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MEMORANDUM

April 30, 1998

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FPSC - Records/Reporting

TO:

DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM:

DIVISION OF COMMUNICATIONS (WILLIAMS) DIVISION OF AUDITING & FINANCIAL ANALYSIS (LESTER)

DIVISION OF LEGAL SERVICES (PENA)

RE:

DOCKET NO. 980223-TI; APPLICATION FOR CERTIFICATE TO PROVIDE INTEREXCHANGE TELECOMMUNICATION SERVICE BY STATE COMMUNICATIONS, INC. d/b/a STATE PHONE COMPANY.

DOCKET NO. 980230-TX; APPLICATION FOR CERTIFICATE TO PROVIDE ALTERNATIVE LOCAL EXCHANGE COMPANY SERVICE BY STATE COMMUNICATIONS, INC. d/b/a STATE PHONE COMPANY.

AGENDA:

CRITICAL DATES:

05/12/98 - REGULAR AGENDA - PROPOSED AGENCY ACTION - INTERESTED PERSONS MAY PARTICIPATE

NONE

SPECIAL INSTRUCTIONS: I: 980223.RCM

CASE BACKGROUND

At a recent agenda conference there was discussion about telephone companies filing applications with names such as "I Don't Know" or "I Don't Care". These names could easily result in a company acquiring business by default. Since the Commission has expressed a concern, staff wants to be sure the Commission takes note of these applications.

DOCUMENT NUMBER-DATE

04853 APR 30 #

DOCKET NO. 980223-TI & 980230-TX DATE: May 12, 1998

STAFF RECOMMENDATION

ISSUE 1: Should the Commission grant STATE COMMUNICATIONS, INC. d/b/a STATE PHONE COMPANY (SPC) a certificate to provide statewide interexchange telecommunications service and alternative local exchange service within the State of Florida as provided by Section 364.337 (3), Florida Statutes?

RECOMMENDATION: Yes, SPC should be granted:

Florida Public Service Commission IXC Certificate No. 5608
Florida Public Service Commission ALEC Certificate No. 5638

STAFF ANALYSIS: SPC filed applications with this Commission on February 2 and February 12, 1998, to offer telecommunications service as a switchless rebiller and alternative local exchange company in Florida.

SPC's exhibit of managerial and technical qualifications exhibits satisfactory records. A review of SPC's financial capability by the Division of Auditing and Financial Analysis indicates that the application appears to meet the financial capability standard of Section 364.337, Florida Statutes.

Further, in the arena of competition buyers will have to be more market knowledgeable than in the past. If the service and rates are satisfactory a buyer might well be satisfied with the new provider. If not, a buyer can affirmatively choose a specific company and change carriers. Therefore, staff believes this application should be approved.

ISSUE 2: Should this docket be closed?

<u>RECOMMENDATION:</u> Yes, if no person whose substantial interests are affected by the Commission's Proposed Agency Action files a protest within 21 days of the issuance date of the order.

STAFF ANALYSIS: This docket should be closed if no person whose substantial interests are affected by the Commission's Proposed Agency Action files a protest within 21 days of the issuance date of the order.