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Public Service Commission

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COMMISSION
CLERK

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

DATE: March 1, 2007

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

FROM: Division of Competitive Markets & Enforcement (Isler) *PIJ*
Office of the General Counsel (McKay) *VSM PKM* *MMN*

RE: Docket No. 060825-TI – Acknowledgment of cancellation of IXC Registration No. TJ509 by Gates Communications, Inc., effective December 26, 2006.

AGENDA: 03/13/07 – 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: S:\PSC\CMP\WP\060825.RCM.DOC

Discussion of Issues

Issue 1: Should the Commission deny Gates Communications, Inc., a voluntary cancellation of its IXC tariff and Registration No. TJ509 and cancel the tariff and remove the company's name from the register on the Commission's own motion with an effective date of December 26, 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

01881 MAR-16

FPSC-COMMISSION CLERK

Docket No. 060825-TI
Date: March 1, 2007

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 tariff and the removal of its name from the register 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 IXC tariff should be cancelled administratively and its name removed from the register, 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 IXC 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. This docket should be closed administratively either upon receipt of the payment of the Regulatory Assessment Fees or upon cancellation of the company's IXC tariff and removal of its name from the register. (McKay)

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: Acknowledgment of cancellation of IXC Registration No. TJ509 by Gates Communications, Inc., effective December 26, 2006.	DOCKET NO. 060825-TI ORDER NO. ISSUED:
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The following Commissioners participated in the disposition of this matter:

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

NOTICE OF PROPOSED AGENCY ACTION ORDER
CANCELLING INTRASTATE INTEREXCHANGE TELECOMMUNICATIONS TARIFF
AND REGISTRATION 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.

Gates Communications, Inc. currently holds Intrastate Interexchange Telecommunications (IXC) Registration No. TJ509, issued by this Commission on May 3, 2001. Pursuant to Section 364.336, Florida Statutes, telecommunications companies must pay a minimum annual Regulatory Assessment Fee of \$50 for each certificate or registration if the certificate or registration 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 25-24.474, Florida Administrative Code, provides that intrastate interexchange companies must pay any current and past due Regulatory Assessment Fees with its request for cancellation. All entities that apply for certification and registration receive a copy of our rules governing intrastate interexchange telecommunications service.

On December 26, 2006, the Commission received a letter from the company's attorney, Mr. Lance J.M. Steinhart, dated December 20, 2006, requesting cancellation of Gates Communications, Inc.'s IXC registration. On January 3, 2007, our staff e-mailed Mr. Steinhart a note advising that the 2006 Regulatory Assessment Fee had to be paid before a voluntary cancellation could be acknowledged. On February 2, 2007, our staff e-mailed Mr. Steinhart

another note advising that payment of the 2006 fee still had not been received. As of March 1, 2007, the company's 2006 fee has not been received.

For the reasons described above, we deny Gates Communications, Inc.'s request for voluntary cancellation of its IXC tariff and removal of its name from the register. However, we find it appropriate to involuntarily cancel the IXC tariff and remove the company's name from the register, effective December 26, 2006, on this Commission's own motion for failure to comply with Rule 25-24.474, Florida Administrative Code, and pursuant to Section 364.336, Florida Statutes.

Since it appears Gates Communications, Inc. does not provide service in Florida and has requested cancellation of its registration, there would be no purpose in requiring the company to pay a penalty. The cancellation of the IXC tariff and removal of its name from the register in no way diminishes the entity's obligation to pay the applicable Regulatory Assessment Fees. If this Order is not protested, the company's IXC tariff shall be cancelled, and Registration No. TJ509 removed from the register, effective December 26, 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 IXC tariff and removal of its name from the register 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 IXC tariff should be cancelled administratively and its name removed from the register, and the collection of the unpaid Regulatory Assessment Fees should be referred to the Florida Department of Financial Services for further collection efforts. If the company's IXC 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. This docket should be closed administratively either upon receipt of the payment of the Regulatory Assessment Fees or upon cancellation of the company's IXC tariff and removal of its name from the register. If Gates Communications, Inc.'s IXC tariff is cancelled and its name removed from the register, and the company subsequently decides to reregister as an intrastate interexchange telecommunications company, that company shall be required to first pay any unpaid Regulatory Assessment Fees, including accrued statutory late payment charges. We are vested with jurisdiction over these matters pursuant to Sections 364.336, 364.02, and 364.285, Florida Statutes.

Based on the foregoing, it is

ORDERED that pursuant to Rule 25-24.474, Florida Administrative Code, Gates Communications, Inc.'s IXC tariff and Registration No. TJ509 is hereby cancelled and its name removed from the register effective December 26, 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

ORDERED that the cancellation of the IXC tariff, including removal of its name from the register, in no way diminishes Gates Communications, Inc.'s obligation to pay the applicable Regulatory Assessment Fees. If Gates Communications, Inc.'s IXC tariff is cancelled and its name removed from the register, and the company subsequently decides to reregister as an

intrastate interexchange telecommunications company, that company shall be required to first pay any unpaid Regulatory Assessment Fees, including accrued statutory late payment charges. It is further

ORDERED that if Gates Communications, Inc. pays the Regulatory Assessment Fees prior to the expiration of the Proposed Agency Action Order, the cancellation of the tariff and removal of its name from the register shall be deemed voluntary. It is further

ORDERED that if Gates Communications, Inc. 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 Gates Communications, Inc.'s IXC tariff is cancelled and its name removed from the register in accordance with this Order, the company shall immediately cease and desist providing intrastate interexchange 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 Fees, or upon cancellation of the IXC tariff and removal of the company's name from the register.

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)

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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 _____.

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.