



Public Service Commission

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COMMISSION CLERK

DATE: AUGUST 8, 2002

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

FROM: DIVISION OF COMPETITIVE MARKETS & ENFORCEMENT (PRUITT) *JAE*
OFFICE OF THE GENERAL COUNSEL (ELLIOTT) *ML*

RE: DOCKET NO. 020357-TP - REQUEST FOR WAIVER OF CARRIER
SELECTION REQUIREMENTS OF RULE 25-4.118, F.A.C., FOR
PURCHASE BY LECSTAR TELECOM, INC. (HOLDER OF ALEC
CERTIFICATE NO. 7315 AND IXC CERTIFICATE NO. 7352) OF THE
LOCAL AND LONG DISTANCE RESIDENTIAL CUSTOMERS LOCATED IN
BELLSOUTH TERRITORY, AND THOSE RELATED TELECOMMUNICATIONS
ASSETS, OF NUVOX COMMUNICATIONS, INC. (HOLDER OF ALEC
CERTIFICATE NO. 5638 AND IXC CERTIFICATE NO. 5608).

AGENDA: 08/20/02 - REGULAR AGENDA - PROPOSED AGENCY ACTION -
INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\CMP\WP\020357.RCM

CASE BACKGROUND

On April 16, 2002, this Commission received a joint petition for approval of an Asset Purchase Agreement between LecStar Telecom, Inc. (LecStar) and NuVox Communications, Inc. (NuVox) in which LecStar will purchase the residential local and long distance customers of NuVox located in BellSouth service territory and the related assets.

On April 22, 2002, the Commission received a letter requesting that the docket be expanded to include a request for waiver of the carrier selection requirements in Rule 25-4.118, Florida Administrative Code.

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There are no outstanding Regulatory Assessment Fees owed by the entities mentioned above. The Commission is vested with jurisdiction in this matter pursuant to Sections 364.335, 364.337, and 364.603, Florida Statutes.

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission approve the acquisition by LecStar Telecom, Inc. of the NuVox Communication, Inc. residential local and long distance customer base in BellSouth service territory and relieve LecStar Telecom, Inc. in this instance of the carrier selection requirements of Rule 25-4.118, Florida Administrative Code?

RECOMMENDATION: Yes. (Pruitt)

STAFF ANALYSIS: Pursuant to Rule 25-4.118(1), Florida Administrative Code, a customer's carrier cannot be changed without the customer's authorization. Rule 25-4.118(2), Florida Administrative Code, provides that a carrier 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.

Pursuant to Rule 25-24.490, Florida Administrative Code, Rule 25-4.118, Florida Administrative Code, is incorporated into Chapter 25-24, and applies to IXCs.

Rule 24-24.455(4), Florida Administrative Code, reads as follows:

An interexchange company may petition for a waiver of any provision of this Part. The Commission may grant a waiver to the extent that it determines that it is

consistent with the public interest to do so. The commission may grant the petition in whole or part, may limit the waiver to certain geographic areas and/or may impose reasonable alternative regulatory requirements on the petitioning company. In disposing of a petition, the Commission may consider:

- (a) The factors enumerated in Section 364.337(4), Fla. Statutes;
- (b) The extent to which competitive forces may serve the same function as, or obviate the necessity for, the provision sought to be waived; and
- (c) Alternative regulatory requirements for the company may serve the purpose of this Part.

Furthermore, Section 364.337(2), Florida Statutes, reads in part:

A certificated alternative local exchange telecommunications company may petition the commission for a waiver of some or all of the requirements of this chapter, except ss. 364.16, 364.336, and subsections (1) and (5). The commission may grant such petition if determined to be in the public interest.

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. LecStar has attested that it has provided for a seamless transition while ensuring that the affected customers understand available choices with the least amount of disruption to the customers. Staff has reviewed the notices that will be sent to the customers. The customers will receive ample notification of the transfer and should not experience any interruption of service, rate increase, or switching fees.

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.

Therefore, staff recommends that the Commission approve the transfer of the residential customer base and the related

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telecommunications assets and recommends that the carrier selection requirements in Rule 25-4.118, Florida Administrative Code, be waived in this instance.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes. If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, this docket should be closed upon the issuance of a consummating order. (Elliott)

STAFF ANALYSIS: At the conclusion of the protest period, if no protest is filed, this docket should be closed upon the issuance of a consummating order.