

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Acknowledgment of registration as intrastate interexchange telecommunications company by Netline Communications Corp. d/b/a clubip.com.

DOCKET NO. 100468-TI
ORDER NO. PSC-11-0233-PAA-TI
ISSUED: May 25, 2011

The following Commissioners participated in the disposition of this matter:

ART GRAHAM, Chairman
LISA POLAK EDGAR
RONALD A. BRISÉ
EDUARDO E. BALBIS
JULIE I. BROWN

NOTICE OF PROPOSED AGENCY ACTION
ORDER ACKNOWLEDGING REGISTRATION AS INTRASTATE INTEREXCHANGE
TELECOMMUNICATIONS COMPANY BY NETLINE COMMUNICATIONS CORP D/B/A
CLUBIP.CPM

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

On December 21, 2010, Netline Communications Corp. d/b/a clubip.com (Netline) filed an interexchange telecommunications company (IXC) registration form and tariff with us. After receiving the application, our staff determined that Netline had penalties imposed against them by this Commission in two prior compliance investigation dockets. This order addresses Netline's IXC Registration and settlement offer to resolve all outstanding issues associated with previous dockets involving the company.

We note that an IXC Registration is normally processed administratively in accordance with our Administrative Procedures Manual. However, in this case Netline previously operated as a competitive local exchange telecommunications company (CLEC) (CLEC Certificate No. 8559) and as an IXC (IXC Registration No. TK096). Netline's CLEC Certificate and its IXC Registration were both cancelled in Docket Nos. 060065-TX, and 070522-TI, respectively, for

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failure to pay penalties imposed as a result of rule violations. Thus, our staff presented this to us for our consideration.

By Proposed Agency Action (PAA) Order Nos. PSC-06-0342-PAA-TX,¹ and PSC-07-0666-PAA-TI,² we cancelled Netline's CLEC Certificate and its IXC Registration and tariff. The company's CLEC Certificate was cancelled due to Netline's failure to respond to our request seeking data for the 2005 local competition report required by Section 364.386, Florida Statutes (F.S.). Netline's IXC Registration and tariff were cancelled because the company failed to pay its 2006 regulatory assessment fees. After Netline's IXC Registration was cancelled, the company ultimately paid its 2006 regulatory assessment fees, as ordered by this Commission, and all statutory late payment charges. However, it failed to pay the \$500 penalty and collection costs that it was ordered to pay.

Upon determining that Netline had unresolved issues associated with two prior dockets, our staff contacted Netline and informed the company that it needed to resolve the previous matters before a new IXC Registration could be acknowledged. On March 14, 2011, Netline submitted a proposed settlement offer in which the company offered to submit a payment in the amount of \$3,500 to resolve the outstanding issues in Docket Nos. 060065-TX, and 070522-TI.

Our staff discussed with Netline's legal counsel the possibility of IXCs no longer falling under the regulatory jurisdiction of this Commission due to pending law changes. Netline's legal counsel spoke with the company's owner regarding the matter and advised our staff that the owner preferred to resolve all of Netline's outstanding issues with us.

We are vested with jurisdiction over this matter pursuant to Sections 364.04, 364.285, 364.336, and 364.337, F.S.

¹ PAA Order No. PSC-06-0342-PAA-TX, issued on April 24, 2006, in Docket No. 060065-TX, In Re: Compliance investigation of NETLINE COMMUNICATIONS CORP. for apparent violation of Section 364.183(1), F.S., Access to Company Records. The Order was made final and effective on May 18, 2006, upon issuance of Consummating Order No. PSC-06-0414-CO-TX.

² PAA Order No. PSC-07-0666-PAA-TI, issued on August 20, 2007, in Docket No. 070522-TI, In re: Compliance investigation of IXC Registration No. TK096, issued to Netline Communications Corp., for apparent first-time violation of Section 364.336, F.S. The Order was made final and effective on September 14, 2007, and October 4, 2007, upon issuance of Consummating Order No. PSC-07-0738-CO-TI and the issuance of Amendatory Consummating Order No. PSC-07-0738A-CO-TI.

II. Analysis

PSC-07-0666-PAA-TI, issued August 20, 2007, provides in part:

ORDERED that the cancellation of the tariff and registration 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 and registration cancelled, 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.

On December 21, 2010, Netline submitted an IXC Registration form and tariff, seeking acknowledgement from this Commission to operate as a registered IXC in Florida. After being notified by our staff that the company had unresolved issues associated with two prior dockets that needed to be resolved before a new IXC Registration could be acknowledged, Netline submitted a proposed settlement offer on March 14, 2011. To resolve the outstanding issues in Docket Nos. 060065-TX, and 070522-TI, Netline has proposed to submit a payment in the amount of \$3,500.

In Docket No. 060065-TX, by Order No. 06-0342-PAA-TX, Netline was ordered to pay a penalty in the amount of \$10,000 for the company's apparent violation of Section 364.183(1), F.S., for failure to provide access to the company's records. Netline failed to pay the penalty and its CLEC certificate was cancelled. To resolve this issue Netline has proposed to submit a payment in the amount of \$3,000. In Docket No. 070522-TI, by Order No. PSC-07-0666-PAA-TI, the company's IXC Registration and tariff were cancelled for failure to pay its 2006 regulatory assessment fees. Netline eventually paid its 2006 regulatory assessment fees, as ordered by the Commission, and all statutory late payment charges. However, it failed to pay the \$500 penalty and collection costs that it was ordered to pay. To resolve this matter, Netline has proposed to submit a payment in the amount of \$500, the amount of the penalty and collection costs that it previously failed to pay.

Since the revocation of its previous CLEC certification and IXC registration, Netline has re-evaluated the way in which it conducts business and has restructured its operations in order to prevent untimely responses to the Commission and future violations and cancellations. The company has also decided that it will not offer CLEC services at this time, thus it has not applied for CLEC authority.

Netline's proposed settlement offer is consistent with settlement offers that this Commission has previously accepted for similar violations. For instance, we approved a similar settlement in Docket No. 080451-TX, In Re: Compliance investigation of Tele Circuit Network

Corporation for apparent violation of Section 364.183(1), F.S., Access to Company Records. In Order No. PSC-08-0804-PAA-TX, the Commission accepted the company's settlement offer of \$3,500 to resolve the company's apparent violation of Section 364.183(1), F.S.

III. Decision

Based on the aforementioned, we accept the settlement offer proposed by Netline Communications Corp. d/b/a clubip.com and acknowledge the company as a registered interexchange telecommunications company as provided by Rule 25-24.470, F.A.C., Registration Required.

Based on the forgoing, it is

ORDERED by the Florida Public Service Commission that we accept the settlement offer proposed by Netline Communications Corp. d/b/a clubip.com in the amount of \$3,500. It is further

ORDERED that Netline Communications Corp. d/b/a clubip.com shall submit the ordered amount within 14 days after the issuance of the Consummating Order. The Payment shall be payable the Florida Public Service Commission and shall identify both the docket number and the company's name. It is further

ORDERED that Upon receipt of the payment, this Commission will forward \$3,300 in penalties to the Division of Financial Services to be deposited in the General Revenue Fund and \$200 in collections costs, shall be deposited into this commission's Regulatory Trust Fund. It is further

ORDERED that this docket shall remain open until we have verified that the company has fully complies with the settlement offer. If Netline Communications Corp. d/b/a clubip.com fails to comply with this commission's Order, their IXC registration No. TK315 and tariff shall be cancelled. It is further

ORDERED that the provision of this Order, issued as a proposed agency action, shall 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, F.A.C., within 21 days of the issuance of the Proposed Agency Action Order. As provided by Section 120.80(13)(b), F.S., any issues not in dispute shall be deemed stipulated.

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By ORDER of the Florida Public Service Commission this 25th day of May, 2011.



ANN COLE
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

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VSM

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 Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on June 15, 2011.

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.