

**DT 03-197**

**ONESTAR LONG DISTANCE, INC**

**Cessation of IntraLATA Toll Operations**

**Order Revoking CTP Authorization**

**ORDER NO. 24,324**

**May 7, 2004**

This Order culminates a lengthy process that began with the issuance by the New Hampshire Public Utilities Commission (Commission), of a Show Cause Order. In Order No. 24,219 (October 17, 2003), the Commission directed OneStar Long Distance, Inc. (OneStar) to show cause why it should retain its authorization to provide local exchange service and intraLATA long distance service in New Hampshire. OneStar had been authorized to provide service as a Competitive Toll Provider (CTP) pursuant to Certification No. 23,997, and as a Competitive Local Exchange Carrier (CLEC) pursuant to Order No. 23,397. OneStar had allegedly failed to pay charges for services provided by other carriers pursuant to interconnection agreements, despite efforts to craft methods to cure the defaults in payment by a Debt Restructuring Agreement, *inter alia*. As a result, and consistent with the interconnection agreement, one of the carriers, Verizon New Hampshire (Verizon), began the process to terminate service to OneStar, an action that effectively ended intraLATA toll service to OneStar's customers.

At the duly noticed hearing on October 28, 2003, OneStar sought a continuance due to the need for its attorney, newly hired on the day of hearing, to prepare. However, during a recess, the parties and Staff, including OneStar's attorney, negotiated an eight-point agreement

to resolve the issues, including a continuance of the hearing to November 12, 2003. The parties presented the agreement to the Commission and the Commission approved it.

After the hearing on November 12, 2003, at which the Commission heard testimony from OneStar and Verizon, the Commission decided to allow OneStar to continue to provide intraLATA toll service in New Hampshire subject to conditions. Order No. 24,239 (November 20, 2003) imposed conditions dealing with 1) cessation of local exchange service; 2) payment to Verizon; 3) notice to customers; 4) Commission monitoring of accounts payable; and 5) notice to the Commission of changes in OneStar's provision of service.

By letter dated December 9, 2003, OneStar informed the Commission that it intended to cease intraLATA toll operations in New Hampshire effective January 7, 2004. According to OneStar, this action was preferable to continuing operations under the conditions specified in Order No. 24,239. Notice of the decision to cease intraLATA operations in New Hampshire would be sent to customers on December 10, 2003, according to OneStar's letter, and customers would be advised to select an alternate carrier. OneStar also stated that it would refund any amounts owed to customers.

By memorandum dated April 23, 2004, Commission Staff informed the Commission that despite numerous attempts to verify the information in One Star's December 9, 2003 letter, Staff has been unsuccessful in confirming the Company's purported notice to customers and refund plans. We are also informed by Staff that 13 complaints regarding OneStar service have been received by the Commission's Consumer Affairs Division since January 8, 2004. We noted in Order No. 24, 239, at pp. 7-8, that

[I]n an increasingly competitive market place, [we are] not in a position to fully protect customers whose competitive provider is unable or unwilling to perform. [We] can,

however, ensure that the terms under which [we] authorized a competitor to provide services are met and that the provider honors the commitments it makes to [us].

We therefore permitted OneStar's continued authority in New Hampshire only if certain conditions were met and, further, indicated that OneStar's authority "to provide service of any kind in New Hampshire" would be withdrawn if "the Commission finds that OneStar has not met its conditions or has engaged in other conduct to demonstrate OneStar does not possess the managerial, technical and financial capability to provide service." *Id.* p. 9.

In light of OneStar's letter of December 9, 2003, and the problems reported by Staff, we find that OneStar has not met the conditions of Order No. 24,239 and has demonstrated it does not possess the managerial, technical and financial capability to provide service. We will therefore revoke OneStar's certification to provide service in New Hampshire as a CTP and as a CLEC. Such revocation does not relieve OneStar from obligations incurred during the time its certification was effective.

**Based upon the foregoing, it is hereby**

**ORDERED**, that OneStar's certification as a CTP pursuant to Certification No. 23,997, and as a CLEC pursuant to Order No. 23,397 is hereby REVOKED; and it is

**FURTHER ORDERED**, that OneStar shall immediately cease providing intraLATA service and shall cease billing any New Hampshire customers.

By order of the Public Utilities Commission of New Hampshire this seventh day  
of May, 2004.

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Thomas B. Getz  
Chairman

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Susan S. Geiger  
Commissioner

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Graham J. Morrison  
Commissioner

Attested by:

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Debra A. Howland  
Executive Director & Secretary