

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: February 4, 2011
TO: Ann Cole, Commission Clerk, Office of Commission Clerk
FROM: Adam J. Teitzman, Attorney Supervisor, Office of the General Counsel *AT*
RE: Docket No. 100340-TP, Investigation of Associated Telecommunications Management Services, LLC (ATMS) companies for compliance with Chapter 25-24, F.A.C., and applicable lifeline, eligible telecommunications carrier, and universal service requirements

Please place the two letters attached to this memo in the above referenced docket file.

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February 3, 2011

VIA HAND DELIVERY AND EMAIL

Adam Teitzman
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket No. 100340-TP, Investigation of Associated Telecommunications Management Services, LLC (ATMS) companies for compliance with Chapter 25-24, F.A.C., and applicable lifeline, eligible telecommunication carrier, and universal service requirements

Dear Adam:

I just wanted to follow up on our telephone conversations this afternoon. We appreciate the brief extension to Tuesday February 8th to file a settlement proposal with you. However, in all candor, we do not think that such a brief extension, which mainly consists of the weekend, is sufficient for that purpose.

In addition, we also appreciate that you have clarified that rather than a comprehensive settlement proposal with all details enumerated, Staff now seeks a framework for such an agreement. However, as I said in our telephone conversation, we remain concerned that Staff has provided no guidance as to what such a framework should contain. We request that Staff provide specifics as to what should be included in the framework from which we can then move toward a definitive agreement.

As you know, we met with you and your Staff on Monday in an attempt to begin meaningful settlement discussions in this docket. It is our firm belief that settlement of this matter, rather than protracted litigation, is possible and preferable. Without revealing the substance of our discussions, I hope we made it very clear in our meeting that we are open to a reasonable resolution (including an Action Plan, monitoring/oversight and/or other measures) that will give Staff the assurance it needs as to our activities on a going-forward basis but we need guidance to develop a reasonable plan.

In addition, we think it is important to recognize that we are committed to helping the state of Florida maintain and grow jobs. Currently, we employ almost 600 people in Florida and make a contribution to the tax base of this state. This is even more reason to allow us sufficient time to craft a meaningful proposal.

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Adam Teitzman
February 3, 2011
Page Two

Therefore, we reiterate our request to have until at least February 18th to provide our proposal to you and to meet in person with Staff to review and discuss the proposal. We ask that no action be taken in this matter until we have filed the proposal and met with you to discuss it. This slight extension causes no harm and will hopefully result in a meaningful resolution of this matter.

Thank you for your consideration.

Sincerely,


Vicki Gordon Kaufman

cc: Curt Kiser
Charles Murphy
Beth Salak
Paul Watson
Chris Sutch
Michelle Studstill

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Public Service Commission

February 4, 2011

Vicki Gordon Kaufman, Esq.
Keefe Anchors Gordon & Moyle, PA
118 North Gadsden Street
Tallahassee, FL 32301

Re: Docket No. 100340-TP – Investigation of Associated Telecommunications Management Services, LLC (ATMS) companies for compliance with Chapter 25-24, F.A.C., and applicable lifeline, eligible telecommunications carrier, and universal service requirements

Dear Ms. Kaufman:

I am writing in response to your letter dated February 3rd. As you recount in your letter, staff met with you and in-house representatives of ATMS on Monday, January 31st, to begin meaningful settlement discussions. At that meeting, staff informed ATMS that it had concluded its investigation and notified ATMS of its findings. We also informed ATMS that staff intended to file its findings and recommendation with the Commission on Thursday, February 10th, for consideration at the February 22nd, Agenda Conference. At the conclusion of the meeting, ATMS agreed to submit a settlement proposal by Friday, February 4th, including future compliance with applicable state and federal regulations as well as addressing and remedying any alleged past violations. On Thursday, February 3rd, you requested an extension until February 18th to submit a proposal. In response, staff agreed to extend the deadline until Tuesday, February 8th and clarified that it would accept the framework for a compliance plan that shows a good faith effort.

Staff has provided ample and appropriate guidance to ATMS regarding the framework of an acceptable proposal. During our meeting staff made clear that ATMS should submit a proposal that remedies prior violations, establishes verifiable compliance of future ATMS operations with state and federal regulations and would provide zero tolerance for further violations. Staff further discussed that an acceptable proposal must address repayment of all Universal Service funds that staff believes were improperly collected. Finally, an acceptable plan must include an automatic enforcement trigger if further violations by ATMS were to occur. Because only ATMS would be familiar with its day-to-day operations, staff believes ATMS is in the best position to submit an initial proposal that fully addresses the criteria suggested by staff. Additionally, as I mentioned during our phone call yesterday, if ATMS disagrees with any of staff's 22 allegations, the company is encouraged to submit those concerns so that staff may review them before the filing of a recommendation.

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Staff notified ATMS at Monday's meeting that the 22 allegations resulting from staff's investigation were of a significant and egregious nature, the likes of which staff has not seen in Florida previously. Staff believes that any further delay in this matter, absent a good faith showing by ATMS in the form of a proposed compliance plan, would be detrimental to ATMS customers as well as all Florida consumers who pay into the federal Universal Service Fund as part of their bills for communications services. Additionally, staff notes that on multiple occasions ATMS has failed to take corrective actions to cure violations despite repeated assurances that such corrective actions would be taken.

In closing, I would like to reiterate staff's commitment to working with ATMS towards a reasonable resolution/settlement of this matter. However, at this time, staff is still planning to file its findings and recommendation with the Commission on Thursday, February 10th.

Sincerely,



Adam J. Teitzman
Attorney Supervisor
Office of the General Counsel

AJT/gdr

cc: Curt Kiser
Charles Murphy
Beth Salak
Bob Casey
Chris Sutch
Michelle Studstill
Paul Watson