

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: March 27, 2008

TO: Office of Commission Clerk (Cole)

FROM: Division of Competitive Markets & Enforcement (Isler)
Office of the General Counsel (McKay)

RE: Docket No. 080066-TX – Request for cancellation of CLEC Certificate No. 8412 by Synergy Networks, Inc., effective December 31, 2007.

AGENDA: 04/08/08 – 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\080066.RCM.DOC

Discussion of Issues

Issue 1: Should the Commission deny Synergy Networks, Inc., a voluntary cancellation of its competitive local exchange telecommunications company (CLEC) Certificate No. 8412 and cancel the certificate on the Commission's own motion with an effective date of December 31, 2007?

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

Staff Analysis: See attached proposed Order.

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 Fee, including applicable late payment charges, prior to the expiration of the Proposed Agency Action Order, then the cancellation of the company's CLEC certificate will be voluntary. If the company fails to pay the Regulatory Assessment Fee, including applicable late payment charges, prior to the expiration of the Proposed Agency Action Order, then the company's CLEC certificate should be cancelled administratively, and the collection of the past due Regulatory Assessment Fee should be referred to the Florida Department of Financial Services for further collection efforts. If the company's CLEC certificate is cancelled in accordance with the Commission's Order from this recommendation, the company should be required to immediately cease and desist providing telecommunications service in Florida. This docket should be closed administratively either upon receipt of the payment of the Regulatory Assessment Fee, including applicable late payment charges, or upon cancellation of the company's CLEC certificate. (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: Request for cancellation of CLEC
Certificate No. 8412 by Synergy Networks,
Inc., effective December 31, 2007.

DOCKET NO. 080066-TX
ORDER NO.
ISSUED:

The following Commissioners participated in the disposition of this matter:

MATTHEW M. CARTER II, Chairman
LISA POLAK EDGAR
KATRINA J. MCMURRIAN
NANCY ARGENZIANO
NATHAN A. SKOP

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.

Synergy Networks, Inc. currently holds Certificate No. 8412, issued by this Commission on December 1, 2003, 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 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 (RAF).

On January 25, 2008, this Commission received a letter dated January 22, 2008, from Mr. Ken Boyd, Vice President of Finance. The letter requested that the Commission suspend or "freeze" its CLEC status so that it does not have to pay the Regulatory Assessment Fee. On

January 28, 2008, our staff e-mailed Mr. Boyd that the Commission does not have a “freeze” status and asked if the company wanted to cancel its certificate. Our staff advised Mr. Boyd that the RAF was applicable and that if the company reapplied in the future, the 2007 RAF, along with accrued late payment charges, and any application fee, would have to be paid at that time. Mr. Boyd responded that he wished to cancel the company’s certificate and that the 2007 RAF would not be paid.

For the reasons described above, we deny Synergy Networks, Inc.’s request for voluntary cancellation of its CLEC certificate. However, we find it appropriate to involuntarily cancel the competitive local exchange telecommunications certificate, effective December 31, 2007, 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 Synergy Networks, Inc. does not currently 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 RAF, including applicable late payment charges. If this Order is not protested, the company’s CLEC Certificate No. 8412 shall be cancelled, effective December 31, 2007. If the company pays the RAF, including applicable late payment charges, prior to the expiration of the Proposed Agency Action Order, then the cancellation of the company’s CLEC certificate shall be voluntary. If the company fails to protest the Order or pay the RAF, including applicable late payment charges, prior to the expiration of the Proposed Agency Action Order, then the company’s CLEC certificate shall be cancelled administratively, and the collection of the past due RAF shall be referred to the Florida Department of Financial Services for further collection efforts. If the company’s CLEC certificate is cancelled in accordance with this Order, the company shall be required to immediately cease and desist providing competitive local exchange telecommunications service in Florida. This docket shall be closed administratively either upon receipt of the payment of the RAF, including applicable late payment charges, or upon cancellation of the company’s CLEC certificate. If Synergy Networks, Inc.’s CLEC certificate is cancelled on this Commission’s own motion and it subsequently decides to reapply for a certificate as a telecommunications company, Synergy Networks, Inc. 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, Synergy Networks, Inc.’s CLEC Certificate No. 8412 is hereby cancelled effective December 31, 2007, on this Commission’s own motion for failure to pay the 2007 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 certificate in no way diminishes Synergy Networks, Inc.’s obligation to pay the applicable Regulatory Assessment Fee, including applicable late payment charges. If the company’s CLEC certificate is cancelled and the

company subsequently decides to reapply for a certificate as a 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 Synergy Networks, Inc. pays the Regulatory Assessment Fee, including applicable late payment charges, 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 Synergy Networks, Inc. does not pay the Regulatory Assessment Fee, including applicable late payment charges, prior to the expiration of the Proposed Agency Action Order, the collection of the Regulatory Assessment Fee shall be referred to the Florida Department of Financial Services for further collection efforts. It is further

ORDERED that if Synergy Networks, Inc.'s certificate is cancelled in accordance with this Order, Synergy Networks, Inc. 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 Office of Commission Clerk, 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.

By ORDER of the Florida Public Service Commission this _____ day of _____, _____.

ANN COLE
Commission Clerk

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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 Office of Commission Clerk, 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.