

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Initiation of show cause ) DOCKET NO. 930262-TI  
proceedings against METROMEDIA ) ORDER NO. PSC-94-0035-AS-TI  
COMMUNICATIONS-CORPORATION for ) ISSUED: January 11, 1994  
violation of Rule 25-4.118, )  
F.A.C., interexchange Carrier )  
Selection. )  
\_\_\_\_\_ )

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK  
JULIA L. JOHNSON  
LUIS J. LAUREDO

FINAL ORDER APPROVING SETTLEMENT OFFER

BY THE COMMISSION:

On December 15, 1993, Metromedia Communications Corporation (Metromedia or the Company) filed a settlement offer which is attached to this Order as Attachment A and incorporated herein by reference. In its comprehensive offer, the Company accurately reflects the factual basis of this proceeding, agrees to pay \$20,000 within 30 days of the issuance of this Order, and even suggests that the appropriate time to close the docket is upon receipt of the Company's payment. Upon review, we find that the offer fairly resolves the matter. Thus, we shall approve the offer.

Therefore, it is

ORDERED that Metromedia's December 15, 1993, settlement offer is hereby approved. It is further

ORDERED that this docket shall be closed as set forth in the settlement offer.

By ORDER of the Florida Public Service Commission, this 11th day of January, 1994.

  
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STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, 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 or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Civil Procedure. The notice of appeal must be in the form specified in Rule 9.900 (a), Florida Rules of Appellate Procedure.

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Proceedings against METROMEDIA	)	
COMMUNICATIONS CORPORATION for	)	FILED: December 15, 1993
violation of Rule 25-4.118, F.A.C.,	)	
Unauthorized Primary Interexchange	)	
Carrier (PIC) Changes.	)	

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OFFER OF SETTLEMENT

This proceeding was initiated in response to 28 consumer complaints we received against Metromedia Communications Corporation ("Metromedia"). These complaints suggested various violations of Rule 25-4.118, Florida Administrative Code, including the specific violation of unauthorized carrier changes. The bulk of these complaints were lodged with the Commission's Division of Consumer Affairs during March and April of this year. Metromedia has resolved each of the 28 complaints to the satisfaction of the consumer.

In late 1992, Metromedia entered into a contract with an independent sales agent under which the agent would market Metromedia's services by telephone. The telephone solicitations began in December of 1992. The complaints referenced above all arose from the marketing activity of this agent.

In February and March of 1993, Metromedia recognized quality control issues in the agent's marketing activities. Based on these concerns about the agent's performance, Metromedia undertook certain remedial steps, including: terminating the agent; freezing all cutovers until verification the of IXC change request; hiring an independent service to call and poll all outstanding change

orders; and, on its own initiative, contacting the Commission's Consumer Affairs Department to notify it of the potential for numerous complaints. In addition, Metromedia has established a general policy of requiring a signed letter of authorization to be in hand before a change request is processed.

In responding to inquiries and to Order No. PSC-93-1456-FOF-TI issued in this proceeding, Metromedia has accepted full responsibility for the conduct of its agent. Metromedia has emphasized, however, that because it terminated the agent, it cannot directly answer the Commission's major concern in this proceeding: whether there were unauthorized carrier changes, and, if so, whether these were knowing and willful violations of the Commission's rule. Metromedia simply does not know whether its agent knowingly effected unauthorized carrier changes. Moreover, to finally determine what Metromedia's agent did or did not do would involve lengthy and costly litigation that necessarily would further inconvenience consumers.


Nevertheless, consistent with accepting responsibility for the marketing activities of its agent, Metromedia has acknowledged that these activities created problems for Florida consumers and involved potential violations of the prohibition against unauthorized carrier changes. Metromedia believes that the interests of the public, the Commission, and Metromedia itself can best be served at this time through settlement. While it neither admits nor denies that any violation of the prohibition against unauthorized carrier changes has occurred, Metromedia hereby offers to make a payment of \$20,000.00 to settle this proceeding. Payment

would be made within 30 days of the issuance date of the final order approving this offer.

Metromedia believes that upon review, the Commission will find that accepting this offer is appropriate and in the public interest. The amount of the payment is significant, reflecting how seriously the Commission considers unauthorized carrier changes. At the same time, the amount of the payment does reflect the numerous mitigating factors in this case, including Metromedia's long standing record of regulatory compliance, its own early recognition of the marketing problem, its aggressive and timely response to cure the problem, its resolution of the 28 complaints, and its system-wide efforts to ensure that similar problems do not arise in the future. Acceptance of Metromedia's offer of settlement will not constitute a finding by this Commission of any violation by Metromedia of Rule 25-4.118, Florida Administrative Code.

Therefore, Metromedia respectfully requests that the Commission approve this offer of settlement on the basis stated herein, and that the Commission issue its final order effecting such acceptance and providing that upon receipt of this payment that this docket be closed.

Respectfully submitted this 15th day of December, 1993.



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