

State of Florida



Public Service Commission  
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TALLAHASSEE, FLORIDA 32399-0850

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COMMISSION  
CLERK

**DATE:** FEBRUARY 5, 2004

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

**FROM:** DIVISION OF COMPETITIVE MARKETS & ENFORCEMENT (BUYS)  
OFFICE OF THE GENERAL COUNSEL (SUSAC)

**RE:** DOCKET NO. 030964-TI - COMPLIANCE INVESTIGATION OF TEL-  
TEC, INC. FOR APPARENT VIOLATION OF SECTION 364.02,  
FLORIDA STATUTES, DEFINITIONS, AND SECTION 364.04, FLORIDA  
STATUTES, SCHEDULES OF RATES, TOLLS, RENTALS, CONTRACTS,  
AND CHARGES; FILING; PUBLIC INSPECTION.

**AGENDA:** 02/17/04 - REGULAR AGENDA - PROPOSED AGENCY ACTION -  
INTERESTED PERSONS MAY PARTICIPATE

**CRITICAL DATES:** NONE

**SPECIAL INSTRUCTIONS:** NONE

**FILE NAME AND LOCATION:** S:\PSC\CMP\WP\030964S.RCM

CASE BACKGROUND

- December 4, 2002 - Staff received a consumer complaint in which the complainant claimed that his long distance service was switched without his authorization. Staff determined that Tel-Tec, Inc. (Tel-Tec) was the company responsible for the switch and is providing intrastate interexchange telecommunications service in Florida without obtaining an interexchange telecommunications company (IXC) certificate.
- January 27, 2003 - The complaint was resolved to the customer's satisfaction and closed.
- April 18, 2003 - Staff received a facsimile of Tel-Tec's application for a certificate. However, Tel-Tec did not send

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the original application and \$250.00 application fee to the Commission as was required.

- July 21, 2003 - Staff sent Tel-Tec a letter via certified mail and facsimile. The letter advised the company of the changes in the Florida Statutes whereby the requirement for IXCs to obtain a certificate was eliminated. The letter also notified the company that IXCs are still required to file a tariff and register with the Commission. Staff requested that Tel-Tec submit its tariff and a completed registration form by August 11, 2003.
- October 10, 2003 - Staff opened this docket to address Tel-Tec's apparent violation of Sections 364.02 and 364.04, Florida Statutes.
- December 22, 2003 - PAA Order PSC-03-1443-PAA-TI was issued imposing a \$25,000 penalty on Tel-Tec for apparent violation of Sections 364.02 and 364.04, Florida Statutes.
- December 22, 2003 - Tel-Tec submitted a settlement letter, dated December 16, 2003, proposing to resolve the issues in this docket.
- January 15, 2004 - Tel-Tec submitted a letter, dated January 14, 2004, (Attachment A) protesting PAA Order PSC-03-1443-PAA-TI and proffering a settlement to resolve the issues in this docket.

The Commission is vested with jurisdiction over this matter pursuant to Sections 364.02, 364.04, and 364.285, Florida Statutes. Accordingly, staff believes the following recommendations are appropriate.

**DISCUSSION OF ISSUES**

**ISSUE 1:** Should the Commission accept Tel-Tec's settlement offer to discontinue providing intrastate interexchange telecommunications service in Florida to resolve its apparent violation of Sections 364.02 and 364.04, Florida Statutes?

**RECOMMENDATION:** Yes. The Commission should accept Tel-Tec's settlement offer to discontinue providing intrastate interexchange telecommunications service in Florida, effective February 27, 2004, and immediately notify all customers that they must find another service provider. The company should also be required to provide staff with a report by March 31, 2004, confirming that it is no longer providing service in Florida. **(Buys, Susac)**

**STAFF ANALYSIS:** Tel-Tec is an Indiana based company that provides long distance service primarily in Indiana. However, by its own admission, Tel-Tec is providing intrastate interexchange telecommunications service on a limited basis in Florida and has not provided the Commission with current contact information, nor filed a tariff with the Commission in apparent violation of Sections 364.02(13), and 364.04, Florida Statutes. To resolve this matter, Tel-Tec offers the following:

1. Discontinue providing intrastate interexchange telecommunications service in Florida, effective February 27, 2004.
2. Immediately notify all customers via letter (Attachment B) that they must find another service provider.
3. Acknowledge that, in the future, if Tel-Tec elects to provide intrastate interexchange telecommunications service in Florida and fails to obtain the necessary regulatory approval, it will be subject to the penalty provisions of Section 364.285, Florida Statutes.

Tel-Tec states in its settlement letter that it currently is serving three (3) customers in Florida and it would not be economically feasible for the company to continue to provide service in Florida. Tel-Tec further states that all of its sales and marketing efforts are confined within the state of Indiana and it has no intentions of expanding its customer base in Florida. Also, Tel-Tec acknowledged that it is aware of the penalty provisions of Section 364.285, Florida Statutes, and understands

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that it is subject to potential monetary penalties should the company provide intrastate interexchange telecommunications service after February 27, 2004, without obtaining the necessary regulatory approval pursuant to the Commission's rules and Florida Statutes. Further, the company has agreed to provide staff with a report by March 31, 2004, confirming that it is no longer providing service in Florida.

Staff determined that Tel-Tec is not marketing its services in Florida and is providing long distance service to only three winter residences as a courtesy to its Indiana customers. Since Tel-Tec has committed to discontinue providing intrastate telecommunications service to its three customers, staff believes that this recommendation is appropriate and the Commission should accept the company's settlement proposal.

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**ISSUE 2:** 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. If the Commission's Order is not protested, this docket should be closed administratively upon receipt of the company's report and verification by staff that the company has discontinued providing intrastate interexchange telecommunications service in Florida. **(Susac)**

**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. If the Commission's Order is not protested, this docket should be closed administratively upon receipt of the company's report and verification by staff that the company has discontinued providing intrastate interexchange telecommunications service in Florida.

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Attachment A



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GENERAL SERVICE

Date: January 14, 2004

To: Florida Public Service Commission c/o Dale Buys

From: John H. Lambert, Tel Tec, Inc.

Re: Protest of PSC-03-1443-PAA-TI

As stated in my letter dated December 16, 2003, Tel Tec wishes to protest this proposed agency action order. We have resolved all outstanding deficiencies as stated in this PAA order.

Tel Tec, Inc is an Indiana owned and operated company that resells the long distance services of Qwest Communications. **All of our sales and marketing efforts are confined within the state of Indiana and most all of our customers reside within the State.**

However, we did have a couple of customers who had winter residences in Florida start using our service and we also had a couple of Florida-residing relatives of customers sign up for our service. We extended this service to them as a courtesy.

Earlier this year, apparently one of the Florida customers had their service involuntarily changed (slammed) and filed a complaint with the Public Service Commission. This complaint uncovered the fact that Tel Tec was an unregistered long distance provider and we were subsequently notified that we were required to make a formal application to the Florida Public Service Commission if we intended to provide long distance services in the State.

I did initiate the process and faxed a copy of the multi-page application. However, I did not send the original paperwork and the \$250.00 fee. Upon reviewing the amount of usage that was being generated for the few lines that were active in Florida, we realized it may take us a couple of years to get paid back the \$250.00 application fee. We also had no intention of expanding our customer base in Florida through sales and/or marketing. We did not follow-thru with the application process in a timely manner, thus we are now faced with trying to arrange a settlement of this matter.

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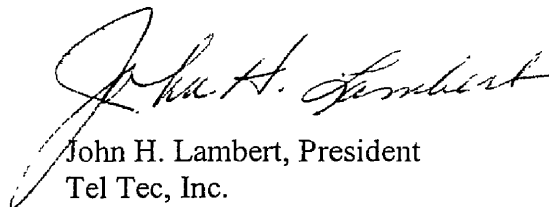
Attachment A



In lieu of having to pay any financial penalty, Tel Tec, Inc. will cease providing long distance services in Florida effective February 27, 2004. **We will immediately notify the three (3) customers that show to be active in our system, to give them sufficient notice that they must find another provider. We will no longer accept new service applications from any resident of the state of Florida. I have enclosed a copy of the letter that will be sent to these customers.**

Furthermore, we understand that in the future, if we want to provide long distance services in the state of Florida, that we will be in violation of statute 364.285 and subject to all of its penalty provisions if we fail to properly register ourselves and receive Regulatory approval.

Thank you very much for your consideration of this matter.



John H. Lambert, President  
Tel Tec, Inc.

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Attachment B



Dear Tel Tec Long Distance Customer,

We regret to inform you that effective February 27, 2004, Tel Tec will no longer provide long distance services to any of our customers in the state of Florida.

Please make the necessary arrangements to select another long distance service provider, including the transfer of any toll free 8xx's that may be in service.

Thank you very much for your patronage.

Sincerely,

John H. Lambert  
Tel Tec, Inc.