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July 7, 2000

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Ms. Blanca Bayó, Director
Division of Records and Reporting
Room 110, Easley Building
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

000825-TI

Dear Ms. Bayó:

Enclosed for filing on behalf of TTI National, Inc. are an original and fifteen copies of TTI National, Inc.'s Petition for Waiver and Expedited Handling in the above referenced docket.

Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the same to me.

Thank you for your assistance with this filing.

Sincerely,


Floyd R. Self

FRS/amb
Enclosure

cc: Donna McNulty, Esq.
Parties of Record

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for Waiver of Rule 25-4.118)
by TTI National, Inc. For Approval to)
Provide Toll Services to Customers of)
Minimum Rate Pricing, Inc., Discount Call)
Rating, Inc., National Tele-Communications,)
and Parcel Consultants, Inc.)
_____)

Docket No. 000825-TI
Filed:

**TTI NATIONAL, INC.'S PETITION FOR WAIVER AND
EXPEDITED HANDLING**

TTI National, Inc. ("TTI"), pursuant to Rules 25-24.455(4) and 25-24.490(1), Florida Administrative Code and Florida Statutes section 120.542, hereby petitions for waiver of the Florida Public Service Commission's ("Commission") Rule 25-4.118, Florida Administrative Code, to allow it to transfer the subscribers of National Tele-Communications, Parcel Consultants, Inc., Minimum Rate Pricing, Inc, and Discount Call Rating, Inc. (collectively, Minimum Rate Pricing, or "MRP") to TTI's service without first obtaining each subscriber's authorization and verification.

In support of this Petition, TTI states:

I. DESCRIPTION OF PETITIONER

1. The complete name and address of the Petitioner is:

TTI National, Inc.
Concourse Corporate Center Six
Six Concourse Parkway, Suite 3200
Atlanta, GA 30328

TTI is an interexchange carrier authorized to offer intrastate service in Florida and in 47 other states.

TTI offers switched outbound("1+"), toll free and calling card services, and currently serves more than 250,000 customers nationwide. TTI's services are marketed primarily to small business and

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residential customers. TTI is a wholly-owned subsidiary of WorldCom, Inc., a publicly traded company.

2. Notices, orders and other documents issued in this docket should be provided to:

Floyd R. Self, Esq.
Messer, Caparello & Self, P.A.
Post Office Box 1876
Tallahassee, FL 32302-1876
850/222-0720 (telephone)
850/224-4359 (telecopier)

With a copy to:

Douglas F. Brent, Esq.
Director, State Regulatory Affairs
101 Bullitt Lane, Suite 107
Louisville, Kentucky 40222

3. Pursuant to Rule 25-4.118, Florida Administrative Code, a customer's presubscribed interLATA and intraLATA toll services provider shall not be changed without the customer's authorization. The carrier must either: (1) obtain a letter of agency from the customer requesting the change; (2) obtain confirmation from the subscriber via a customer-initiated call; or (3) utilize an independent third party to verify the subscriber's order. TTI respectfully requests a waiver of this rule so that it may change the presubscribed interLATA and intraLATA toll providers for the MRP customer to TTI, through TTI's acquisition of the customer base assets of MRP, for the reasons more fully described below.

II. THE MRP BANKRUPTCY

4. On February 26, 1999, Minimum Rate Pricing, Inc., Parcel Consultants, Inc. and National Tele-Communications, Inc. each filed voluntary chapter 11 bankruptcy petitions in the United States Bankruptcy Court for the District of New Jersey. On November 3, 1999, Discount

Call Rating, Inc. also filed its voluntary chapter 11 petition in the same court. As a result of, *inter alia*, the continued loss in value of MRP's assets, primarily as a result of attrition of MRP's customer base, MRP decided to sell substantially all of its assets pursuant to section 363 of the Bankruptcy Code, Title 11 U.S.C. § 363, at a public auction.

5. On December 9, 1999, an auction was held at which TTI and one other party made bids on MRP's assets, including, but not limited to all U.S. based long distance customer accounts which have selected MRP as their provider for outbound and inbound switched services and calling card services. Because TTI's bid was found to be the highest and best offer for MRP's assets¹, the Bankruptcy Court entered an Order² authorizing the sale of substantially all of MRP's assets, including without limitation, MRP's customer base³, to TTI, free and clear of all liens, claims and encumbrances.

III. THE SALE ORDER AND PROPOSED CUSTOMER BASE TRANSFER

6. The Sale Order authorizes a management agreement whereby TTI, through its designated operator, Asset Recovery Services, Inc., agrees to manage the MRP customer base

¹TTI is purchasing MRP's assets only. MRP's assets consist of the customer base and a minimal amount of other tangible assets, consisting of office equipment. All physical assets are located in New Jersey. TTI is not purchasing or assuming any of MRP's existing contingent liabilities, nor is it acquiring the certificates to provide interexchange telecommunications issued by this Commission.

² Order Pursuant to Sections 105, 363, 365 and 1146 of the Bankruptcy Code (i) Authorizing and Approving the Emergency Sale of Certain Assets of the Debtors Free and Clear of Liens, Claims, and Encumbrances, (ii) Authorizing and Approving the Terms of the Asset Purchase Agreement, (iii) Scheduling Further Hearings to Consider the Assumption and Assignment or Rejection of Certain Executory Contracts and Unexpired Leases and (iv) Authorizing the Exemption of the Sale From Stamp or Similar Taxes (the "Sale Order").

³As of March 2000, MRP's customer base consisted of fewer than 207,000 active customers, with less than 2,000 such customers located in Florida.

pending regulatory approval from the Federal Communications Commission⁴ and state regulatory bodies. Once all required regulatory approvals are obtained: 1) TTI will close on the sale; 2) MRP's customers will be transferred to TTI's service; and 3) other assets purchased pursuant to the Bankruptcy Court Order will be transferred to TTI.

7. In the event that the requisite regulatory approvals are not obtained, then, TTI will not be able to close on the sale and the management of the MRP customer base would return to MRP. However, because MRP does not have the financial ability or personnel to continue to provide service or manage the customer base, MRP's customers' long distance service would likely be interrupted. Thus, absent Commission action, customers would lose their long distance service provider. Accordingly, TTI seeks permission to effect a seamless⁵ transition of long distance service for the affected MRP customers.

8. This transition in service will include appropriate, actual notice to each of MRP's customers, enabling such customers to choose another carrier rather than TTI. As soon as all requisite state and federal regulatory approvals have been obtained, MRP, in cooperation with TTI, will send letters to all MRP customers notifying them that MRP will no longer be serving as a

⁴On April 8, TTI National filed with the FCC a request for waiver of the rules which would otherwise prevent the simultaneous transfer of MRP's customers to TTI's service. Grant of the petition by the FCC will enable TTI to begin providing interLATA service to MRP's customers. A copy of the FCC application is attached as Exhibit 1.

⁵MRP's customers are presubscribed to CIC "555", which belongs to MCI WorldCom Network Services, Inc. ("MWNS"). CIC "555" is used to provision originating "1+" services for numerous resellers unaffiliated with MWNS, but is also used to provision service for TTI. MWNS and TTI are both wholly-owned subsidiaries of WorldCom, Inc. This coincidence will benefit MRP's customers because it will simplify the process of migrating them to TTI. After regulatory approval is obtained and the MRP customer base is purchased by TTI, no LEC presubscription changes will be required, as the underlying network service configuration will not change. TTI, therefore, expects that no LEC PIC change charges will apply to the transfer of the MRP customer base.

domestic presubscribed long distance carrier, and that beginning approximately 30 days after receipt of MRP's letter, all "1+" calls from telephone lines previously served by MRP and calling card calls will be completed by TTI. The customers will be informed that they will receive the same or better rates and services than those which they were receiving from MRP, without interruption and without need for action. The affected MRP customers will also be advised that they are under no obligation to take service from TTI, and that each customer is free to select another company to carry their long distance calls.

9. Additionally, after customers begin receiving TTI's service, TTI will send a "welcome letter" to the affected customers with information concerning TTI's services and rates⁶. The welcome letter will inform the customer that the customer should not be charged any fee by the local phone company as a result of the change to TTI, and if any such fee is imposed, TTI will issue a credit for such charge to the customer. The welcome letter will also provide the former MRP customers with an 800 number to assist them if they have any questions regarding the transfer of their service. Finally, the welcome letter will inform the customers that they should contact TTI with questions concerning MRP service or billing.

IV. REQUEST FOR WAIVER

10. Expedited action on this application is requested. Waiver of the Commission's verification rule in this instance is in the public interest as it affects the provisions of the Sale Order issued by U.S. Bankruptcy Court for the District of New Jersey, allows TTI to provide a seamless transition to former MRP customers, while ensuring that the affected customers receive ample

⁶Both letters are included in Exhibit 1.

notification, clearly understand available choices, and have the opportunity to change providers if they wish. The Commission should, therefore, grant TTI's request for expedited waiver of the Commission's verification rule set forth in Rule 25-4.118, F.A.C., and approve the transfer of MRP's customer base assets to TTI pursuant to the procedures outlined above. This waiver will also prevent unnecessary slamming complaints during this transition. These facts demonstrate that the requested waiver meets the requirements and purpose of Rule 25-4.118 and the underlying statute.

WHEREFORE, TTI National, Inc. requests that the waiver from the verification requirements of Rule 25-4.118 and the transfer procedures described herein be found to be in the public interest and, therefore, be granted.

Respectfully submitted



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