

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Investigation and determination of appropriate method for estimating and making payment of TASA surcharges, as required by Rule 25-4.160, F.A.C., to Florida Telecommunications Relay, Inc. by Verizon Select Services, Inc.	DOCKET NO. 060501-TX ORDER NO. PSC-06-0730-PAA-TX ISSUED: August 30, 2006
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The following Commissioners participated in the disposition of this matter:

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

NOTICE OF PROPOSED AGENCY ACTION  
ORDER ACCEPTING METHOD OF ESTIMATION AND PAYMENT

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.

I. Case Background

Verizon Select Services, Inc. (VSSI) is a competitive local exchange company (CLEC) located at 6665 North MacArthur Boulevard in Irving, Texas. VSSI maintains a local office in Tampa, Florida. VSSI was granted CLEC Certificate No. 4819 on March 18, 1997.

As part of a Regulatory Assessment Fee (RAF) Audit conducted by this Commission on VSSI, our staff requested financial records that show the amount of Telecommunications Access System Act (TASA) surcharges collected from subscribers and remitted to Florida Telecommunications Relay, Inc. (FTRI) for the years 2000, 2001, and 2002. In response, VSSI investigated the issue and concluded that it did not remit to FTRI TASA surcharges collected from local exchange service subscribers served within the Verizon Florida Inc. (Verizon ILEC) territory during the period from January 1998 through June 2001. The company ceased providing local service in July 2001. On July 17, 2006, VSSI submitted a letter offering to remit the delinquent payment of surcharges, plus interest, to FTRI.

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

We are vested with jurisdiction over this matter pursuant to Sections, 364.01, 364.183, 364.285, and 427.704.

## II. Analysis

The Telecommunications Access System Act (TASA) of 1991 established this Commission's authority to oversee the administration of the statewide telecommunications access system to provide access to telecommunications to relay services by persons who are hearing impaired or speech impaired, or others who communicate with them as expressed in Section 427.704, Florida Statutes, Powers and Duties of the Commission.

Rule 25-4.160, Florida Administrative Code (F.A.C.), Operation of Telecommunications Relay Service, implements Section 427.704, Florida Statutes. Specific to this issue, Rule 25-4.160(3), F.A.C., requires that all local exchange companies shall impose a monthly surcharge on all local exchange subscribers on an individual line basis and that all monies received by the local exchange company, less the authorized amount retained to recover the billing, collecting, remitting, and administrative costs attributed to the surcharge, shall be submitted so as to be received by the Administrator (Florida Telecommunications Relay, Inc.) within fifteen days after the end of the previous month.

A RAF audit conducted by our staff requested that VSSI provide records or schedules that show the amount of TASA surcharges collected from its subscribers and remitted to FTRI. Upon review of its records, VSSI determined that that it did not remit to FTRI some of the TASA surcharges it collected from its subscribers pursuant to Rule 25-4.160, F.A.C. The local exchange subscriber lines for which VSSI failed to remit the TASA surcharges were subscriber lines resold from Verizon ILEC during the period January 1998 through June 2001.

As VSSI indicated in its letter, the Interconnection Agreements (ICAs) between VSSI and BellSouth Telecommunications, Inc. (BellSouth), and between VSSI and Embarq Florida, Inc. (Embarq), included a provision for payment of the TASA surcharge on behalf of VSSI for subscriber lines resold in the BellSouth and Embarq territories. The ICA between VSSI and Verizon ILEC, did not include a provision for payment of the TASA surcharge. VSSI could not find records showing that it remitted payment of the TASA surcharges to FTRI for the local exchange subscriber lines provided within the Verizon ILEC service territory. To rectify this oversight, VSSI offered to estimate the amount of the TASA surcharges owed and make full payment upon approval by this Commission.

To estimate the amount of TASA surcharges owed, VSSI estimated the number of local exchange subscriber lines that it served in the Verizon ILEC territory in each month and multiplied the number of lines by the TASA surcharge rate applicable for that month. The result was a total of \$130,638.28. Our staff then calculated the interest based on VSSI's remittance of payment to FTRI no later than September 30, 2006. Our staff used the average 30-day commercial paper rate for each month pursuant to Rule 25-4.114(4), F.A.C., Refunds.

We find that VSSI's estimate of the amount of TASA surcharges owed to FTRI is reasonable, and therefore, we find it appropriate to approve the method used by VSSI to estimate the amount of TASA surcharges and order the company to remit to FTRI the amount of \$130,638.28, plus interest of \$31,225.63, for a total payment of \$161,863.91.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Verizon Select Services, Inc.'s estimate of the amount of Telecommunications Access System Act surcharges owed to Florida Telecommunications Relay, Inc. is reasonable and appropriate that the method used by Verizon Select Services, Inc. to estimate the amount of Telecommunications Access System Act surcharges, be accepted. It is further

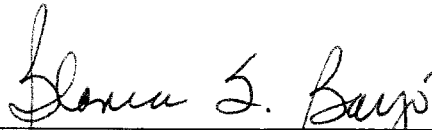
ORDERED that Verizon Select Services, Inc. remit to Florida Telecommunications Relay, Inc. the amount of \$130,638.28, plus interest of \$31,225.63, for a total payment of \$161,863.91. It is further

ORDERED that if this Order is not protested, Verizon Select Services, Inc. shall remit the payment for Telecommunications Access System Act surcharges, plus interest, to Florida Telecommunications Relay, Inc. no later than September 30, 2006. At the time of its payment, Verizon Select Services, Inc. shall also submit a final report to this Commission summarizing the payment. It is further

ORDERED that this Order will become final and effective upon issuance of a Consummating Order, unless a person whose substantial interest are affected by this 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 shall be deemed stipulated. It is further

ORDERED that if determined that Verizon Select Services, Inc has complied with the provisions of this Order, then this docket will be closed administratively. If Verizon Select Services, Inc. fails to demonstrate that it has complied with the provisions of this Order, then this docket will remain open pending further action.

By ORDER of the Florida Public Service Commission this 30th day of August, 2006.



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

( S E A L )

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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 September 20, 2006.

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.