



Public Service Commission

DATE: November 24, 1998
 TO: Blanca Bayo, Director, Division of Records and Reporting
 FROM: Noreen Davis, Director, Division of Legal Services *mad*
 Walter D'Haeseleer, Director, Division of Communications *ib*
 RE: Docket No. 971487-TI

The settlement amount of \$110,000 was received and forwarded to the Comptroller's Office on November 23, 1998. Order No. PSC-98-1318-AS-TI, issued October 9, 1998, states that this docket may be closed administratively upon remittance of the settlement amount. Since the settlement has been paid and no further action is required, this docket may be closed.

/kb

OK
SM
11/23/98

- ACK _____
- AFA _____
- APP _____
- CAF _____
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- CTR _____
- EAG _____
- LEG _____
- LIN _____
- OPC _____
- RCH _____
- SEC I
- WAS _____
- OTH _____

DOCUMENT NUMBER-DATE

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DIVISION OF RECORDS AND REPORTING

RECEIVED

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MCWHIRTER REEVES
ATTORNEYS AT LAW

NOV 23 1998

TAMPA CMU

400 N. TAMPA STREET, SUITE 2450
TAMPA, FLORIDA 33602
P.O. BOX 3350, TAMPA, FL 33601-3350
(813) 224-0866 (813) 221-1854 FAX

PLEASE REPLY TO:
TALLAHASSEE

CMU

TALLAHASSEE OFFICE:
117 SOUTH GADSDEN
TALLAHASSEE, FLORIDA 32301
(850) 222-2525
(850) 222-5606 FAX

November 20, 1998

DEPOSIT

DATE

D086

NOV 23 1998

VIA HAND DELIVERY

Ms. Blanca Bayó
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RE: Docket No. 971487-TI -- In re: Initiation of show cause proceedings
against LCI International Telecom Corp. for violation of Rule 25-4.118,
F.A.C., Interexchange Carrier Selection

Dear Ms. Bayó:

Pursuant to the terms of settlement memorialized in Order No. PSC-98-1318-
AS-TI, issued in Docket No. 971487-TI on October 9, 1998, I am delivering for
appropriate processing a check to the State of Florida, General Revenue Fund, Office
of the Comptroller, in the amount of \$110,000. Note that the check is made by
Qwest Communications International. Qwest acquired LCI International Telecom
Corp, the subject of the order approving settlement, in a merger transaction.

Please acknowledge that you have received the check by signing the extra copy
of this letter provided. Thank you for your assistance.

*RAR
Ketty Bieganski*

Yours truly,



The First National Bank of Chicago-0710
Chicago, Illinois
Payable Through FCB National Bank
Wilmington, Delaware

CHECK NO. 02097209

DATE 11/10/1998

*****110,000.00

62-28
311

VOID AFTER 90 DAYS
Second Signature on Checks of \$250,000. or more.

ONE HUNDRED TEN THOUSAND DOLLARS AND 00 CENTS *****

PAY TO THE ORDER OF **PAY 110000.00**
ONLY ONE HUNDRED TEN THOUSAND ZERO ZERO ZERO ZERO CENTS

TO THE STATE OF FLORIDA

OR 119.07(1)(z), Florida Statutes: Bank account numbers
or debit, charge, or credit card numbers given to an
agency for the purpose of payment of any fee or debt
owing are confidential and exempt from subsection ()
and s.24(a), Art. 1 of the State Constitution . . .

73262#

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Initiation of show cause proceedings against LCI International Telecom Corp. for violation of Rule 25-4.118, F.A.C., Interexchange Carrier Selection.

DOCKET NO. 971487-TI
ORDER NO. PSC-98-1318-AS-TI
ISSUED: October 9, 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 OFFER OF SETTLEMENT
AND DISPOSING OF PENDING MOTIONS

BY THE COMMISSION:

BACKGROUND

On July 21, 1989, this Commission granted LCI International Telecom Corp. (LCI) Certificate Number 2300 to provide intrastate interexchange telecommunications service. LCI reported gross operating revenues of \$41,174,735 on its Regulatory Assessment Fee Return for the period January 1, 1997, through December 31, 1997. As a provider of interexchange telecommunications service in Florida, LCI is subject to the rules and regulations of this Commission.

On April 23, 1998, by Order No. PSC-98-0566-SC-TI, in Docket No. 971487-TI, the Commission ordered LCI to show cause in writing within 20 days of the effective date of the Order why it should not be fined \$710,000 for its apparent violations of Rule 25-4.118, Florida Administrative Code, Interexchange Carrier Selection.

SETTLEMENT

On June 26, 1998, after extensive settlement negotiations, LCI submitted an offer to settle, which is attached and incorporated herein as Attachment A. In its settlement offer LCI agrees to the following:

- (1) LCI will require each individual employee of the marketing agent to execute an acknowledgment form stating that the employee understands and accepts LCI's policy prohibiting submission of carrier changes without proper authorization.
- (2) LCI will perform validity checks on LOAs submitted by the marketing agents to verify the accuracy of state, zip code, and area code information.
- (3) LCI will verify 100% of all LOAs submitted in support of carrier changes for customers in Florida prior to submitting them to the LEC for processing. LCI will commence verification within 30 days of the date the order approving this settlement offer becomes final and effective, and continuing for a period of six months thereafter.
- (4) Upon confirmation that any representative of a distributor has forged the signature of a purported new customer on a LOA, LCI will disclose to the appropriate law enforcement official the name of the representative for investigation and for action warranted by the circumstances.
- (5) For a period of twelve months following the date the order approving this offer of settlement becomes final, a representative of LCI will hold a monthly conference call with the Commission staff for the purpose of describing responses made by the Company to any complaints alleging unauthorized changes of carriers, steps taken to implement the measures delineated in this Stipulation, and other pertinent matters.

- (6) Upon final approval of this offer of settlement, LCI will begin providing to the Commission staff a more detailed description of the investigation LCI makes of any future allegations of unauthorized changes in carriers in complaints it may receive from the Commission.
- (7) Without conceding that it has committed any violation within the purview and meaning of Section 364.285, Florida Statutes, LCI will make a voluntary contribution of \$110,000 to the General Revenue Fund within 15 days of the date this Order becomes final.

We believe LCI's proposal to have individual employees of the distributorship sign the acknowledgment form regarding LCI's slamming policy will make employees more aware of the necessity to obtain proper authorization on LOAs. We also believe that LCI's proposal to verify the accuracy of the information on the LOA by verifying the state, zip code and area code information will reduce the occurrence of incorrect addresses on LOAs. Further, LCI's proposal to verify all LOAs submitted in Florida prior to sending them to the LEC for processing will ensure that the customer who is switched wanted LCI's service. We also approve of LCI's proposal to provide the Commission with a more detailed description of its investigations in response to complaint inquiries.

Therefore, we find the terms of the settlement agreement to be fair and reasonable. Accordingly, the offer of settlement filed by LCI on June 26, 1998, is approved.

MOTIONS

The following outstanding motions are rendered moot by our approving LCI's settlement offer: (1) First Motion to Compel filed on January 21, 1998, by Office of Public Counsel and (2) Motion for Oral Argument On Motion to Compel filed on February 4, 1998, by LCI. Similarly, LCI's Motion for a More Definite Statement and the accompanying Motion for Oral Argument filed May 13, 1998, are also moot as a result of the settlement. LCI's Motion to Hold Proceedings in Abeyance, filed May 14, 1998, is hereby granted.

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Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the June 26, 1998, Offer of Settlement by LCI International Telecom Corp. is hereby approved. It is further

ORDERED that LCI International Telecom Corp. shall remit \$110,000 within fifteen days of this Order becoming final. Upon remittance, the \$110,000 voluntary contribution shall be forwarded to the Office of the Comptroller for deposit in the State General Revenue Fund, pursuant to Section 264.285(1), Florida Statutes, and this docket may be closed administratively. It is further

ORDERED that LCI International Telecom Corp.'s Motion to Hold Proceedings in Abeyance is hereby granted.

By ORDER of the Florida Public Service Commission this 9th day of October, 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)

SOME (OR ALL) ATTACHMENT PAGES ARE NOT ON ELECTRONIC DOCUMENT.

CB

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.

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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 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.