



# Public Service Commission

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## -M-E-M-O-R-A-N-D-U-M-

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REPORTING AND

**DATE:** FEBRUARY 22, 2001

**TO:** DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYÓ)

**FROM:** DIVISION OF COMPETITIVE SERVICES (ISLER) *pij*  
DIVISION OF LEGAL SERVICES (K. PEÑA; B. KEATING) *md* *WMP*

**RE:** DOCKET NO. 001467-TX - CANCELLATION BY FLORIDA PUBLIC SERVICE COMMISSION OF ALTERNATIVE LOCAL EXCHANGE TELECOMMUNICATIONS CERTIFICATE NO. 6040 ISSUED TO HJN TELECOM, INC. FOR VIOLATION OF RULE 25-4.0161, F.A.C., REGULATORY ASSESSMENT FEES; TELECOMMUNICATIONS COMPANIES.

**AGENDA:** 03/06/01 - REGULAR AGENDA - INTERESTED PERSONS MAY PARTICIPATE

**CRITICAL DATES:** NONE

**SPECIAL INSTRUCTIONS:** NONE

**FILE NAME AND LOCATION:** S:\PSC\CMP\WP\001467.RCM

### CASE BACKGROUND

- **04/17/99** - The company was granted Florida Public Service Commission Certificate No. 6040.
- **12/08/99** - The 1999 Regulatory Assessment Fee (RAF) return notice was mailed. Payment was due January 31, 2000.
- **02/29/00** - The Division of Administration mailed a delinquent notice for the 1999 RAF.
- **10/30/00** - Staff wrote the company and advised that a docket had been established for nonpayment of the 1999 RAF, including statutory penalty and interest charges, and to contact staff if the company was interested in resolving the docket.

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FPSC-RECORDS/REPORTING

- **12/06/00** - Ms. Kelli Muhammad, Consultant, contacted staff on behalf of HJN Telecom, Inc., and requested that the company's options be faxed to her. This was faxed the same day.
- **12/12/00** - The 2000 RAF return was mailed. Payment was due by January 30, 2001.
- **12/28/00** - The Commission received the company's 2000 RAF payment. The company reported no revenues for the period ended December 31, 2000. On the same date, Mr. Bradley Clapp, Secretary/Treasurer, called and requested that the company's options and the 1999 RAF return be faxed to him. This information was faxed to him the same day.
- **01/24/01** - The Commission received from the company's consultant, the payment for the 1999 RAF, including statutory penalty and interest charges. In addition, the consultant proposed a settlement on behalf of the company.
- **01/29/01** - The Commission received from the company's consultant, an amended settlement.

The Commission is vested with jurisdiction over this matter pursuant to Sections 364.336, 364.337, and 364.285, Florida Statutes. Accordingly, staff believes the following recommendations are appropriate.

#### **DISCUSSION OF ISSUES**

**ISSUE 1:** Should the Commission accept the settlement offer proposed by HJN Telecom, Inc. to resolve the apparent violation of Rule 25-4.0161, Florida Administrative Code, Regulatory Assessment Fees; Telecommunications Companies?

**RECOMMENDATION:** Yes. The Commission should accept the company's settlement proposal. Any contribution should be received by the Commission within ten business days from the date of the Commission Order and should identify the docket number and company name. The Commission should forward the contribution to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. If the company fails to

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pay in accordance with the terms of the Commission Order, Certificate No. 6040 should be canceled administratively. (Isler)

**STAFF ANALYSIS:** Rule 25-4.0161, Florida Administrative Code, which implements Section 364.336, Florida Statutes, requires the payment of regulatory assessment fees by January 30, or the next business day, of the subsequent year for telecommunications companies, and provides for penalties and interest as outlined in Section 350.113, Florida Statutes, for any delinquent amounts.

Prior to staff filing its recommendation, the Commission received the company's payment for the outstanding regulatory assessment fee, including statutory penalty and interest charges, payment of the 2000 RAF, and a letter from the company's consultant which offered to pay a \$100 contribution and proposed to pay future RAFs on a timely basis. In addition, the company's consultant modified its settlement proposal, which included a waiver of objection to the administrative cancellation of the company's certificate in the event the settlement proposal is accepted and the company ultimately fails to comply with the terms of its offer. The recommended settlement amount is consistent with amounts the Commission has accepted for recent, similar violations.

Accordingly, staff believes the terms of the settlement agreement as summarized in this recommendation should be accepted. Any contribution should be received by the Commission within ten business days from the date of the Commission Order and should identify the docket number and company name. The Commission should forward the contribution to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. If the company fails to pay in accordance with the terms of the Commission Order, Certificate No. 6040 should be canceled administratively.

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**ISSUE 2:** Should this docket be closed?

**RECOMMENDATION:** Yes, if the Commission approves staff's recommendation in Issue 1, this docket should be closed upon receipt of the \$100 contribution or cancellation of the certificate. (K. Peña; B. Keating)

**STAFF ANALYSIS:** If the Commission approves staff's recommendation in Issue 1, this docket should be closed upon receipt of the \$100 contribution or cancellation of the certificate.