



Public Service Commission

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RECORDS AND REPORTING

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RECEIVED-FPSC

DATE: APRIL 8, 1999

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (6)

FROM: DIVISION OF LEGAL SERVICES (B. KEATING) *BK*
DIVISION OF COMMUNICATIONS (BIEGALSKI) *KB RTA*

RE: DOCKET NO. 980336-TI - INITIATION OF SHOW CAUSE PROCEEDINGS AGAINST CORAL COMMUNICATIONS, INC. FOR VIOLATION OF RULE 25-24.470, FLORIDA ADMINISTRATIVE CODE, CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY REQUIRED.

AGENDA: 04/20/99 - REGULAR AGENDA - CANCELLATION FOR FAILURE TO COMPLY WITH COMMISSION ORDER - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\CMU\WP\980336.RCM

CASE BACKGROUND

On March 3, 1998, staff observed shoppers submitting Coral entry forms into an entry box at Tallahassee Mall. The entry forms obligated the entrants to a \$7.50 recurring monthly charge on their local exchange telephone bill for a discount calling card. The calling card charges \$.25 per minute usage rates, a \$.25 per day charge and a \$2.99 set up fee.

On April 23, 1998, by Order No. PSC-98-0573-SC-TI, issued in Docket Number 980336-TI, the Commission ordered Coral Communications, Inc. (Coral) to show cause in writing within 20 days of the effective date of the Order why it should not be fined \$25,000 per day for its apparent violations of Rule 25-24.470, Florida Administrative Code, Certificate of Public Convenience and Necessity Required. On December 10, 1998, by Order No. PSC-98-1684-AS-TI, issued in Docket No. 980336-TI, the Commission approved Coral's settlement offer. In addition on December 21, 1998, by

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FPSC RECORDS/REPORTING

Order No. PSC-98-1742-FOF-TI, issued in Docket No. 980491-TI, the Commission approved Coral's application to provide interexchange service in Florida.

Since that time, Coral has failed to comply with Order No. PSC-98-1684-AS-TI in that it has not remitted its settlement payment in the amount of \$10,000. In addition, Coral's counsel has informed staff that it has no intentions of remitting the settlement payment. In this regard, staff believes the following recommendations are appropriate.

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission cancel certificate number 5771 issued to Coral Communications, Inc. for failure to comply with Order No. PSC-98-1684-AS-TI, issued December 10, 1998?

RECOMMENDATION: Yes. The Commission should cancel certificate number 5771 issued to Coral Communications, Inc. for failure to comply with Order No. PSC-98-1684-AS-TI. (Biegalski)

STAFF ANALYSIS: On May 7, 1998, Coral sent staff its proposed settlement offer. In its settlement offer Coral agreed to do the following:

- Coral will refund any Florida customer complaints.
- Coral will make sure all marketing materials are withdrawn from Florida.
- Coral will pay a \$10,000 penalty for operating in Florida without a certificate.

On December 10, 1998, by Order No. PSC-98-1684-TI, the Commission approved Coral's settlement. Staff has been informed by Coral's counsel that the refunds to Florida consumers have been completed and Coral's marketing materials have been withdrawn from Florida. However, staff has not received the \$10,000 settlement payment from Coral. In addition, staff was informed by Coral's counsel that it had no intentions of remitting the settlement payment.

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Therefore, staff believes the Commission should cancel Coral's certificate for failure to comply with Order No. PSC-98-1684-AS-TI. In this regard, staff will notify all certificated IXC's to discontinue providing interexchange telecommunications service to Coral pursuant to Rule 25-24.4701(3), Florida Administrative Code.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes. If staff's recommendation in Issue 1 is approved, Coral's certificate will be canceled. With the cancellation of Coral's certificate, no other issues remain. Therefore, this docket may be closed. **(B. Keating)**

STAFF ANALYSIS: If staff's recommendation in Issue 1 is approved, Coral's certificate will be canceled. With the cancellation of Coral's certificate, no other issues remain. Therefore, this docket may be closed.