### State of Florida



# Hublic Service Commission

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-M-E-M-O-R-A-N-D-U-M-

**DATE:** 

February 1, 2007

TO:

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

FROM:

Division of Competitive Markets & Enforcement (Isler) Phy Office of the General Counsel (McKay) VSM Phy

RE:

Docket No. 060752-TX - Request for cancellation of CLEC Certificate No. 7288

by Source One Communications, Inc. d/b/a Quick Connects, effective November

30, 2006.

**AGENDA:** 02/13/07 – 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:

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# Discussion of Issues

Issue 1: Should the Commission deny Source One Communications, Inc. d/b/a Quick Connects, a voluntary cancellation of its CLEC Certificate No. 7288 and cancel the certificate on the Commission's own motion with an effective date of November 30, 2006?

**Recommendation**: Yes, the company should be denied a voluntary cancellation as listed on Attachment A. (Isler, McKay)

Staff Analysis: See attached proposed Order

DOCUMENT NUMBER-DATE

01059 FEB-18

FPSC-COMMISSION CLERK

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## **Issue 2**: Should this docket 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 the 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 the company pays the Regulatory Assessment Fees prior to the expiration of the Proposed Agency Action Order, then the cancellation of the company's competitive local exchange telecommunications certificate will be voluntary. If the company fails to pay the Regulatory Assessment Fees prior to the expiration of the Proposed Agency Action Order, then the company's competitive local exchange telecommunications certificate should be cancelled administratively, and the collection of the past due Regulatory Assessment Fees should be referred to the Florida Department of Financial Services for further collection efforts. If the company's competitive local exchange telecommunications certificate is cancelled in accordance with the Commission's Order from this recommendation, the company should be required to immediately cease and desist providing competitive local exchange telecommunications service in Florida. This docket should be closed administratively either upon receipt of the payment of the Regulatory Assessment Fees or upon cancellation of the company's competitive local exchange telecommunications certificate. (McKay)

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

Attachment A

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#### BEFORE THE PUBLIC SERVICE COMMISSION

In re: Request for cancellation of CLEC Certificate No. 7288 by Source One Communications, Inc. d/b/a Quick Connects, effective November 30, 2006.

DOCKET NO. 060752-TX ORDER NO. ISSUED:

The following Commissioners participated in the disposition of this matter:

LISA POLAK EDGAR, Chairman MATTHEW M. CARTER II KATRINA J. TEW

# NOTICE OF PROPOSED AGENCY ACTION ORDER CANCELLING COMPETITIVE LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY CERTIFICATE ON THE COMMISSION'S OWN MOTION

#### 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.

Source One Communications, Inc. d/b/a Quick Connects currently holds Certificate No. 7288, issued by this Commission on December 29, 1999, authorizing the provision of competitive local exchange telecommunications service (CLEC). Pursuant to Section 364.336, Florida Statutes, competitive local exchange telecommunications companies 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. In addition, Rule 25-24.820, Florida Administrative Code, provides that a competitive local exchange telecommunications company requesting cancellation of its certificate must state its intent and date to pay the current Regulatory Assessment Fee. All entities that apply for certification receive a copy of our rules governing competitive local exchange telecommunications service.

On November 16, 2006, this Commission received a letter from Mr. John A. Hohman, CEO, requesting cancellation of its certificate because it no longer provided service. Our staff contacted Mr. Hohman on November 22, 2006, and advised the company to either pay the 2006 Regulatory Assessment Fee or provide a date certain it would be paid. Mr. Hohman responded

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on November 29, 2006, and advised that the reason the company closed its business was due to lack of revenue and stated that the company does not have the funds to pay the Regulatory Assessment Fee. Mr. Hohman also stated that he personally did not have the funds to pay the fees for the company. Our staff responded on the same date that it would proceed to recommend the certificate be cancelled on the Commission's own motion.

For the reasons described above, we deny Source One Communications, Inc. d/b/a Quick Connects' request for voluntary cancellation of its CLEC certificate. However, we find it appropriate to involuntarily cancel the competitive local exchange telecommunications certificate, effective November 30, 2006, on this Commission's own motion for failure to comply with Rule 25-24.820, Florida Administrative Code, and pursuant to Section 364.336, Florida Statutes.

Since it appears Source One Communications, Inc. d/b/a Quick Connects does not provide service in Florida and has requested cancellation of its certificate, there would be no purpose in requiring the company to pay a penalty. The cancellation of the CLEC certificate, in no way diminishes the entity's obligation to pay the applicable Regulatory Assessment Fee. If this Order is not protested, the company's CLEC Certificate No. 7288 shall be cancelled, effective November 30, 2006. If the company pays the Regulatory Assessment Fees prior to the expiration of the Proposed Agency Action Order, then the cancellation of the company's competitive local exchange telecommunications certificate will be voluntary. If the company fails to protest the Order or pay the Regulatory Assessment Fees prior to the expiration of the Proposed Agency Action Order, then the company's competitive local exchange telecommunications certificate should be cancelled administratively, and the collection of the past due Regulatory Assessment Fees should be referred to the Florida Department of Financial Services for further collection efforts. If the company's competitive local exchange telecommunications certificate is cancelled in accordance with the Commission's Order from this recommendation, the company should be required to immediately cease and desist providing competitive local exchange telecommunications service in Florida. This docket should be closed administratively either upon receipt of the payment of the Regulatory Assessment Fee or upon cancellation of the company's competitive local exchange telecommunications certificate. If Source One Communications, Inc. d/b/a Quick Connects' CLEC certificate is cancelled on this Commission's own motion and it subsequently decides to reapply for a certificate as a competitive local exchange telecommunications company, Source One Communications, Inc. d/b/a Quick Connects shall be required to first pay any outstanding fees, including accrued statutory late payment charges. We are vested with jurisdiction over these matters pursuant to Sections 350.113, 364.336, 364.337, and 364.285, Florida Statutes.

# Based on the foregoing, it is

ORDERED that pursuant to Rule 25-24.820, Florida Administrative Code, Source One Communications, Inc. d/b/a Quick Connects' CLEC Certificate No. 7288 is hereby cancelled effective November 30, 2006, on this Commission's own motion for failure to pay the 2006 Regulatory Assessment Fee, pursuant to Section 364.336, Florida Statutes, and Rule 25-4.0161, Florida Administrative Code. It is further

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ORDERED that the cancellation of the certificate in no way diminishes Source One Communications, Inc. d/b/a Quick Connects' obligation to pay the applicable Regulatory Assessment Fees. If the company's CLEC certificate is cancelled and the company subsequently decides to reapply for a certificate as a competitive local exchange telecommunications company, that company shall be required to first pay any outstanding fees, including accrued statutory late payment charges. It is further

ORDERED that if Source One Communications, Inc. d/b/a Quick Connects pays the Regulatory Assessment Fees prior to the expiration of the Proposed Agency Action Order, the cancellation of the certificate shall be deemed voluntary. It is further

ORDERED that if Source One Communications, Inc. d/b/a Quick Connects does not pay the Regulatory Assessment Fees prior to the expiration of the Proposed Agency Action Order, the collection of the Regulatory Assessment Fees shall be referred to the Florida Department of Financial Services for further collection efforts. It is further

ORDERED that if Source One Communications, Inc. d/b/a Quick Connects' certificate is cancelled in accordance with this Order, Source One Communications, Inc. d/b/a Quick Connects shall immediately cease and desist providing competitive local exchange telecommunications service in Florida. 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, this docket shall be closed upon receipt of the Regulatory Assessment Fee, or upon cancellation of the CLEC certificate.

	Ву	ORDER	of	the	Florida	Public	Service	Commission	this		day	of

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

(SEAL)

VM

Docket No. 060752-TX Attachment A

Date: February 1, 2007

#### 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.