



Public Service Commission

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DATE: OCTOBER 5, 2000

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

FROM: DIVISION OF REGULATORY OVERSIGHT (HAWKINS)
DIVISION OF LEGAL SERVICES (DANDELAKE/CALDWELL)
DIVISION OF ECONOMIC REGULATION (DRAPER, D.)

RE: DOCKET NO. 000713-TI - PETITION BY SOUTHWESTERN BELL COMMUNICATIONS SERVICES, INC. d/b/a SOUTHWESTERN BELL LONG DISTANCE d/b/a NEVADA BELL LONG DISTANCE d/b/a PACIFIC BELL LONG DISTANCE d/b/a SBC LONG DISTANCE FOR WAIVER OF RULE 25-24.490(2), F.A.C., WHICH REQUIRES AN INTEREXCHANGE COMPANY TO FILE A BOND COVERING ITS CURRENT DEPOSITS AND ADVANCE PAYMENTS FOR MORE THAN ONE MONTH'S SERVICE.

AGENDA: 10/17/00 - REGULAR AGENDA - PROPOSED AGENCY ACTION - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\RGO\WP\000713.RCM

CASE BACKGROUND

On June 14, 2000, this Commission received a petition from Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance d/b/a Nevada Bell Long Distance d/b/a Pacific Bell Long Distance d/b/a SBC Long Distance (SBCS, Inc.) seeking a waiver of Rule 25-24.490(2), Florida Administrative Code. The basis for seeking a waiver is set forth in the rule itself. The rule requires that a company maintain on file with the Commission a bond covering its current balance of deposits and advance payments from its customers. In the alternative, the Commission may waive the bond requirement if the company demonstrates that it possesses the financial resources and income to provide assurance of continued operation under its certificate over the long run.

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The Commission has addressed several bond waiver petitions in the past, and has approved or denied them based on the financial data provided by the petitioning interexchange telecommunications carrier.

DISCUSSION OF ISSUES

ISSUE 1: Should Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance d/b/a Nevada Bell Long Distance d/b/a Pacific Bell Long Distance d/b/a SBC Long Distance be granted a waiver of Rule 25-24.490(2), Florida Administrative Code?

RECOMMENDATION: Yes. Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance d/b/a Nevada Bell Long Distance d/b/a Pacific Bell Long Distance d/b/a SBC Long Distance should be granted a waiver of Rule 25-24.490(2), Florida Administrative Code. **(HAWKINS)**

STAFF ANALYSIS: Rule 25-24.490(2), Florida Administrative Code, Customer Relations; Rules Incorporated, provides two alternatives for the protection of the IXC's and consumers. The first alternative is a bond, and the second alternative, to be approved by the Commission, is showing of fiscal responsibility. SBCS, Inc. is requesting in this petition that the Commission approve the second alternative.

Rule 25-24.490(2), Florida Administrative Code, states as follows:

An interexchange company may require a deposit as a condition of service and may collect advance payments for more than one month of service if it maintains on file with the Commission a bond covering its current balance of deposits and advance payments (for more than one month's service.) A company may apply to the Commission for a waiver of the bond requirement by demonstrating that it possesses the financial resources and income to provide assurance of continued operation under its certificate over the long term.

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Staff believes that SBCS, Inc.'s liquidity and ability to raise funds in the public capital markets are adequate to demonstrate that it has the financial means to continue operations over the long term. Accordingly, staff recommends that the bond requirement in Rule 25-24.490(2), Florida Administrative Code, be waived for SBCS, Inc.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: 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, this docket should be closed. **(DANDELAKE/CALDWELL)**

STAFF ANALYSIS: Whether staff's recommendation on Issue 1 is approved or denied, the result will be a proposed agency action order. If no timely protest to the proposed agency action is filed within 21 days of the date of issuance of the Order, this docket should be closed upon the issuance of a Consummating Order.