

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's)
own motion into the operations,)
practices, and conduct of America's)
Tele-Network Corp. (ATN), John W.)
Little, President of ATN, and Geri)
Clary, Controller of ATN to determine)
whether the corporation or its principals)
have violated Rule 1 of the)
Commission's Rules of Practice and)
Procedure or have violated the laws,)
rules and regulations governing the)
manner in which California consumers)
are switched from one long distance)
carrier to another.)
_____)

ORIGINAL

FILED
PUBLIC UTILITIES COMMISSION
MARCH 26, 1998
SAN FRANCISCO OFFICE
1.98-03-039

**ORDER INSTITUTING INVESTIGATION OF
AMERICA'S TELE-NETWORK CORP.**

On June 13, 1996, America's Tele-Network Corp. (ATN), a Delaware corporation with its principal place of business in Georgia, filed Application (A.) 96-06-013 seeking authority to operate as a reseller of interLATA and intraLATA long distance telephone service in California. On September 20, 1996, the Commission issued Decision (D.) 96-09-077 granting ATN a certificate of public convenience and necessity (CPCN) to operate in California and assigning ATN corporate identification number U-5687-C.

The Consumer Services Division's (CSD's) Utility Enforcement Unit (Staff or CSD) alleges that information contained in ATN's Application 96-06-013 is untrue and that the Commission likely relied on this alleged

misinformation in granting ATN a CPCN to operate in California. Specifically, CSD alleges that while ATN stated in its application that no one associated with or employed by ATN was previously associated with a nondominant interexchange carrier that filed for bankruptcy or went out of business both ATN's President and ATN's Controller were previously associated with SCI Communications, Inc. (SCI), a carrier that filed for bankruptcy and was the subject of a Commission enforcement action. Investigation of SCI Communications, I.95-02-004.

Moreover, CSD has investigated consumer complaints and other information that indicate that ATN is allegedly switching subscribers' long distance service provider without their authorization in violation of the requirements of Public Utilities Code (P.U. Code) § 2889.5, a practice commonly referred to as "slamming" and is allegedly billing subscribers for services the subscriber never ordered, a practice recently become known as "cramming."

These allegations, if substantiated at hearings, are serious. We expect and require carriers to be truthful and to never mislead the Commission. If these allegations of misrepresentations to the Commission are true, this alone is sufficient cause to revoke ATN's CPCN to operate in California. However, we are also concerned that ATN has switched subscribers' long distance service without the subscribers' authorization and that ATN is placing unauthorized charges on subscribers' local telephone bill, additional actions that we will not tolerate and which, if proven, provide further cause for revocation and other action.

Staff has prepared declarations documenting its investigation to date. A copy of this OII and Staff's declarations will be sent by certified mail to ATN's counsel of record, Charles H. Helein, Esq., Helein & Associates, P.C., 8180 Greensboro Drive, Suite 7000, McLean, VA 22102; to ATN's President, John W.

Little at 720 Hembree Place, Alpharetta, GA 30076; and to ATN's Controller, Geri Clary at 720 Hembree Place, Alpharetta, GA 30076.

I. STAFF ALLEGATIONS

On November 17, 1997, CSD Staff received a letter from a consumer alleging that her telephone service was switched to ATN as a result of the consumer answering a classified job advertisement for "assemblers." CSD began an informal investigation of ATN as a result of this and other complaints. Staff's declarations set forth the following facts and allegations:

- A. CSD alleges ATN violated Rule 1 of the Commission's Rules of Practice and Procedure by failing to disclose its association with Sonic Communications, Inc. by stating that no one associated with or employed by ATN was ever associated with a nondominant Interexchange carrier that filed for bankruptcy or went out of business.**

Staff reports that during its investigation of ATN it discovered that ATN and two of ATN's officers, its President, John W. Little and its Controller, Geri Clary, were previously associated with Sonic Communications, Inc., a carrier that previously filed for bankruptcy¹ and which was the subject of a Commission enforcement action for slamming in I.95-02-004 and an action by the California

¹ On April 7, 1995 Sonic Communications, Inc. filed a petition for relief under Chapter 11, Title 11, United States Code. In re Sonic Communications, Inc., Case No. 95-64899, United States Bankruptcy Court, Northern District of Georgia, Atlanta Division. On October 19, 1995, In re Sonic Communications, Inc. was converted to a case under Chapter 7.

Attorney General.² Staff reports that ATN did not disclose its officers' relationship with SCI in its application to the Commission.

ATN filed application 96-06-013 seeking intrastate operating authority on June 13, 1996. In its application ATN stated that "[n]o one associated with or employed by the applicant was previously associated with a nondominant interexchange carrier that filed for bankruptcy or went out of business." (A.96-06-013, para. 11.) Moreover, to demonstrate that ATN had the necessary managerial and technical expertise required to obtain a CPCN, ATN included in its application the resumes of its President, John W. Little and its Controller, Geri Clary. (*Id.* at Exhibit F.) These resumes represented that both Mr. Little and Ms. Clary had prior telecommunications experience dating back to around 1993.

Staff's declarations present documentation that alleges to show that both John Little and Geri Clary were prior employees of Sonic Communications, Inc. The declaration of Special Agent Linda Woods includes a copy of a March 2, 1995 Affidavit of John Little filed with the Commission in the Sonic Communications, Inc. Investigation 1.95-02-004. Mr. Little's affidavit speaks to the operations of SCI's MIS department and the processing of primary interexchange carrier (PIC) changes by SCI and Mr. Little signs the affidavit as "MIS Supervisor, Sonic Communications, Inc." (Declaration of Woods, Attachment K.)

² The Attorney General of the State of California filed a complaint for injunctive relief, civil penalties, and other equitable relief for violations of the State's Business and Professions Code. The People of the State of California v. Sonic Communications, Inc. a Foreign Corporation and John Buffa, and Does 1-30 Inclusive, Case No. 121-379 filed on February 3, 1995 in the Superior Court of the State of California for the County of Los Angeles.

CSD Special Agent Woods also includes in her declaration a copy of a Universal Lifeline Telephone Service (ULTS) Surcharge Transmittal form that was submitted to the Commission by Sonic Communications, Inc. for the month ending September 1994. The SCI surcharge transmittal was signed by Geri Clary on October 14, 1994 as Controller for Sonic Communications, Inc. (Declaration of Woods, Attachment I.)

Staff notes that while both Mr. Little's and Ms. Clary's resumes were included in ATN's application to demonstrate that ATN had the requisite technical expertise for certification, neither of their resumes show any involvement or experience with Sonic Communications, Inc. even during the time period that Mr. Little signed the affidavit as MIS supervisor for SCI and Ms. Clary submitted SCI's ULTS Surcharge Transmittal as Controller of SCI.

Finally, included in Special Agent Woods' declaration is a copy of an Amended Verified Complaint filed by the Chapter 7 Trustee of the Bankruptcy Estate of Sonic Communications, Inc. (Trustee) Case No. 95-64899 in the United States Bankruptcy Court for the Northern District of Georgia, Atlanta Division. In this filing, the Trustee adds as defendants, Geri Buffa Clary, America's Tele-Network, and GC Accounting, Ms. Clary's accounting company. The Trustee filed the Amended Verified Complaint to add these and other defendants to the bankruptcy proceeding for the purpose of setting aside certain allegedly fraudulent conveyances and transfers from SCI to the defendants including two transfers totaling \$335,000 that were made from John and Judy Buffa, majority shareholders of SCI, to ATN. The Amended Verified Complaint alleges that both Mr. Little and Ms. Clary were employees of Sonic Communications, Inc.

- B. Staff alleges that ATN used employment advertisements to solicit customers and then switched subscribers' long distance telephone service in violation of P.U. Code § 2889.5.**

In addition to Staff allegations that ATN misled the Commission concerning its association with SCI, the Staff also documents allegations that ATN is switching subscribers' long distance service provider without the subscribers' authorization in violation of P.U. Code § 2889.5.

According to Staff and consumer complaints, ATN uses advertisements for employment to obtain information to switch subscribers' long distance service. Staff alleges that ATN places advertisements in newspapers that read similar to the following:

ASSEMBLERS

Will train, you can earn up to \$600
weekly assembling and servicing sign up
boxes. 1-800-354-7331.

According to Staff's declarations, a person calling the number for information about the assembler job is told that the job involves setting up, in public locations, collection boxes for entry forms for ATN service and then collecting the forms that are deposited into the box and sending them to ATN.

Special Agent Woods' declaration alleges that ATN representatives take the caller's application for employment over the telephone by requiring the caller to provide such information as the caller's telephone number, address, birth date, and last four digits of the caller's social security number. Consumers allege that the ATN representative may suggest that the caller needs to switch to ATN service to qualify for the job or may offer the "new employee" special benefits such as free services if the employee agrees to try ATN's service. According to

Staff declarations, some consumers allege that they were offered free long distance service and free 800 service, which were never received, as benefits of the job.

Complaints to the Commission alleged that subscribers who never agreed to switch to ATN service were switched by ATN after they or someone they knew called ATN to inquire about a job. Complaints also allege that subscribers that were told they would receive free services as a benefit of employment were charged for those services as well as for other services they never authorized.

Although over half of the consumers interviewed allege that their service was switched as a result of them or someone they knew, such as a child, responding to an ATN employment advertisement, a number of subscribers also allege that their service was switched to ATN without any known contact with ATN or as a result of telemarketing by ATN.

Apparently "collection boxes" similar to that ATN provided to Special Agent Woods when she responded to ATN's job advertisement for "assemblers" are being used by ATN to obtain information to change subscribers' telephone service and to place charges on the subscribers' telephone bill.³ These "collection boxes" advertise that the consumer can get a "FREE RADIO!" when the consumer tries ATN's service. The wording on the box offers the consumer as a "**Bonus*" an 800 number, 800 voice mail, a travel card, and a \$300.00 Phone Credit Card. All the consumer must do, is fill out the form attached to the "collection box" and deposit it into the box. The front of the entry form contains language that allegedly "authorizes" ATN to be the consumer's long

³ A copy of the collection box provided to Special Agent Woods appears as Attachment N to her declaration.

distance provider. The back of the entry form contains a list of various ATN rates. ATN's advertised intrastate rate printed on the back of the entry form is 19 cents a minute, 10 cents a minute less than ATN's 29 cents a minute tariffed rate and 10 cents a minute less than the 29 cents a minute ATN charged California consumers.

These complaints and allegations in Staff's declarations also raise the issue of whether ATN is complying with the independent, third party verification requirement of P.U. Code § 2889.5. Consumer complaints and interviews document allegations that subscribers' service was switched to ATN service without ever having any contact with ATN. Consumer complaints also document allegations of children or friends of the subscriber "authorizing" a switch of the subscribers' telephone service.

Finally, consumer complaints and interviews presented in Staff's declarations document the time consuming process and the often rude treatment consumers alleged that they faced when trying to rectify the allegedly unauthorized service switch and unauthorized charges by ATN. Consumer complaints allege that ATN representatives and its billing agent's representatives were rude and unhelpful in trying to resolve consumer complaints. Consumers alleged that they received excessive busy signals, were put on hold for up to a half hour, were hung up on, and were told the computers were down so the consumer would have to call back. One consumer alleges that when she informed the ATN representative that she intended to file a complaint against the company because it would not assist her with her complaint, the ATN representative stated that he would report her to the "FCC for making threats over a telephone line."

- C. Staff alleges that ATN is charging subscribers for services the subscriber never ordered and telephone calls never made.**

Staff's declarations also document allegations by consumers that they were charged for services by ATN that the consumer never ordered or wanted and may have never received. Consumer complaints allege unauthorized ATN charges of:

- \$10.00 for 800 Service Set Up
- \$10.00 for 800 Service Monthly Fee
- \$ 8.00 for 800 Service Maintenance
- \$10.00 for Voice Mail Set Up
- \$ 5.00 for Voice Mail Monthly Fee
- \$ 2.00 to \$ 4.00 for Calling Card Monthly Fee
- \$ 3.00 to \$ 8.00 for Monthly Service Fee

Many subscribers allege that they were billed for multiple unauthorized charges that amounted to up to \$35.00 on a single monthly bill. Moreover, while subscribers were billed for these services many stated that they never received the service or in the case of the voice mail service did not even know how to access the service. While ATN is billing subscribers for 800 service and calling card service, Staff states that these services and the associated charges do not appear in ATN's tariffs. Finally, Staff notes that in addition to subscribers being billed for services never ordered, over one-third of the consumers interviewed by Staff allege that they were billed for telephone calls that they never made.

II. DISCUSSION

Rule 1 of the Commission's Rules of Practice and Procedure states:

Any person who signs a pleading or brief, enters an appearance at a hearing, or transacts business with the Commission, by such act represents that he or she is authorized to do so and agrees to comply with the laws of this State; to maintain the respect due to the Commission, members of the Commission and its Administrative Law Judges, and never to mislead the Commission or its staff by an artifice or false statement of fact or law.

P.U. Code § 2114 states:

Any public utility on whose behalf any agent or officer thereof who, having taken an oath that he will testify, declare, depose or certify truly before the commission, willfully and contrary to such oath states or submits as true any material matter which he knows to be false, or who testifies, declares, deposes, or certifies under penalty of perjury and willfully states as true any material matter which he knows to be false, is guilty of a felony and shall be punished by a fine not to exceed five hundred thousand dollars (\$500,000).

CSD has raised very serious allegations in its declaration. Not only does it appear that ATN and its officers have presented false information to this Commission to obtain certification to operate in California but we put the Respondents on notice that the facts raise the issue of whether ATN's President, John W. Little could be charged by a district attorney with a felony as ATN's application was signed by Mr. Little and certified under oath to be true to the best of Mr. Little's knowledge and belief.

If these allegations of misrepresentation to the Commission are true this alone is sufficient cause to revoke ATN's CPCN to operate in California. On September 20, 1996, the Commission issued Decision (D.) 96-09-077 granting

ATN a CPCN to operate in California. In granting ATN's CPCN the Commission relied on ATN's representation that it had technical expertise in the telecommunications industry and that no one associated with ATN had been associated with an interexchange carrier that filed for bankruptcy. Had the Commission known that ATN's President and ATN's Controller obtained their telecommunications expertise by working for SCI, a carrier that was investigated by this Commission for engaging in wide-spread slamming, that was charged by the Attorney General of the State of California and other States for deceptive business practices, and that filed for bankruptcy, our decision to grant ATN a CPCN to operate in California would likely have been different. "The primary function of public utility regulation is to fairly control public utilities for the protection and welfare of the general public, and the granting or withholding of a certificate of public convenience and necessity is an exercise of the State's power to determine whether the rights and interests of the general public will be advanced by an applicant in providing the service proposed." *Re NCN Communications, Inc.*, 40 CPUC 2d 441, 450. If the information presented by Staff is true, the public interest may not have been served by granting ATN a CPCN to operate in California.

Our concern, however, does not rest solely with the allegations of misrepresentations to the Commission by ATN. Staff also raises serious allegations that ATN is switching subscribers' long distance service without the subscribers' authorization and "cramming" subscribers' telephone bills with unauthorized charges. If Staff's allegations are true, ATN used these alleged misrepresentations to obtain a CPCN to operate in California and then used its CPCN to engage in unlawful and deceptive marketing practices and to defraud consumers.

ATN's apparent marketing method of placing advertisements for employment and then inducing consumers calling about employment to switch service as a benefit or requirement of employment or by promises of free services to ATN employees is deceptive and misleading and if true violates the requirements of P.U. Code § 2889.5. Staff declarations also raise the question of whether ATN has complied with the P.U. Code § 2889.5 requirement to have all residential service order changes verified by an independent, third-party verification company and our order here today requires ATN to provide Staff with further information on this and other issues.

Staff also raises serious allegations that ATN has been "cramming" subscribers' bills with services the subscriber never ordered or wanted or with calls that the subscriber alleges were never made. We do not take allegations of cramming lightly. Cramming is a growing problem for California consumers and we will not permit certified carriers to engage in this type of activity.

Staff's declarations and the allegations and facts it summarizes alarm us. We find that there is good cause to believe that ATN intentionally provided this Commission with false information in its application to the Commission for a CPCN. ATN appears to have disregarded our rule that carriers never mislead the Commission. Moreover, we find there is also good cause to believe that ATN is switching subscribers long distance service in violation of the requirements of P.U. Code § 2889.5 and charging subscribers' for services the subscriber never ordered or authorized.

These allegations go toward the nature of ATN's fitness to operate. We have serious concerns with ATN's compliance with the law in the future. Therefore, we instruct Staff to continue to closely monitor ATN. Should Staff find that ATN's complaints rise significantly or find that ATN is engaging in other

questionable business practices that continue to cause significant harm to California consumers, we expect Staff to file a Motion, supported by declarations, requesting an emergency ex parte order to prohibit ATN from submitting PIC changes to local exchange carriers. If such an order is issued, a hearing will be held within 15 days of such order to allow the Respondents to show why the order should be vacated or modified.

Good cause appearing, therefore,

IT IS ORDERED that:

1. An investigation on the Commission's own motion is hereby instituted into the operations of America's Tele-Network Corp. (ATN), the certificate holder and corporate respondent, and John W. Little and Geri Clary, individual respondents, (collectively Respondents), to determine whether:

- a) Respondents violated Commission Rule of Practice and Procedure 1 by providing this Commission with false or misleading information and whether sanctions should be imposed on ATN pursuant to P.U. Code Sections 2107, 2108, and 2213 and on individual respondents pursuant to P.U. Code Sections 2108 and 2213;
- b) Respondents violated P.U. Code § 2889.5 by switching subscribers' long distance service provider without the subscribers' authorization or failed to implement required independent, third party verification procedures, and should be ordered to pay any penalty pursuant to P.U. Code Sections 2107, and 2108;
- c) Respondents violated P.U. Code Section 451 by billing subscribers for services never ordered or authorized;

- d) Respondents violated P.U. Code Section 451 by billing subscribers for calls never made;
- e) Respondents violate P.U. Code Section 489 by failing to maintain accurate tariffs;
- f) Respondents violated P.U. Code Sections 532 and 702 by failing to charge tariffed rates;
- g) Respondents should be ordered to pay restitution to consumers;
- h) Respondents should be ordered to cease and desist from any unlawful operations and practices;
- i) In addition to fines for any violations of the P.U. Code or other order, decision, rule, direction, or requirement of the Commission which may be levied under Public Utilities Code or any other provision of law, Respondents are unfit to conduct utility service and ATN's certificate should be suspended or revoked.

2. To facilitate this investigation, and consistent with the provisions of Section 314 of the Public Utilities Code, Respondents are ordered to provide Consumer Services Division Special Agent Linda Woods with the information identified below within 20 days of the date this order is mailed to the Respondents. Respondents shall provide this information under a transmittal statement signed under penalty of perjury.

- a) A list of the names, titles, and business addresses of all current and prior officers, directors, and owners of ATN. For officers and directors include the dates which they were elected/appointed and their terms of office.

- b) State whether John W. Little or Geri Clary at anytime in the past received any compensation from Sonic Communications, Inc. as an employee, independent contractor, or in any other capacity and what, if any, involvement the individual has had with SCI or its officers or directors. If Mr. Little or Ms. Clary received compensation from SCI, provide the date and amount of the compensation and statement on the purpose of the compensation.
- c) A list of all affiliates and subsidiaries of ATN and the names, titles, and business addresses of all officers, directors, and owners of more than a 5 percent interest in these entities.
- d) A list of all names under which Respondents now does business and which it has used since it began operating in California and the dates during which it used such names.
- e) State whether any of the following individuals currently have or have, at any time in the past, had any ownership interest in ATN: John Buffa, Judy Buffa, Michael Buffa, Cathy Bergeron, Antonio Buffa, Graziella Buffa, Joseph Buffa, Santi Buffa, Vince Buffa, Damian Cipriani, Hugo Galluzzi, Mark Lewis, John Vitale, and Martha Vitale.
- f) For each of the following individuals, state whether the individual currently or at anytime in the past has received any compensation from ATN as an employee or independent contractor and what, if any, involvement the individual has had with ATN: John Buffa, Judy Buffa, Michael Buffa, Cathy Bergeron, Antonio Buffa, Graziella Buffa, Joseph Buffa, Santi Buffa, Vince Buffa, Damian Cipriani, Hugo Galluzzi, Mark Lewis, John Vitale, and Martha Vitale. If any of the individuals have received compensation from ATN, provide the date and amount of the compensation and statement on the purpose of the compensation.
- g) Any and all carrier identification codes (CICs) that ATN customer change orders may be recorded under in California local exchange carriers' records.

- h) ATN's volumes in California by number of subscribers and annual revenues for 1996 and 1997. The information should be broken out by month, by volumes, by underlying carrier. ATN shall also state the number of subscribers obtained by each marketing method.
- i) Whether ATN used an independent, third-party verifier since January 1, 1997 to verify all residential primary interexchange carrier changes and if so, the name, address, and telephone number of the verifier and a copy of ATN's agreement with the independent, third-party verifier.
- j) Copies of all regulatory agency, District Attorney, and Attorney General actions taken against Respondents in any jurisdiction in any state.
- k) Copies of all civil suit complaints filed against Respondents or any officer or director regarding alleged slamming or marketing practices in any jurisdiction in any state.
- l) Copies of all written complaints by California consumers involving ATN, received by ATN, its billing agents, or its underlying carrier(s).
- m) ATN's financial statements for all years of operation since inception.
- n) A description of all marketing methods used in California and a copy of all marketing scripts.
- o) Provide the total number of customers for 1996 and 1997, by year, that ATN had billed for services and who are not presubscribed to ATN long distance service.

3. If Respondents dispute the allegation by CSD that John W. Little or Geri Clary were prior employees of Sonic Communications, Inc., Respondents shall provide Staff complete copies, including W2's, of John W. Little's and Geri

Clary's personal state and federal tax returns for the years 1992, 1993, 1994, 1995, and 1996. Respondents shall provide this information under a transmittal statement signed under penalty of perjury.

4. Respondents shall also respond to all further Staff data requests, including requests to obtain billing information from its billing agent(s) and requests for information from its underlying carrier(s).

5. Staff shall monitor complaints made against ATN. If Staff discovers that complaints increase significantly or determine that ATN is engaging in other questionable business practices that continue to cause significant harm to California consumers, we expect Staff to file a Motion, supported by declarations, requesting an emergency ex parte order to prohibit ATN from submitting PIC changes to local exchange carriers. If such an order is issued, a hearing will be held within 15 days of such order.

6. As a condition of ATN's continuing authority to operate in California pending a final decision in this matter, ATN is prohibited from transferring or selling its California customers.

7. All advice letters and applications submitted by Respondents after today and while this proceeding is still open will be consolidated with this OII for consideration.

8. Respondents are directed to disclose to Staff any plans to transfer the operating authority which is the subject of this proceeding, and/or any part of the control of the business in which Respondents are entitled to use that authority, and shall further disclose to Staff any such plans, and any actions and/or applications in pursuit of such plans, which it may commit itself to pursue during the course of this proceeding, until such time as there is a final Decision disposing of this matter.

9. Worldcom, Inc. is ordered to provide the following information, in hard copy and computer readable form, to Consumer Services Division Special Agent Linda Woods within 20 days of the effective date of this order:

- a) The total number of PIC changes for California telephone numbers or Automatic Number Identifiers (ANIs) submitted to each California local exchange carrier for ATN. This information should be provided by local exchange carrier by month from the date Worldcom and any subsidiaries and affiliates, including but not limited to Wiltel Network Services, began submitting PIC changes on behalf of ATN through February of 1998.
- b) The total number of PIC disputes received by each California local exchange carrier for California ANIs that are attributable to ATN. This information should be provided by local exchange carrier, by month from the date Worldcom and its subsidiaries and affiliates began receiving PIC disputes attributable to ATN through February of 1998.
- c) For each PIC dispute identified as attributable to ATN in b) above, provide the subscriber's name, address, and telephone number.

10. The Staff shall continue discovery and continue to investigate the operations of the Respondents. Any additional information which Staff wishes to advance as direct showing evidence in this proceeding shall be provided to the Respondents in advance of any hearings in accordance with the schedule directed by the Administrative Law Judge or Assigned Commissioner. Staff will respond to discovery requests directed at Staff's prepared testimony offered in this proceeding.

11. This ordering paragraph suffices for the "preliminary scoping memo" required by Commission Rule 6 (c) of the Commission's Rules of Practice and

Procedure. This proceeding is categorized as an adjudicatory proceeding and will be set for evidentiary hearing. The issues of this proceeding are framed in the above order. A prehearing conference shall be scheduled for the purpose of setting a schedule for this proceeding including dates for the exchange of additional written testimony, determining which of the Staff's percipient and collaborative witnesses will need to testify, and addressing discovery issues. We preliminarily propose that hearings be held in June and that any additional testimony of the Staff and testimony of the Respondents be issued three weeks prior to hearings. This order, as to categorization of this proceeding, is appealable under the procedures in Rule 6.4. Any person filing a response to this order instituting investigation shall state in its response any objections to the order regarding the need for hearings, issues to be considered, or proposed schedule. However, objections must be confined to jurisdictional issues which could nullify any eventual Commission decision on the merits of the alleged violations, and not on factual assertions which are the subject of evidentiary hearings.

12. The Executive Director shall cause this order, complete with the declarations submitted by Staff, to be served by certified mail to ATN's counsel of record:

Charles H. Helein, Esq.
Helein & Associates, P.C.
8180 Greensboro Drive, Suite 7000
McLean, VA 22102

A copy of the order and Staff declarations will also be sent by certified mail to ATN's President and Controller:

John W. Little, President
America's Tele-Network Corp.
720 Hembree Place
Alpharetta, GA 30076

Gerri Clary, Controller
America's Tele-Network Corp.
720 Hembree Place
Alpharetta, GA 30076

A copy of the order and Staff declarations will also be sent by certified mail to
Worldcom, Inc.'s regulatory contact of record:

Mr. Douglas F. Brent
Worldcom, Inc
9300 Shelbyville Road
Louisville, KY 40222

This order is effective today.

Dated March 26, 1998, in San Francisco, California.

RICHARD A. BILAS
President
JESSIE J. KNIGHT, JR.
HENRY M. DUQUE
JOSIAH L. NEEPER
Commissioners

I dissent.

/s/ P. GREGORY CONLON
Commissioner