



ORIGINAL

Intercontinental Communications Group, Inc.

	DEPOSIT	DATE
July 15, 1998	D 8 1 1	JUL 16 1998

Florida Public Service Commission
 Division of Records and Reporting
 2540 Shumard Oak Boulevard
 Tallahassee, Florida 32399-0850

RE: Initiation of show cause proceedings against Intercontinental Communications Group, Inc. d/b/a ICLD for violation of Rule 25-4.118, F.A.C., Interexchange Carrier Selection.

Docket No. 971488-TI
 Order No. PSC-98-0930-AS-TI
 Issued: July 8, 1998

To Whom It May Concern:

Per Order number PSC-98-0930-AS-TI issued on July 8, 1998, please find enclosed check number 2856 in the amount of \$50,000.00.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Douglas C. Brough

Douglas C. Brough
 President

*RAR
 C. Charissa Azzano
 Kassy Brough*

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 DIVISION OF RECORDS AND REPORTING

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Initiation of show cause proceedings against Intercontinental Communications Group, Inc. d/b/a ICLD for violation of Rule 25-4.118, F.A.C., Interexchange Carrier Selection.

DOCKET NO. 971488-TI
ORDER NO. PSC-98-0930-AS-TI
ISSUED: July 8, 1998

The following Commissioners participated in the disposition of this matter:

- JULIA L. JOHNSON, Chairman
- J. TERRY DEASON
- SUSAN F. CLARK
- JOE GARCIA
- E. LEON JACOBS, JR.

ORDER APPROVING SETTLEMENT

BY THE COMMISSION:

BACKGROUND

Intercontinental Communications Group, Inc. d/b/a ICLD (ICLD), holder of certificate number 4027 granted on June 14, 1995, is a provider of interexchange telecommunications service in Florida. ICLD reported gross operating revenues of \$13,599,141.47 on its regulatory assessment fee return for the period January 1, 1997, through December 31, 1997. As an interexchange telecommunications service provider, ICLD is subject to the regulation of this Commission.

From January 1, 1996, to June 3, 1998, the Division of Consumer Affairs closed a total of 24 complaints against ICLD as unauthorized carrier change ("slamming") infractions in apparent violation of Rule 25-4.118, Florida Administrative Code. This docket was opened to investigate whether ICLD should be required to show cause why it should not be fined or have its certificate canceled, pursuant to Section 364.285, Florida Statutes, based on the number of complaints we received alleging "slamming" violations. Shortly thereafter, ICLD submitted an offer of

settlement, which, for the reasons set forth below, we approve. ICLD's offer is contained in Attachment A, and is incorporated herein by reference.

OFFER OF SETTLEMENT

On June 9, 1998, ICLD met with our staff to discuss the pending proceeding. ICLD explained that in October 1996, it entered into an agent's agreement with Telecommunication Marketing, Inc., (TMI). The agreement specifically provided that ICLD did not authorize the use of sweepstakes, contest entry, or similar methods of soliciting customers. Nevertheless, TMI chose to market through the use of sweepstakes solicitations. On learning of the marketing methods used by TMI, ICLD terminated the agreement. ICLD has not been the subject of slamming complaints in Florida, apart from the complaints that arose from TMI's methods. ICLD has made reasonable efforts to ensure customer satisfaction and has offered credits where appropriate.

On June 12, 1998, ICLD submitted an offer of settlement, and subsequently worked in a cooperative fashion with our staff to resolve the complaints against it and to bring this matter to a close. In its offer, ICLD agreed to the following:

1. For one year, ICLD would independently verify 100% of all Florida orders initiated by a letter of authorization (LOA). For six months thereafter, ICLD would independently verify 50% of all Florida orders authorized by LOA.
2. For one year, ICLD would mail an information package with prepaid postcards to all Florida consumers whose change orders are generated by telemarketing (and verified by independent third party verification). For six months thereafter, ICLD would mail an information package to 50% of all such Florida consumers.
3. ICLD would formally adopt its previously unwritten "Satisfaction Guarantee" policy, under which ICLD will incur the Preferred Interexchange Carrier (PIC) change fee to return any customer to his or her carrier of choice if, for any reason, the customer is not satisfied with ICLD's service. In

addition, ICLD would re-rate all calls to the returning consumer's previous carrier.

4. ICLD would make a contribution in the amount of \$50,000 to the General Revenue Fund of the State of Florida, with no admission of liability or wrongdoing.

We accept ICLD's proposed 100% verification of all Florida change orders generated by LOA for a year, followed by 50% verification for six months. This will allow ICLD to more effectively evaluate the information on the LOA in order to reduce the occurrence of forgery. We also accept ICLD's proposal to additionally mail an information package to 100% of Florida consumers for whom change orders are generated by telemarketing for a year, followed by such mailings to 50% of them for six months. This is an additional step to ensure that the consumer has authorized the change of long distance providers. Adoption of its "Satisfaction Guarantee" policy will ensure that the consumers will incur no fee for the unauthorized switching of their long distance provider. Finally, we accept ICLD's proposed voluntary contribution to the General Revenue Fund, pursuant to Section 364.285(1), Florida Statutes, in the amount of \$50,000.

We find that ICLD has satisfactorily addressed the concerns raised by the "slamming" complaints and that it has been cooperative in working with our staff. We also find that ICLD's offer of settlement is fair and reasonable. Accordingly, we approve it.

ICLD shall remit \$50,000 within five business days of the issuance of this Order and that amount shall then be forwarded to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes.

Based on the foregoing, it is, therefore,

ORDERED by the Florida Public Service Commission that Intercontinental Communications Group, Inc., d/b/a ICLD's offer of settlement as set forth in Attachment A, incorporated herein by reference, is hereby approved. It is further

ORDERED that Intercontinental Communications Group, Inc., d/b/a ICLD shall remit \$50,000 within five business days of the issuance of this Order and that amount shall then be forwarded to

ORDER NO. PSC-98-0930-AS-TI
DOCKET NO. 971488-TI
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the Office of the Comptroller for deposit in the State General Revenue, Fund, pursuant to Section 364.285(1), Florida Statutes. It is further

ORDERED that upon remittance, this docket shall be closed.

By ORDER of the Florida Public Service Commission, this 8th day of July, 1998.

/s/ Blanca S. Bayó

BLANCA S. BAYÓ, Director
Division of Records and Reporting

This is a facsimile copy. A signed copy of the order may be obtained by calling 1-850-413-6770.

(S E A L)

CJP

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 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, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, 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 and/or

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wastewater 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 Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900 (a), Florida Rules of Appellate Procedure.



Intercontinental Communications Group, Inc.

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If you have any questions, please do not hesitate to contact me.

Sincerely,

Dorcas C. Bray

*RAR
C: Charissa A. ...
Kerry B. ...*

*CAF
EMU
Key
SEC*

Intercontinental Communications
Group, Inc.
1001 S. Federal Hwy. Ste. 305 1-800-222-4603
Orlando Branch, FL 32803

FIRST UNION NATIONAL BANK
OF FLORIDA
BOCA RATON, FL

2856

State of Fla General Rev Fund
Fifty Thousand and 0/100 Dollars
General Revenue Fund Florida

DATE AMOUNT
Jul 14, 1998 *****\$50,000.00*

PAY
TO THE
ORDER
OF

Dorcas C. Bray
AUTHORIZED SIGNATURE