

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Bankruptcy cancellation by Florida
Public Service Commission of CLEC
Certificate No. 8088, issued to Cordia
Communications Corp., effective December
31, 2011.

DOCKET NO. 110326-TX
ORDER NO. PSC-12-0124-PAA-TX
ISSUED: March 15, 2012

The following Commissioners participated in the disposition of this matter:

RONALD A. BRISÉ, Chairman
LISA POLAK EDGAR
ART GRAHAM
EDUARDO E. BALBIS
JULIE I. BROWN

NOTICE OF PROPOSED AGENCY ACTION ORDER
GRANTING CANCELLATION OF CERTIFICATE OF AUTHORITY DUE TO
BANKRUPTCY

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

Cordia Communications Corp. (Cordia) currently holds a Certificate of Authority No. 8088, issued on May 1, 2002. On December 28, 2011, this Commission received a letter dated December 28, 2011, from the law office of Maria A. Abbagnaro, LLC, representing Cordia and stating that Cordia does not currently service customers in Florida and requesting cancellation of the company's certificate. Cordia filed for Chapter 11 bankruptcy protection in the Middle District of Florida on May 1, 2011, as documented in Bankruptcy Case 6:11-bk-06493.

In the December 28, 2011 letter, Cordia requested a bankruptcy cancellation of the certificate because the company did not have funds available to pay the Regulatory Assessment Fees (RAF). We are vested with jurisdiction over this matter pursuant to Chapter 364, Florida Statutes and Section 350.113, Florida Statutes.

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FPSC-COMMISSION CLERK

Cordia has filed for bankruptcy, and pursuant to 11 USCS § 362(a)(1-2) of the United States Bankruptcy Code, the filing of a petition for bankruptcy relief acts as a stay for administrative action or proceeding against the debtor that was or could have commenced before the bankruptcy case or to enforce a judgment obtained before the bankruptcy case against the debtor.¹ Additionally, in any bankruptcy liquidation or reorganization, secured creditors are given the highest priority in the distribution and, normally receive all of the distributed assets. RAFs, late payment charges, and penalties owed by a company to this Commission, as well as monetary settlements of cases resolving issues of failure to pay such fees, are not secured debts and, as a practical matter, are uncollectible in a bankruptcy proceeding where liquidation occurs. Cordia owes the 2011 RAFs, plus the statutory late payment charges, for its certificate. This Commission may be prevented from collecting the RAFs owed by Cordia and from assessing and collecting a penalty for failure to pay the fees because Cordia has filed for bankruptcy.

Pursuant to Section 364.336, Florida Statutes, telecommunications companies must pay a minimum annual RAF if the certificate was active during any portion of the calendar year and late payment charges as outlined in Section 350.113, Florida Statutes, for any delinquent amounts.

Because Cordia has filed for bankruptcy, we hereby find it appropriate to approve the cancellation of Cordia's Certificate No. 8088, effective December 31, 2011. In addition, any unpaid RAFs shall not be sent to the Florida Department of Financial Services for collection, and the Division of Administrative Services shall request permission to write off the uncollectible amount. Cordia shall also immediately cease and desist providing competitive local exchange services in Florida.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Cordia Communications Corp.'s Certificate No. 8088 to provide telecommunications services is hereby cancelled, effective December 31, 2011, due to bankruptcy. It is further

ORDERED that the outstanding Regulatory Assessment Fees, including accrued statutory late payment charges, shall not be sent to the Department of Financial Services for collection. The Division of Administrative Services, instead, shall request permission to write off the uncollectible amount. It is further

ORDERED that if Cordia Communications Corp.'s Certificate No. 8088 is cancelled in accordance with this Order, it shall immediately cease and desist providing telecommunication services in Florida. 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

¹ See also 11 USCS § 362(a)(6) which states that bankruptcy filing operates as a stay for any act, to collect, assess, or recover a claim that arose before the bankruptcy filing.

the Office of Commission Clerk, 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, this docket shall be closed.

By ORDER of the Florida Public Service Commission this 15th day of March, 2012.



ANN COLE
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

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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 Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on April 5, 2012.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

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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.