

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Initiation of show cause proceedings against WebNet Communications, Inc. for apparent violation of Rule 25-4.118, F.A.C., Local, Local Toll, and Toll Provider Selection.

DOCKET NO. 001109-TI
ORDER NO. PSC-01-2432-PAA-TI
ISSUED: December 13, 2001

The following Commissioners participated in the disposition of this matter:

E. LEON JACOBS, JR., Chairman
J. TERRY DEASON
LILA A. JABER
BRAULIO L. BAEZ
MICHAEL A. PALECKI

NOTICE OF PROPOSED AGENCY ACTION
ORDER ACCEPTING SETTLEMENT PROPOSAL

BY THE COMMISSION:

Case Background

On November 12, 1999, WebNet Communications, Inc. (WebNet) obtained Interexchange Company (IXC) Telecommunications certificate number 7220. Between April 21, 2000 to February 16, 2001, our staff received 128 complaints from customers claiming they were slammed by WebNet. On August 11, 2000, we opened this docket to investigate whether WebNet should be ordered to show cause why it should not be fined or have its certificate canceled for apparent violation of Rule 25-4.118, Florida Administrative Code, Local, Local Toll, or Toll Provider Selection. On September 26, 2000, we deferred this item from our Agenda Conference pending a purported settlement offer from WebNet. At a subsequent Agenda Conference, held April 3, 2001, we rejected WebNet's offer, noting that it was not a bona-fide settlement offer, and Order No. PSC-01-1027-SC-TI again ordered WebNet to show cause why it should not be fined or have its certificate canceled for apparent violation of Rule 25-

DOCUMENT NUMBER-DATE

15540 DEC 13 01

FPSC-COMMISSION CLERK

4.118, Florida Administrative Code, Local, Local Toll, or Toll Provider Selection. On May 2, 2001, WebNet requested that this matter be set for hearing. Order No. PSC-01-1521-PCO-TI, issued July 23, 2001, established the procedure to be followed in this docket. Between October 29, 2001, and November 7, 2001, WebNet submitted a proposal and a clarifying letter to settle this docket.

Analysis and Determination

Between April 21, 2000, and February 16, 2001, our Division of Consumer Affairs (CAF) logged 128 complaint cases from consumers claiming they were slammed by WebNet. As of February 16, 2001, our staff has determined that 58 of those complaints were apparent unauthorized changes of the primary interexchange carrier by WebNet.

At the April 3, 2001, Agenda Conference, our staff recommended that WebNet be fined \$10,000 per violation, for a total of \$580,000, for apparent violation of Rule 25-4.118, Florida Administrative Code, Local, Local Toll, or Toll Provider Selection. We approved staff's recommendation in Order No. PSC-01-1027-SC-TI, issued on April 26, 2001. On May 2, 2001, WebNet protested our Order and requested that this matter be set for hearing. The hearing was set for November 7, 2001.

On October 29, 2001, WebNet submitted an offer of settlement, followed by a clarification on November 5, 2001. WebNet has offered to cease providing IXC services in Florida by February 8, 2002, in lieu of paying a fine for its apparent violation of Rule 25-4.118, Florida Administrative Code, Local, Local Toll, or Toll Provider Selection. In its settlement offer, WebNet proposed the following:

- To forfeit its certificate in an involuntary cancellation of Certificate No. 7220, without objection;
- To send the letter (included in Attachment B), upon Commission approval of its settlement offer, to each of its customers in the State of Florida notifying its customers that the company is exiting the market and that they must choose another local

toll and/or long distance provider prior to the cessation date in order to avoid discontinuation of their service. WebNet will not make any suggestions or references to its customers regarding alternate providers in the notification letter.

- Provide staff with a list of its existing Florida customer base. This list will include information relating to each customer's name, address, telephone number and date of service initiation.
- Provide staff with the certificated name and contact information of its underlying carrier in Florida.
- To resolve all outstanding complaints submitted to the Commission prior to the date of the Commission's Order approving this settlement offer within 30 days of the Commission's Order.
- Provide staff with a complete report detailing the company's compliance with the final terms and conditions of this Settlement within 90 days of the Commission's Order approving the terms and conditions of its settlement proposal.

Upon consideration, we hereby accept the terms of the settlement offer as summarized in this Order. We have reviewed WebNet's offer and its proposed letter of notification to its customers and believe that they are satisfactory. At the time of this filing, WebNet has approximately 114 consumer complaints that require action by the company. We believe that the settlement offer submitted by WebNet is consistent with other settlement offers we have accepted for apparent slamming violations, and is fair and reasonable.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that WebNet Communications, Inc.'s Settlement Offer, as contained in the body of this Order, is hereby accepted. It is further

ORDER NO. PSC-01-2432-PAA-TI
DOCKET NO. 001109-TI
PAGE 4

ORDERED that WebNet Communications, Inc. shall file a report with this Commission within 90 days of the issuance of our Order expounding how WebNet has complied with the provisions of its settlement offer and resolved all of the complaints filed against the company, up to and including the date of issuance of this Order. It is further

ORDERED that WebNet Communications, Inc.'s Interexchange Company Telecommunications certificate number 7220 shall be canceled, effective February 8, 2002. It is further

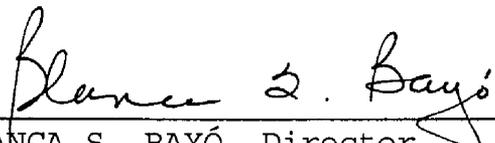
ORDERED that if WebNet fails to file a report with the Commission within 90 days of the issuance of the Commission's Order, and demonstrate that it has complied with its settlement offer and resolved all of the complaints filed against the company up to and including the date of issuance of the Commission's Order, further proceedings may be initiated. 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 Director, Division of the Commission Clerk and Administrative Services, 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, and all obligations imposed herein are satisfied, this Docket shall be closed administratively.

ORDER NO. PSC-01-2432-PAA-TI
DOCKET NO. 001109-TI
PAGE 5

By ORDER of the Florida Public Service Commission this 13th
day of December, 2001.



BLANCA S. BAYÓ, Director
Division of the Commission Clerk
and Administrative Services

(S E A L)

WDK

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 Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on January 3, 2002.

ORDER NO. PSC-01-2432-PAA-TI
DOCKET NO. 001109-TI
PAGE 6

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 docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.