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STEPHEN E. HOLSTEN

DEPOSIT

DATE

D 5 7 8

JUL 30 1997

July 28, 1997

VIA OVERNIGHT MAIL

Division of Fiscal Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

* VA BAR ONLY
** PA BAR ONLY
*** NY AND NJ BARS ONLY
**** MD BAR ONLY

Re: Docket No. 960217-TI, Order No. PSC-97--0817-FOF-TI In re: Initiation of Show Cause Proceedings Against Telecuba, Inc. for Violation of Rule 25-24.470, F.A.C., Certificate of Public Convenience and Necessity Required

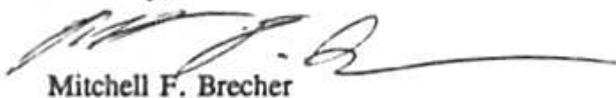
Docket No. 960295-TI In Re: Application for Certificate to Provide Interexchange Telecommunications Service by World Long Distance, Inc.

To whom it may concern:

Pursuant to the order of the Commission issued July 8, 1997 in the above-captioned docketed proceedings, enclosed herewith is a check in the amount of seven thousand dollars (\$7,000.00) payable to the order of the Florida Public Service Commission, in payment of Telecuba, Inc.'s voluntary contribution to the General Revenue Fund. This voluntary contribution reflects the settlement of the show cause investigation agreed upon between Telecuba and the Commission staff and approved by the Commission at its agenda conference June 10, 1997.

If there are any questions regarding this matter, please communicate directly with undersigned counsel.

Sincerely,



Mitchell F. Brecher

Enclosure

cc: William Cox, Esq.

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use of prepaid calling cards. Telecuba provided this service by purchasing long distance services from World Access Communications Corporation (World Access), holder of Interexchange Carrier (IXC) Certificate of Public Convenience and Necessity No. 2385.

Telecuba resold World Access' services to end user customers who purchased a debit card that could be used to access an 800 number to place telephone calls. Telecuba or its agents sold the cards to end user customers for a flat fee for a certain amount of minutes of use. Telecuba did not have an IXC certificate giving it authority to resell such intrastate services in Florida. World Access purchased the network time for the 800 access numbers at a wholesale rate from AT&T. World Access thereby had control over the numbers' use and resale to other telecommunications companies and the general public.

In early December, 1995, Mr. Coello contacted our staff several times by telephone regarding his complaint that World Access had disconnected the 800 access numbers that Telecuba was using to provide its prepaid calling service. Telecuba was not able to get World Access to reconnect the numbers and unable to get AT&T to reassign the numbers to Telecuba. Carlos Rodriguez, a World Access representative, communicated to our staff that Telecuba was disconnected because of its failure to fulfill its business obligations. As a result, end users who had purchased debit cards were not able to complete telephone calls and receive the telephone service for which they had already paid. The companies have been unable to resolve their differences.

By Order No. PSC-96-0630-FOF-TI, issued May 10, 1996, we initiated proceedings to require Telecuba to show cause why we should not fine Telecuba for violation of Rule 25-24.470, Florida Administrative Code, certificate of public convenience and necessity required. We also ordered Telecuba to show cause why it should not make refunds to customers for each debit card sold equal to the amount of purchase or equal to unused long distance service. Further, we ordered Telecuba to show cause why it should not run a notice in the local media in the area where the cards were sold stating how refunds may be obtained. On May 30, 1996, Telecuba filed its Answer to Order to Show Cause and Petition for Formal Proceeding, and the matter was set for hearing on May 28, 1997.

On May 8, 1997, Telecuba submitted a written proposal to us to contribute \$7,000 to the State of Florida General Revenue Fund in lieu of our continuing the show cause proceeding. (Attachment A).

Telecuba also agreed to provide us with the documentation requested in Staff's First Set of Requests for Production of Documents, including documentation supporting any refund Telecuba had provided to its customers possessing non-working debit cards. Finally, Telecuba's proposal requests that we promptly process the application of Mr. Coello's corporation, World Long Distance, Inc., for authority to provide intrastate IXC service in Florida. Our staff has previously withheld processing this application due to the pending show cause proceeding against Mr. Coello's company, Telecuba. This Order addresses Telecuba's settlement proposal and the World Long Distance IXC certificate application.

II. RESOLUTION OF SHOW CAUSE PROCEEDING

Telecuba has cooperated with our staff in an effort to resolve the areas in dispute and to refund the affected customers. In the Direct Testimony of Mr. Coello and Telecuba's Responses to Staff's Request for Production of Documents, Telecuba has provided us with written verification that it has made a refund of \$12,055.00 to its customers who had non-working debit cards. World Access has provided a call detail records summary that shows the total amount of unused time on the Telecuba cards. This information indicates a credit balance of \$5,994.20 remaining on the non-working Telecuba cards. (Attachment B). Telecuba also has provided written verification of its placement of an advertisement in the local media in the area where the cards were sold indicating how customers who possess non-working cards can obtain a refund. Telecuba has provided similar information to merchants who sold the Telecuba cards in order to notify the affected customers.

In Telecuba's proposed settlement (Attachment A), the company offered to pay a \$7,000 contribution into the State of Florida General Revenue Fund and to verify in writing its refund to the affected customers. In previous dockets involving companies operating without a certificate, fines and settlements have ranged up to \$40,714. In this case, a \$7,000 contribution appears reasonable. Telecuba has cooperated with us, refunded the affected customers, and intends to comply with all of our rules and orders in the future. Many of the cases where greater fines were levied or higher settlements were proposed involved companies that could not be located and did not respond to our staff's inquiries. Therefore, we believe that the settlement proposal of a \$7,000 contribution is appropriate.

Telecuba's proposal also explained why we should not require Telecuba, as it presently operates, to obtain an IXC certificate. We believe that Telecuba presently operates purely as a marketer and distributor of the debit cards and not as a reseller of telecommunications services. Therefore, we do not believe that we should require Telecuba to obtain an IXC certificate.

Accordingly, we accept the settlement proposal of Telecuba in resolution of the show cause proceeding. Upon our receipt, we shall forward the \$7,000 payment to the Office of the Comptroller for deposit in the State of Florida General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. Telecuba shall remit the \$7,000 contribution and provide written verification of a refund to the affected customers within 30 days of the date this Order becomes final.

Docket No. 960217-TI shall be closed upon our receipt of Telecuba's contribution of \$7,000 to the General Revenue Fund and written verification of a refund to the affected customers within 30 days of the date the provisions of this Order approving Telecuba's settlement proposal become final.

III. WORLD LONG DISTANCE, INC.'s IXC CERTIFICATE APPLICATION

Section 364.337(3), Florida Statutes, provides:

The commission shall grant a certificate of authority to provide intrastate interexchange telecommunications service upon a showing that the applicant has sufficient technical, financial, and managerial capability to provide such service in the geographic area to be served.

World Long Distance filed an application with this Commission on March 6, 1996, to offer interexchange telecommunications service as a reseller in Florida. The information contained therein demonstrates that the company has sufficient managerial and technical capabilities in the provision of telecommunications service. The information also demonstrates that the company has adequate financial capability in accordance with the requirements of Section 364.337(3), Florida Statutes.

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Therefore, we find it appropriate to grant World Long Distance Florida Public Service Commission Certificate No. 4452 to provide interexchange telecommunications service.

Docket No. 960295-TI shall be closed, unless a person whose substantial interests are affected by our Proposed Agency Action granting World Long Distance an IXC certificate files a protest within 21 days of the issuance date of this Order.

If this Order becomes final and effective, it will serve as World Long Distance's IXC certificate. Therefore, it should be retained by World Long Distance as proof of certification.

Interexchange carriers (IXCs) are subject to Chapter 25-24, Florida Administrative Code, Part X, Rules Governing Telephone Service Provided by Interexchange Telephone Companies. IXCs are also required to comply with all applicable provisions of Chapter 364, Florida Statutes, and Chapter 25-4, Florida Administrative Code. Further, in accordance with Order No. 16804, issued November 4, 1986, IXCs may not construct facilities to bypass a local exchange company without the prior approval of this Commission.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the settlement proposed by Telecuba, Inc. in resolution of this show cause proceeding, which is attached to this Order as Attachment A and is incorporated herein by reference, is hereby approved. It is further

ORDERED that Docket No. 960217-TI shall be closed upon our receipt of Telecuba, Inc.'s contribution of \$7,000 to the General Revenue Fund and written verification of a refund to its affected customers within 30 days of the date the provisions of this Order approving the settlement proposal of Telecuba, Inc. become final. It is further

ORDERED that World Long Distance, Inc. is granted a certificate to provide interexchange telecommunications service, subject to the terms and conditions stated in the body of this Order. It is further

ORDERED that this Order shall serve as World Long Distance, Inc.'s certificate and should, therefore, be retained as proof of certification. It is further

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SUNTRUST BANK / MIAMI, N.A.
MIAMI, FL (305) 255-1516

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7/25/97

PAY
TO THE
ORDER OF

FLORIDA PUBLIC SERVICE COMMISSION

\$ **7,000.00

Seven Thousand and 00/100*****

DOLLARS

FLORIDA PUBLIC SERVICE COMMISSION

Rob G. Call President
AUTHORIZED SIGNATURE

MEMO

VOLUNTARY CONTRIBUTION TO GENERAL REVENUE