

State of Florida



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-

DATE: January 12, 2006

TO: Director, Division of the Commission Clerk & Administrative Services (Bayó)

FROM: Division of Competitive Markets & Enforcement (Isler) *KS* *Plw* *Dir* *Monty*
Office of the General Counsel (Scott)

RE: Docket No. 050703-TI – Compliance investigation of Telefyne Incorporated, IXC
Registration No. TI474, for apparent violation of Section 364.336, F.S.

Docket No. 050722-TI – Compliance investigation of Nevada Telephone, Inc.,
IXC Registration No. TJ692, for apparent violation of Section 364.336, F.S.

Docket No. 050822-TI – Compliance investigation of International InterConnect,
Inc., IXC Registration No. TJ748, for apparent violation of Section 364.336, F.S.

AGENDA: 01/24/06 – Regular Agenda – Proposed Agency Action – Interested Persons May
Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\CMP\WP\050703.RCM.DOC

Discussion of Issues

Issue 1: Should the Commission impose a penalty and a cost of collection, together totaling \$500, or cancel the Intrastate Interexchange Carrier's (IXC) tariff and remove from the register each company identified in Attachment A, with an effective date of December 31, 2005, for an apparent first violation of Section 364.336, Florida Statutes?

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

Recommendation: Yes, the companies listed in Attachment A should be penalized \$500 or have their tariffs and registrations cancelled. (Isler, Scott)

Staff Analysis: See attached proposed Order. In Docket No. 050378-TP, Rule 25-4.0161, Florida Administrative Code, was amended effective October 6, 2005, to automatically impose a penalty for late payment of the Regulatory Assessment Fee. The amended rule does not apply to the 2004 Regulatory Assessment Fee but will apply to future Regulatory Assessment Fees.

Date: January 12, 2006

Issue 2: Should these dockets be closed?

Recommendation: Staff recommends that the Order issued from this recommendation will become final and effective upon issuance of a Consummating Order, unless a person whose substantial interests are affected by the Commission's decision files a protest that identifies with specificity the issues in dispute, in the form provided by Rule 28-106.201, Florida Administrative Code, within 21 days of the issuance of the Proposed Agency Action Order. As provided by Section 120.80(13)(b), Florida Statutes, any issues not in dispute should be deemed stipulated. If any company fails to timely file a protest and to request a Section 120.57, Florida Statutes, hearing, the facts should be deemed admitted and the right to a hearing waived. If any company fails to pay the penalty and cost of collection, together totaling \$500, and Regulatory Assessment Fees, including statutory late payment charges, within fourteen (14) calendar days after the issuance of the Consummating Order, the company's tariff should be cancelled administratively, its name removed from the register, and the collection of the past due Regulatory Assessment Fees, including statutory late payment charges, should be referred to the Florida Department of Financial Services for further collection efforts. If any company's tariff is cancelled and its name removed from the register in accordance with the Commission's Order from this recommendation, the company should be required to immediately cease and desist providing intrastate interexchange telecommunications service in Florida. These dockets should be closed administratively either upon receipt of the payment of the penalty and cost of collection, and Regulatory Assessment Fees, including statutory late payment charges, or upon cancellation of the company's tariff and removal from the register. (Scott)

Staff Analysis: Staff recommends that the Commission take action as set forth in the foregoing staff recommendation statement.

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Compliance investigation of Telefyne Incorporated, IXC Registration No. TI474, for apparent violation of Section 364.336, F.S.	DOCKET NO. 050703-TI
In re: Compliance investigation of Nevada Telephone, Inc., IXC Registration No. TJ692, for apparent violation of Section 364.336, F.S.	DOCKET NO. 050722-TI
In re: Compliance investigation of International InterConnect, Inc., IXC Registration No. TJ748, for apparent violation of Section 364.336, F.S.	DOCKET NO. 050822-TI ORDER NO. ISSUED:

The following Commissioners participated in the disposition of this matter:

LISA POLAK EDGAR, Chairman
J. TERRY DEASON
ISILIO R. ARRIAGA
MATTHEW M. CARTER II
KATRINA J. TEW

NOTICE OF PROPOSED AGENCY ACTION ORDER IMPOSING PENALTIES AND COLLECTION COSTS, AND REQUIRING PAYMENT OF DELINQUENT REGULATORY ASSESSMENT FEES, OR CANCELLING IXC TARIFFS AND REMOVAL FROM THE REGISTER FOR VIOLATION OF SECTION 364.336, FLORIDA STATUTES

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

The Division of the Commission Clerk and Administrative Services (CCA) advised our staff that the entities had not paid the Regulatory Assessment Fee (RAF) in full required by Section 364.336, Florida Statutes, and Rule 25-4.0161, Florida Administrative Code, for 2004. Also, accrued statutory late payment charges required by Section 350.113(4), Florida Statutes, for 2004 had not been paid. The entities listed below were scheduled to remit their respective 2004 RAFs by January 31, 2005. In addition to RAF payment notices sent by CCA, on July 29, 2005, our staff wrote the entities specified below and advised that payment of the 2004 RAF should be paid by August 19, 2005, to avoid dockets from being established.

After dockets were established, Nevada Telephone, Inc. and International InterConnect, Inc. each paid the minimum RAF for 2004, but neither company paid the 2004 statutory late payment charges. This Commission's Fiscal Section mailed a letter requesting payment of the late payment charges on November 15, 2005. In addition, our staff contacted each company and explained that although payment of the RAF had been received, the entities needed to resolve their respective docket by either requesting cancellation of their respective tariff and removal from the register, or proposing a settlement. As of January 9, 2006, full payment has not been received, nor has either company requested cancellation of their respective tariff and removal from the register, or proposed a settlement.

After a docket was established, on November 7, 2005, a representative of Telefyne Incorporated contacted our staff and asked for information on how this docket could be resolved. Our staff e-mailed the information on November 8, 2005, along with the 2004 Regulatory Assessment Fee return forms for its IXC and CLEC certificates. As of January 9, 2006, the company has not paid the 2004 Regulatory Assessment Fee, including statutory late payment charges, requested cancellation of its tariff and removal from the register, or proposed a settlement.

Pursuant to Section 364.285, Florida Statutes, this Commission may impose a penalty or cancel a certificate if a company refuses to comply with Commission rules. Rule 25-24.474, Florida Administrative Code, establishes the requirements for cancellation of a registration. The rule provides for this Commission to cancel a registration on its own motion for violation of Commission rules, statutes, and orders.

Pursuant to Section 364.336, Florida Statutes, certificate holders must pay a minimum annual Regulatory Assessment Fee of \$50 if the certificate was active during any portion of the calendar year. Pursuant to Rule 25-4.0161(2), Florida Administrative Code, the form and applicable fees are due to the Florida Public Service Commission by January 30 of the subsequent year. Pursuant to Section 350.113(4), Florida Statutes, the Regulatory Assessment Fee return forms, for the period of January 1 through December 31, are mailed to entities at least 45 days prior to the date that payment of the fee is due. All entities that apply for registration receive a copy of our rules governing intrastate interexchange service.

<u>ENTITY'S NAME</u>	<u>REGISTRATION NO.</u>	<u>UNPAID RAFS</u>	<u>UNPAID LATE PAYMENT CHARGES</u>
Telefyne Incorporated	TI474	2004	2004
Nevada Telephone, Inc.	TJ692		2004
International InterConnect, Inc.	TJ748		2004

Accordingly, we hereby find it appropriate to cancel each entity's IXC tariff and remove each entity from the register for failure to comply with Section 364.336, Florida Statutes, and Rule 25-4.0161, Florida Administrative Code, unless each entity pays a penalty and cost of collection, together totaling \$500, and remits any past due Regulatory Assessment Fees, along with accrued statutory late payment charges, to the Florida Public Service Commission. Each entity must comply with these requirements within 14 days after the issuance of the Consummating Order, as explained in the Notice of Further Proceedings attached to this Order. The payment should be identified with the docket number and the company's name. For any payment (full or partial) of the penalty and cost of collection received, the cost of collection will be subtracted and will be deposited in the Florida Public Service Regulatory Trust Fund, pursuant to Section 350.113, Florida Statutes. Any monetary amount exceeding the cost of collection will be remitted to the Florida Department of Financial Services for deposit in the State of Florida General Revenue Fund, pursuant to Section 364.285(1), Florida Statutes.

When the appropriate fees, statutory late payment charges, penalties, and collection costs are received, each docket shall be closed. Should any of the entities fail to comply with this Order within 14 days after the issuance of the Consummating Order, the entity shall have its IXC tariff cancelled and its name removed from the register, effective December 31, 2005. The collection of the past due RAFs, including statutory late payment charges, should be referred to the Florida Department of Financial Services for further collection efforts, and the dockets shall be closed. The cancellation of the tariff and removal from the register in no way diminishes any of the entities' obligation to pay applicable delinquent Regulatory Assessment Fees and accrued statutory late payment charges. If an entity's IXC tariff is cancelled and its name removed from the register in accordance with this Order, that entity shall immediately cease and desist providing intrastate interexchange telecommunications service in Florida. If any of the entities listed have their respective tariff cancelled and name removed from the register, and subsequently decides to reapply for registration as an intrastate interexchange telecommunications company, that company shall be required to first pay any outstanding penalties and cost of collection and fees, including accrued statutory late payment charges. We are vested with jurisdiction over this matter pursuant to Sections 364.336, 364.02, and 364.285, Florida Statutes.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that each of the entities listed herein shall pay a penalty and cost of collection, together totaling \$500, and the past due Regulatory Assessment Fees, including statutory late payment charges, to the Florida Public Service Commission for failure to comply with Section 364.336, Florida Statutes, and Rule 25-4.0161, Florida Administrative Code, within 14 days after the issuance of the Consummating Order. The cost of collection will be subtracted from any monies collected as payments (full or partial) of the penalty and cost of collection, and will be deposited, along with the past due RAFs, in the Florida Public Service Regulatory Trust Fund, pursuant to Section 350.113, Florida Statutes. The statutory late payment charge and any portion of the penalty exceeding the cost of collection will be remitted to the Florida Department of Financial Services for deposit in the State of Florida General Revenue Fund, pursuant to Section 364.285(1), Florida Statutes. It is further

ORDERED that should any of the entities fail to comply with this Order, that entity's tariff shall be cancelled and its name removed from the register, effective December 31, 2005, and the respective docket shall be closed. It is further

ORDERED that the cancellation of the tariff and removal from the register in no way diminishes any of the entities' obligation to pay applicable delinquent Regulatory Assessment Fees, and accrued statutory late payment charges. If any company listed in this Order has its respective tariff cancelled and name removed from the register, and subsequently decides to reapply for registration as an intrastate interexchange telecommunications company, that company shall be required to first pay any outstanding penalties and cost of collection and fees, including accrued statutory late payment charges. Any unpaid Regulatory Assessment Fees, and accrued statutory late payment charges, shall be referred to the Florida Department of Financial Services for further collection efforts. It is further

ORDERED that if an entity's tariff is cancelled and its name removed from the register in accordance with this Order, that entity shall immediately cease and desist providing intrastate interexchange telecommunications service in Florida. It is further

ORDERED that any protest to the action proposed herein shall specify the entity or entities to which it applies. It is further

ORDERED that if a protest to this Order is filed, the protest shall not prevent the action proposed herein from becoming final with regard to the remaining entities listed in this Order. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, these dockets shall be closed upon receipt of the imposed penalty and cost of collection, together totaling \$500, and Regulatory Assessment Fees, including statutory late payment charges, or upon cancellation of the registration.

By ORDER of the Florida Public Service Commission this _____ day of _____, _____.

BLANCA S. BAYÓ, Director
Division of the Commission Clerk
and Administrative Services

(S E A L)

KS

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on _____.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.