

DT 03-197

ONESTAR LONG DISTANCE, INC.

Show Cause Why Authority to Do Business in New Hampshire
Should Not Be Revoked Effective November 19, 2003

O R D E R N O. 24,219

October 17, 2003

I. BACKGROUND

On October 15, 2003, the Staff of the New Hampshire Public Utilities Commission (Commission) reported to the Commission regarding OneStar Long Distance, Inc. (OneStar), a competitive local exchange carrier (CLEC) that is providing service under an interconnection agreement with Verizon New Hampshire (Verizon), and that is also a certified competitive toll provider (CTP). Staff's report, in the form of a memorandum, detailed OneStar's default of bill payment obligations to Verizon and the impact of that default upon OneStar's customers.

By letter dated May 30, 2003, Verizon notified OneStar of its default of bill payment obligations in the amount of \$227,012.55 for access arrangements in New Hampshire pursuant to Verizon's tariff. Verizon requested OneStar cure its default within 30 days or access service would be discontinued. By letter dated June 9, 2003, Verizon notified OneStar of its default of bill payment obligations in the amount of \$653,046.25 for resale and UNE services pursuant to an Interconnection

Agreement approved by Order *Nisi* No. 23,688 on April 20, 2001. Verizon requested OneStar cure its default within 31 days or those services would be suspended in accord with subsection 6.8 of the Interconnection Agreement. OneStar and Verizon entered into a Debt Restructure Agreement on July 10, 2003 but, on September 15, 2003, OneStar defaulted on that agreement. Section 9 of the Debt Restructure Agreement gives Verizon the right to terminate all service to OneStar in 5 days in the event of default.

On October 9, 2003, Verizon notified Staff that Verizon had notified OneStar of Verizon's intent to begin service suspension and termination. Such action will deprive OneStar's customers of dial tone and access to 911. Verizon has already ceased providing access service to OneStar, thus removing the capacity for OneStar's customers to directly dial toll calls.

Recently, the Commission received several complaints from OneStar customers about their inability to place long distance calls and the company's failure to return customer calls about the problem. In response to the Commission Staff's subsequent inquiry, OneStar suggested that, until the service outage ends, its complaining customers could be informed by Staff to dial 10-10-555 to place long distance calls. Alternatively, OneStar suggested that its customers change their local service provider and change their CIC to 0555.

According to Staff, OneStar does not dispute its indebtedness to Verizon. The company related its desire to avoid service suspension in New Hampshire but has not devised an acceptable plan to meet its obligations to Verizon or its customers.

II. DISCUSSION

The situation described by Staff raises significant questions about OneStar's ongoing ability to meet its financial obligations and service commitments. We find also that the company's managerial capability is in question, given its reported lack of response to customers. As a result of OneStar's actions, its customers cannot place toll calls and their local service is in jeopardy.

By our Order *Nisi* No. 23,397 in Docket DT 99-155, 85 NH PUC 53 (2000), we granted OneStar authority to provide local telecommunications services in New Hampshire. On October 7, 1997, we certified OneStar as a CTP with IXC No. 23997. Pursuant to RSA 374:28, the Commission may, on its own motion, withdraw that authority after notice and hearing if it finds the utility has provided inadequate service. Based upon the information before us, we will require OneStar to appear before us to show cause why its authority to operate in New Hampshire should not be revoked by November 19, 2003. Due to the immediacy of the concern and recognition of Verizon's rights herein, we

will set October 28, 2003 as the date for the hearing. Further, pursuant to N.H. Code Admin. Rule Puc 201.05, we will waive the 14 day notice period required by Puc 203.01.

Efforts to open the local telecommunications market to competition mean that customers have the opportunity to compare various offerings and choose a carrier that best meets their needs. When a carrier fails to meet expectations, customers may choose a different carrier. Such a competitive market does not relieve carriers from meeting state requirements that protect the interests of consumers. OneStar is subject to the N.H. Code of Administrative Rules regarding CLECs, Chapter Puc 1300. Consistent with the precepts embodied in those rules, in particular Puc 1304.03, we will take action now to protect OneStar's customers from unexpected loss of dial tone, an outcome that can have public safety consequences. See, Order No. 24,090 in DT 00-015, *Universal Service: Soft Dial Tone and VoiceMail for the Homeless* (December 6, 2002). Due to the immediacy of the concern, we will direct OneStar to provide us with a list of all of its customers' names and addresses in New Hampshire by October 23, 2003.

Based upon the foregoing, it is hereby

ORDERED, that, pursuant to RSA 374:28, OneStar shall appear at a hearing before the Commission located at 8 Old Suncook Road, Concord, New Hampshire on October 28, 2003 at 2:00

p.m. to show cause why the company's authorization to provide local exchange service and intrastate long distance service in the State of New Hampshire should not be revoked effective November 19, 2003; and it is

FURTHER ORDERED, that OneStar shall file with the Commission, on or before October 21, 2003, a list of its current customers, including mailing addresses, within the State of New Hampshire; and it is

FURTHER ORDERED, that OneStar shall post this Show Cause Order on its website, on or before October 21, 2003, and it is

FURTHER ORDERED, that OneStar shall provide a copy of this Show Cause Order to any customer contacting the Company with a complaint; and it is

FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.01, we will notify all persons desiring to be heard at this hearing by publishing a copy of this Order no later than October 21, 2003, in a newspaper with statewide circulation or of general circulation in those portions of the state in which operations are conducted; and it is

FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.02, any party seeking to intervene in the proceeding shall submit to the Commission an original and eight copies of a Petition to Intervene with copies sent to the

company, Verizon, and the Office of the Consumer Advocate on or before October 23, 2003, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interests may be affected by the proceeding, as required by N.H. Code Admin. Rule Puc 203.02 and RSA 541-A:32, I(b); and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said objection on or before October 28, 2003.

By order of the Public Utilities Commission of New Hampshire this seventeenth day of October, 2003.

Thomas B. Getz
Chairman

Susan S. Geiger
Commissioner

Graham J. Morrison
Commissioner

Attested by:

Claire D. DiCicco
Assistant Secretary