buys  
Division of Competitive Markets and Enforcement  
State of Florida  
Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

2002 MAY -6 AM 11:09

DIVISION OF  
COMPETITIVE SERVICES

Dear Mr. Buys,

I am writing to you in response to Complaint number 449569T by Mr. Raymond Hatcher. After careful review, I have found that this gentleman had a contract with one of our resellers, Christian Telecom Network (CTN), who in turn handles billing and any other services that Mr. Hatch has. WorldTeq has no direct relationship with Mr. Hatch, nor any control over his PIC code. WorldTeq acts solely as a provider of telecommunications service to CTN. I have contacted CTN and they have provided me with his Letter of Authorization. Please find this order attached.

Should you need further information, their address and contact information is:

Carl Zimmerman  
Christian Telecom Network  
44745 El Prado Road  
Temecula, CA 92590  
909.694.9373 phone  
909.694.5915 fax

Although we sympathize with Mr. Hatch's position, we know CTN to be a reputable company and have not found that they practice "slamming". We hope this addresses the aforementioned complaint. Please contact us if we can be of any further assistance.

Thank you for your time.

Sincerely,

Lori Samuelson  
WorldTeq Corporation  
301-296-4234 phone  
413-513-1280 fax  
[lsamuelson@worldteq.com](mailto:lsamuelson@worldteq.com)



CTN™  
Christian Telecom  
Network, Inc.

### Telephone Service Request Confirmation

Committed to the support of traditional Christian family values...

LOA Date 8-11-97 Bus. [ ] Res. [] Est. Month Usage \$ 25  
NEW 850

BTN: 904 956 4594 [ ] Has other WTN's\*

HATCHER RAYMOND  
Enter Customer Name—Last First Initial

Route 1 Box 286 West Ville FL 32464  
Billing Address State Zip Code

CENTEL Atx 10%  
Social Security Number LEC Current LD Carrier Enter Comp. Min. Grant %

800 PIN Y/N N PIC Lock Y/N N CARRIER: [] DNI [ ] USLD [] TPV: VB

PHYSICAL ADDRESS/COMMENTS \_\_\_\_\_

Day Phone: \_\_\_\_\_

IR 3 AG-114 AGM006 Source: [] Radio [ ] TV [ ] Other \_\_\_\_\_ Celeb. KEYES  
Int'l Code Agent Code Ministry Code

Program: [] DNI Basic Service—\$4.50 Minimum Usage, No Fixed Charge, 18/6 Second Billing, Full 10% Grant  
[ ] USLD Basic Service—No Fixed Charge, 18/6 Second Billing, Full 10% Grant  
[ ] Other Program \_\_\_\_\_

Other ANI's\*: \_\_\_\_\_

Travel Cards-Names: \_\_\_\_\_

CASA Pin # CASA Pin # Circle 800/888 Circle 800/888 Ring To #

\* Please use separate sheet of paper for additional information.

#### Please Call Us Toll Free for your low cost 800/888 and other business needs!

Thank you for your decision to designate CTN (Christian Telecom Network) as your telecommunication service agent for the purpose of securing, from time to time and when indicated and available, local and long distance services compatible with your needs. You have approved [ ] AMS/DNI [ ] USLD as your long distance carrier and have requested that your local phone company make the necessary switch to with full LCR (Lowest Cost Routing) for your usage. A charge for that switch may appear on your local company bill—we have provided you with reimbursement in full in the form of an "up front" credit of \$5.00 per line to your account. Verification of credit information is authorized. Your Equal Access service will be promptly placed on line.

We welcome you to the Christian Network. You have joined tens of thousands of other Christians in supporting churches and schools nationally. There will be no fixed fees or charges to your account at any time. We encourage you to read the enclosed informational items to assure that you realize the maximum benefits we offer. You can cancel your service at any time—though we certainly hope you will never do so. Please advise of any questions you may have. Thank you again.

Your Designated Ministry is: PROMISE KEEPERS

Address If New Ministry Office #

Vincente Baptista  
CanTel™ Telephone Order Desk Agent

8-11-97 1:25  
Call Date Time

CanTel™ MARKET SUPPORT GROUP Mail to: PO 1645 — Temecula CA 92593 Telephone: 800 891 7890

May 2, 2002

STATE OF FLORIDA



PUBLIC SERVICE COMMISSION

2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FL 32399-0850

TO:

Mr. Carl Zimmerman  
Christian Telecom Network, Inc.

FAX: 909-694-5915  
VOICE: 909-694-9373

FROM:

Dale R. Buys  
Division of Competitive Markets and  
Enforcement

Fax: (850) 413-6537

Voice: (850) 413-6536

RE:

Complaint of Mr. Raymond Hatcher  
and Application for IXC Certificate

NUMBER OF PAGES INCLUDING COVER: 8

Mr. Zimmerman:

Pursuant to our telephone conversation on Wednesday, May 1, 2002, I am sending you a facsimile of my letter dated January 15, 2002, regarding a consumer complaint filed by Mr. Raymond Hatcher (Request No. 409737T) and your company's provision of telecommunications service in Florida. Please review my letter and Mr. Hatcher's complaint and provide me with your reply as requested in my letter by **May 17, 2002**.

I am also including the facsimile I received from WorldTeq that indicates your company is reselling WorldTeq's long distance services. If true, your company needs a certificate from the Commission to provide telecommunications service in Florida, and your company should submit its application to the Commission by **May 31, 2002**. If you need assistance with your application for a certificate, please contact our certification section at 850-413-6480. If you have any other questions please call me.

Sincerely,

A handwritten signature in cursive script that reads "Dale R. Buys".

Dale R. Buys  
Regulatory Analyst



Christian Telecom Network, LLC  
Post Office Box 2560  
Temecula, California 92693

RAYMOND HATCHER  
1220 ENGLISH LANE  
WVILLE FL 32464

Billing Information

Account Number: 012561  
Invoice Date: 08/15/2001  
Invoice Number: 220435

Opening Balance	\$48.33
Payments Received	\$0.00
Credits and Adjustments	\$0.00
Late Payment Charges	\$0.00
Balance Forward	\$48.33
Recurring Charges	\$3.50
Long Distance	\$10.63
Federal Taxes	\$1.01
State Taxes	\$0.28
County Taxes	\$0.00
Local Taxes	\$0.00
<b>Total Current Charges</b>	<b>\$16.42</b>
<b>Amount Due</b>	<b>\$64.75</b>

Amount Paid

Send Payments To:

Christian Telecom Network, LLC  
Post Office Box 2560  
Temecula, California 92693

- Every CTN Customer Qualifies**  
for special discount prepaid pricing - like this:
- MinuteMAX 1+™ long distance service to all IN state and INTER state phones, low as 1.0¢ per minute, every minute of every day - no other monthly fees or charges.
  - RoamFREE 1+™ long distance service FROM any US phone TO any US or Canadian phone for as little as 4.0¢ per minute, every hour of every day - no monthly fees, superb quality!
  - DirtCHEAP™ cellular, low as \$10 per month - 100% for minutes you use US-wide. Buy the Minute and WIN! Perfect for local service.
  - Sprint 100% Roam + US Long Distance - 100% PCS and gorgeous. Low as \$24.95 monthly. Gorgeous and a steal!

Call Toll FREE for Details  
**1 800-460-1030**  
Customer Service

Carrier Services: WorldTel, Qwest  
Toll FREE Voice: 1-800-891-7890  
FAX 1-905-286-1078

Please return the portion below with your payment. Any balance outstanding beyond 15 days is subject to a 1.5% monthly charge. 10740



Christian Telecom Network, LLC  
Post Office Box 2560  
Temecula, California 92693

RAYMOND HATCHER  
1220 ENGLISH LANE  
WVILLE FL 32464

Account Number: 012561  
Invoice Number: 220435  
Invoice Date: 08/15/2001

Amount Due **\$64.75**

Amount Paid

Payment Due Upon Receipt

DOCKET NO. 020668-TI  
DATE: JULY 25, 2002

TRANSMISSION VERIFICATION REPORT

Attachment F

TIME : 05/02/2002 13:25  
NAME :  
FAX :  
TEL :

DATE, TIME	05/02 13:21
FAX NO./NAME	E19096945915
DURATION	00:04:24
PAGE(S)	08
RESULT	OK
MODE	STANDARD ECM