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State of Florida

# Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850



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

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MAY 6 AM 11:25  
RECORDS AND REPORTING

**DATE:** MAY 6, 1999

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

**FROM:** DIVISION OF LEGAL SERVICES (COX) *MC CB*  
DIVISION OF COMMUNICATIONS (MCCOY) *gm MD*

**RE:** DOCKET NO. 981798-TC - INITIATION OF SHOW CAUSE PROCEEDINGS AGAINST TELALEASING ENTERPRISES, INC. FOR VIOLATION OF RULES 25-24.515, F.A.C., PAY TELEPHONE SERVICE, AND 25-4.0161, F.A.C., REGULATORY ASSESSMENT FEES; TELECOMMUNICATIONS COMPANIES.

DOCKET NO. 990109-TC - INITIATION OF SHOW CAUSE PROCEEDINGS AGAINST PEOPLES TELEPHONE COMPANY, INC. FOR VIOLATION OF RULES 25-24.515, F.A.C., PAY TELEPHONE SERVICE, AND 25-4.0161, F.A.C., REGULATORY ASSESSMENT FEES; TELECOMMUNICATIONS COMPANIES.

DOCKET NO. 990200-TC - INITIATION OF SHOW CAUSE PROCEEDINGS AGAINST COMMUNICATIONS CENTRAL, INC. FOR VIOLATION OF RULE 25-24.515, F.A.C., PAY TELEPHONE SERVICE.

**AGENDA:** 05/18/99 - REGULAR AGENDA - INTERESTED PERSONS MAY PARTICIPATE

**CRITICAL DATES:** NONE

**SPECIAL INSTRUCTIONS:** NONE

**FILE NAME AND LOCATION:** S:\PSC\CMU\WP\981798TC.RCM

DOCUMENT NUMBER-DATE

05747 MAY-6 99

FPSC-RECORDS/REPORTING

CASE BACKGROUND

Telaleasing

- January 1, 1998, through December 31, 1998, Telaleasing operated approximately 7240 pay telephones in Florida and reported gross intrastate revenues of \$6,875,715.08 on its Regulatory Assessment Fee Return.
- January 17, 1997, through October 19, 1998, staff performed 478 evaluations on pay telephones operated by Telaleasing, and found 569 apparent violations of the Commission's service standards.

Peoples

- January 1, 1998, through December 31, 1998, Peoples operated approximately 8825 pay telephones in Florida and reported gross intrastate revenues of \$17,747,338.24 on its Regulatory Assessment Fee Return.
- January 1, 1997, through December 31, 1998, staff performed 1327 evaluations on pay telephones operated by Peoples, and found a total of 2423 apparent violations of the Commission's service standards.

CCI

- January 1, 1998, through December 31, 1998, CCI operated approximately 3169 pay telephones in Florida and reported gross intrastate revenues of \$513,050 on its Regulatory Assessment Fee Return.
- January 1, 1997, through December 31, 1998, staff performed 373 evaluations on pay telephones operated by CCI, and found a total of 346 apparent rule violations of the Commission's service evaluation standards.

Staff opened these dockets to investigate whether the companies should be required to show cause why they should not be fined or have their certificates canceled, pursuant to Section 364.285, Florida Statutes. Prior to the show cause proceedings, Davel Communications Group, Inc., the parent company for Telaleasing, Peoples, and CCI, submitted an offer to settle all three cases. (Attachment A, Pages 7-9)

**DISCUSSION OF ISSUES**

**ISSUE 1:** Should the Commission accept the settlement offer proposed by Davel Communications Group, Inc. on behalf of Telaleasing, Peoples, and CCI to resolve the show cause proceedings for violations of Rule 25-24.515, Florida Administrative Code, Pay Telephone Rules and Rule 25-4.0161, Florida Administrative Code, Regulatory Assessment Fees; Telecommunications Companies?

**RECOMMENDATION:** Yes. (McCoy)

**STAFF ANALYSIS:** On March 4, 1999, Davel Communications Group, Inc. (Davel) met with staff regarding Telaleasing, Peoples, and CCI, and addressed its concerns about the apparent violations. Staff continued settlement discussions with Davel Communications Group, Inc. until an offer to settle was submitted April 19, 1999. In its settlement offer Davel Communications Group, Inc. on behalf of Telaleasing, Peoples, and CCI, agreed to do the following:

- Davel will voluntarily check all of its pay telephones in the State of Florida to ensure compliance with Rule 25-24.515, Florida Administrative Code, Pay Telephone Rules.
- Davel will correct all non-handicapped accessibility compliance deficiencies by April 30, 1999, and all handicapped accessibility compliance deficiencies will be corrected by July 1, 1999.
- Within 90 days of the issuance of the Commission's order approving this settlement proposal and every thirty days thereafter, Davel will provide monthly status reports to Staff on the progress made in correcting deficiencies. These reports shall provide detailed information on the specific deficiencies per telephone number and the dates the deficiencies were addressed or repaired.
- Davel representatives will meet monthly with Staff to discuss these reports and ensure satisfactory performance.
- Davel will implement a training program with Davel's field technicians and managers, meeting with Commission Staff to ensure ongoing compliance education and accurate interpretation.

- Davel has added additional field personnel to conduct ongoing regulatory compliance audits for Davel's Florida pay telephone base.
- Davel will implement a statewide installation checklist for all newly placed pay telephones in Florida to assure "start-up" regulatory compliance. A copy of which will be submitted to the Commission by May 1, 1999.
- Davel will work with Commission Staff to coordinate 911 testing and address verification through the Local Exchange Carrier and 911 Agencies on all current and new pay telephone installations.
- Davel will work with Commission Staff to formulate service standards and compliance requirements for pay telephones located in "high maintenance/vandalism areas".
- Davel will issue an executive directive to all Florida field personnel reiterating Davel's policy of "zero tolerance" for incoming call blocking in the State, absent specific prior Commission approval. A copy of the directive will be submitted to the Commission by May 1, 1999.
- Davel will work with the Staff to identify and develop viable solutions and standards for adequate lighting at pay telephones throughout the State.
- Davel will pay a stipulated penalty amount of \$75,000 (\$25,000 per company), payable in three (3) monthly installments, the first installment to be paid within fifteen (15) days of the issuance of the Commission's Order approving this settlement proposal.
- Within 90 days of the issuance of the Commission's order approving this settlement proposal, Davel will consolidate its Florida pay telephone certificates and operation into one entity and petition the Commission to cancel the additional certificates in order to facilitate improved management of its pay telephone base and regulatory tracking by the Commission.
- In the event that Davel Communications Group, Inc. dissolves, reorganizes, or operates as another corporate entity or under a different corporate name, or in any way

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changes its current corporate structure, Davel Communications Group, Inc. shall notify the Commission of such a change in writing within five (5) days after such occurrence.

On April 19, 1999, the Division of Administration notified staff that Davel Communications Group, Inc. has paid all Regulatory Assessment Fees, Penalties and Interest due for Peoples Telephone Company, Inc. and Telaleasing Enterprises, Inc.

Davel Communications Group, Inc. has satisfactorily addressed each of staff's concerns. Moreover, the company has been very cooperative in resolving all issues. Therefore, staff believes the terms of the settlement agreement as summarized in this recommendation are fair and reasonable, and we support the voluntary contribution to the General Revenue Fund pursuant to Section 364.285(1), Florida Statutes, in the amount of \$75,000.

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

**RECOMMENDATION:** No. With the approval of Issue 1, this docket should remain open pending the remittance of the \$75,000 voluntary contribution. Davel Communications Group, Inc. will remit payments of \$25,000 on June 30, 1999, July 30, 1999, and August 30, 1999. Upon remittance of the final settlement payment, this docket should be closed. The \$75,000 settlement should be forwarded to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. **(Cox)**

**STAFF ANALYSIS:** If the Commission approves the staff recommendation in Issue 1, this docket should remain open pending the remittance of the \$75,000 voluntary contribution. The voluntary contribution will be remitted in three (3) installments of \$25,000 due on June 30, 1999, July 30, 1999, and August 30, 1999. Upon submittance of the final settlement payment, this docket should be closed.



April 19, 1999

Mr. Richard A. Moses  
Bureau Chief  
Capital Circle Office Center  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

APR 20 11 3 52  
MAIL ROOM

RECEIVED

APR 20 1999

Re: Docket Number 981798-TC, Initiation of Show Cause Proceedings against  
Telaleasing Enterprises, Inc.  
Docket Number 990109-TC, Initiation of Show Cause Proceedings against  
Peoples Telephone Company, Inc.  
Docket Number 990200-TC, Initiation of Show Cause Proceedings against  
Communications Central, Inc.

Dear Rick:

This letter is in regards to the above docketed Show Cause Proceedings. After meeting with Commission Staff, Davel Communications Group, Inc. and its wholly owned subsidiaries, Telaleasing Enterprises, Inc. ("TEP"), Communications Central, Inc. ("CCP") and Peoples Telephone Company, Inc. ("PTC") submit the following revised proposal to resolve these dockets on a stipulated basis.

1. Davel will voluntarily check all of its pay telephones in the State of Florida to ensure compliance. (This statewide audit has now been completed. The audit included a complete compliance checklist, to ensure that all Davel pay telephones were meeting the Florida Public Service Commission regulations. Binders containing the results of this audit, including photographs of each site, have been compiled and are available for review by Commission Staff upon request.)
2. All compliance deficiencies susceptible to immediate correction on-site have, in fact, been corrected as part of Davel's internal statewide audit. For those items requiring additional work and scheduling of up-grades, Davel will rectify these items on the following timelines:
  - All non-handicapped accessibility compliance deficiencies will be corrected by April 30, 1999.
  - All handicapped accessibility compliance deficiencies will be corrected by July 1, 1999.
3. Within thirty (30) days of the issuance of the Commission's order approving this settlement proposal and every thirty (30) days thereafter, Davel will provide monthly status reports to the staff on the progress made in correcting the deficiencies. These reports shall provide detailed information on the specific



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- deficiencies per telephone number and the dates the deficiencies were addressed or repaired.
4. Davel representatives will meet monthly with Staff to discuss these reports and ensure satisfactory performance.
  5. Davel will implement a training program with Davel's field technicians and managers, meeting with Commission Staff to ensure ongoing compliance education and accurate rule interpretation.
  6. Davel has added additional field personnel to conduct ongoing regulatory compliance audits for Davel's Florida pay telephone base.
  8. Davel will implement a statewide installation checklist for all newly placed pay telephones in Florida to assure "start-up" regulatory compliance, a copy of which is attached. A copy of this will be submitted to the Commission by May 1, 1999.
  9. Davel will work with Commission Staff to coordinate 911 testing and address verification through the Local Exchange Carrier and 911 Agencies on all current and new pay telephone installations.
  10. Davel will work with Commission Staff to formulate service standards and compliance requirements for pay telephones located in "high maintenance/vandalism areas".
  11. Davel will issue an executive directive to all Florida field personnel reiterating Davel's policy of "zero tolerance" for incoming call blocking in the State, absent specific prior Commission approval. A copy of this will be submitted to the Commission on May 1, 1999.
  12. Davel will work with the Staff to identify and develop viable solutions and standards for adequate lighting at pay telephones throughout the State.
  13. Davel will pay a stipulated penalty amount of \$75,000 (\$25,000 per company), payable in three monthly installments, the first installment to be paid within fifteen (15) days of approval of this proposed resolution.
  14. Within ninety (90) days of the issuance of the Commission's order approving this settlement proposal, Davel will consolidate its Florida pay telephone operations into one entity and petition the Commission for cancellation of the additional certificates.



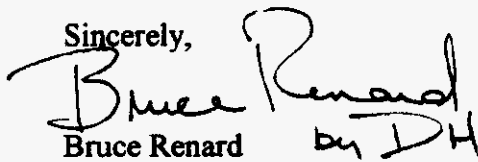
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15. In the event that Davel dissolves, reorganizes, or operates as another corporate entity or under a different corporate name, or in any way changes its current corporate structure, Davel shall notify the Commission of such a change in writing within five (5) days after such occurrence.

Davel sincerely appreciates the Commission Staff's consideration of the above proposal for recommendation to the Commission. We also respectfully request that the Staff continue to work with Davel during the implementation of the above outlined plan.

Thank you again for your assistance and cooperation in reaching a positive and amicable resolution of these matters. If you have further questions or concerns, I may be reached at (813) 628-8000 extension 203.

Sincerely,

  
Bruce Renard by DH

Senior Vice President of Regulatory & External Affairs

- cc: **Florida Public Service Commission**  
Walter D'Haeseleer – Director of the Communications Division  
Toni J. McCoy – Regulatory Analyst  
William P. Cox, Staff Attorney – Division of Legal Services
- cc: **Davel Communications Group, Inc.**  
Dana Hoyle – Director of Regulatory Affairs  
Darcy Delaney – Regulatory Administrator  
Charles Resnick – Senior Vice President of Field Operations  
Everett Seymour – Regional Manager of Field Operations
- cc: Paul Bradshaw, Esquire