

FLORIDA PUBLIC SERVICE COMMISSION
Fletcher Building
101 East Gaines Street
Tallahassee, Florida 32399

MEMORANDUM

July 25, 1991

TO : DIVISION OF RECORDS AND REPORTING

FROM : DIVISION OF COMMUNICATIONS (AUSTIN) *JA*
DIVISION OF LEGAL SERVICES (GREEN) *AS* *TC* *Te*

RE : DOCKET NO. 900242-TC - REQUEST FOR WAIVER OF RULE
25-24.515(3), (4), AND (6), F.A.C. FOR PURPOSES OF
PROVIDING PAY TELEPHONE SERVICE IN PENAL
INSTITUTIONS BY OWN YOUR OWN PHONE CENTERS, INC.

AGENDA : PLACE ON AUGUST 6, 1991 - CONTROVERSIAL - PARTIES
MAY PARTICIPATE

PANEL : FULL COMMISSION

CASE BACKGROUND

On February 14, 1991 Commission Order 24101 was issued, following the decisions rendered in Docket No. 860723-TP - Pay Telephone Docket. One of the issues addressed in this docket concerned the appropriate operational and rate restrictions to apply in confinement facilities. The Commission determined the following restrictions as appropriate:

- A. NPATS providers may deny access to 911 and 411 calls.
- B. NPATS providers may deny access to all locally available interexchange carriers.
- C. A limited time duration of fifteen (15) minutes may be placed on all calls. However, notice of disconnect must be made prior to termination of call.
- D. NPATS providers who wish to utilize the debit card phone in confinement facilities may charge no more than \$1.00 for local calls.
- E. NPATS may charge no more than the appropriate AT&T time-of-day rates, plus operator charges.

DOCUMENT NUMBER-DATE

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FSC-RECORDS/REPORTING

Docket No. 900242-TC
July 25, 1991

However, in order to authorize the above restrictions on an industry-wide basis, rule amendments would be necessary. Until such rule amendments are complete, prison waivers will continue to be handled on a case-by-case basis.

ISSUE 1: Should the Commission approve the request for waivers of Rule 25-24.515 (3), (4), and (6) Florida Administrative Code filed on behalf of Own Your Own Phone Center which require access to 911 or LEC toll operator, directory assistance, and all locally available interexchange companies?

RECOMMENDATION: Yes, staff recommends that the commission approve the request for waivers of Rule 25-24.515(3), (4), and (6), F.A.C., subject to the limitation defined in Issue 2.

STAFF ANALYSIS: Phone Center has informed staff that prior to the installation of their pay phones in the Escambia County Jail, phone service was provided by the serving local exchange company. The restriction imposed by the local exchange company on pay phone service included a limited time duration of ten (10) minutes on calls.

In the petition filed by Phone Center on January 16, 1990, 911 (Attachment I), local directory assistance, no credit card or coin calls, limited duration of calls, and denial of access to all locally available interexchange companies were the proposed restrictions on their pay phones. Phone Center also indicated that the inmates will be dialing 0+NXX+XXXX+1 for calls within the home area code and 0+NPA+NXX+XXXX+1 for long distance calls. IntelliStar and SouthernNet will handle the long distance calls for Phone Center (Attachment II).

In order for Phone Center to provide this type of restricted phone service, a waiver of Commission Rule 25-24.515(3), (4), and (6) is necessary. These three subsections are as follows:

25-24.515 Pay Telephone Service

- (3) Each telephone station shall permit access to the universal telephone number "911", where operable, without requiring the use of a coin, paper money or a credit card. Where such number is not operable, the stations shall permit access to a local exchange company toll operator under the same conditions.

Docket No. 900242-TC
July 25, 1991

- (4) Each telephone station shall, without charge, permit access to local directory assistance and the telephone number of any person responsible for repairs or refunds but may provide access by coin return. Any long distance directory assistance charges applied to the pay telephone service company may be passed on to the customer.
- (6) Each telephone station which provides access to any interexchange company must provide access to all locally available interexchange companies.

A waiver of subsections 3, 4, and 6 of Rule 25-24.515 is necessary in order to provide the type of restricted telephone service outlined above. Such restrictions are desirable because of problems with harassing calls and fraudulent use of telephone services common to prison pay telephone stations. Such fraud is ultimately borne by the general public through higher telephone charges.

Therefore, based on the information presented, staff believes that in order to implement a service which minimizes the risk of abuse and fraud from the prison population, the Commission should approve the required waiver of Rule 25-24.515(3), (4), and (6).

ISSUE 2: Provided that Issue 1 is approved, should there be any limitations to this waiver?

RECOMMENDATION: Yes, if approved, staff believes this waiver should apply only to those stations placed in penal institutions for the express use by inmates. Additionally, since the inmates are restricted to one carrier, staff recommends that Phone Center should not be allowed to charge or allow the IXC serving its PATS instruments in prisons to charge over the ATT-C DDD time-of-day rates plus operator charges for interLATA calls.

STAFF ANALYSIS: Since a pay telephone certificate gives the holder statewide authority to place phones virtually anywhere, this waiver, if approved, should only apply to pay phones located in penal institutions.

Additionally, because the inmates will be unable to access other interexchange carriers of choice, by use of access codes or otherwise, staff believes that Phone Center should not be allowed to charge up to one dollar (\$1.00) over the ATT-C daytime rate plus operator charges. Staff recommends that Phone Center be allowed to

Docket No. 900242-TC
July 25, 1991

charge no more than the ATT-C DDD time-of-day rates plus operator charges for interLATA calls. Staff believes that inmates and their relatives should have this additional protection because access to other carriers is limited. These limitations are consistent with past Commission actions concerning pay telephones located in prisons. Phone Center has agreed to not charge or allow the IXC serving its PATS instruments in prisons to charge over the ATT-C DDD time-of-day rates.

ISSUE 3: Should the Commission approve the request filed by Own Your Own Phone Center to block 0- calls from its pay phones located in confinement facilities?

RECOMMENDATION: Yes, staff recommends that the Commission approve the request filed by Own Your Own Phone Center to block 0- calls from its pay phones located in confinement facilities.

STAFF ANALYSIS: Commission Order 23506 was issued on September 19, 1990, as a result of Docket No. 900286-TC - Application for a Certificate to Provide Pay Telephone Service and Waiver of Rule 25-24.515 (3), (4), and (6) filed by Altus Technologies, Inc. (Altus). Order 23506 approved the request filed by Altus to block 0- calls from its pay phones located in confinement facilities.

Phone Center has filed a similar request in its petition for a rule waiver. Phone Center indicates that a number of fraudulent calls have been resulting from 0- calls because the proper answer supervision is not available, which has resulted in a number of free calls made by inmates to 900 numbers. In order for Phone Center to block 900 calls it would be required to block all 1+ calls. By allowing Phone Center to block 0- calls, Phone Center would be able to minimize the fraud occurring on its phone by not allowing access to a live operator.

Based upon the previous action taken regarding Altus Technologies' request to block 0- calls, staff recommends that the Commission approve the request filed by Phone Center to block 0- calls.

Docket No. 900242-TC
July 25, 1991

ISSUE 4: Should this docket be closed after the protest period has passed, provided there are no objections to the proposed agency action order?

RECOMMENDATION: Yes, this docket should be closed after the effective date of the proposed agency action (PAA) order provided there are no objections to the proposed agency action.

STAFF ANALYSIS: This docket should be closed by the order granting a waiver of Rule 25-24.515(3), (4), and (6), F.A.C. to Own Your Own Phone Center.



900242-TC

1816 Third Avenue, North
Bessemer, AL 35020
(205) 425-5865

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JANUARY 10, 1990

MS. PAMELA AUSTIN
FLORIDA PUBLIC SERVICE COMMISSION
101 EAST GAINES STREET
TALLAHASSEE, FL 32399-0850



THIS LETTER IS TO REQUEST WAIVERS FROM RULE 24.515, SUBSECTIONS 3, 4, AND 6; FOR PRISON INSTALLATIONS, BY OUR COMPANY, WITHIN THE STATE OF FLORIDA.

OUR COMPANY HAS CONTRACTS TO PROVIDE "COLLECT ONLY" TELEPHONE SERVICE TO THE ESCAMBIA AND SANTA ROSA COUNTY JAILS. THESE PHONES WILL BE PHYSICALLY LOCATED WITHIN THE JAIL CELLS AND WILL NOT BE ACCESSIBLE BY THE PUBLIC. THE REQUIREMENTS PLACED UPON US ARE:

1. THE CALLS BE OF LIMITED DURATION
2. COLLECT CALLS ONLY, NO CREDIT CARD OR COIN CALLS
3. NO INFORMATION OR EMERGENCY CALLS
4. NO INCOMING CALLS
5. ELIMINATE FRAUD IF POSSIBLE.

THEREFORE, WE REQUEST THE ABILITY TO LIMIT THE LENGTH OF THE CALLS; THAT ALL CALLS BE MADE COLLECT; THAT THERE BE NO INFORMATION CALLS (BELL WILL NOT ACCEPT A COLLECT CALL, AND THE PRISONER SHOULD NOT BE ABLE TO CHARGE THE CALL TO THE PAYPHONE), AND EMERGENCY CALLS WOULD BE "NUISANCE CALLS"; THAT THE PHONE LINES BE ONE WAY LINES (OUTBOUND) SO THAT THE PRISONERS WOULDN'T HAVE UNAUTHORIZED ACCESS FROM THE GENERAL POPULATION; THAT WE BE ABLE TO RESTRICT ACCESS TO OUR CHOICE OF CARRIER TO CUT DOWN ON FRAUD. CALLS WILL BE MADE BY DIALING A "0" + NUMBER + 1.

AN ADDITIONAL REQUEST IS MADE THAT WE BE ALLOWED TO HANDLE OUR OWN LOCAL AND INTRALATA COLLECT CALLS; OVER THE LOCAL TELCO NETWORKS. THE EQUIPMENT WE ARE INSTALLING HAS THE ABILITY TO HANDLE COLLECT CALLS, OF ALL TYPES, WITH NO LIVE OPERATOR INTERVENTION - THIS WILL GREATLY REDUCE THE CHANCES OF FRAUD BY THE INMATES. ADDITIONALLY, WE WOULD PROVIDE A COLLECT CALL AT A RATE LOWER THAN THE SURCHARGE APPROVED RATES SOUTHERN BELL IS USING. OTHER AMPLIFYING INFORMATION: NEITHER COUNTY JAIL CURRENTLY HAS LOCAL PUBLIC PHONES SO WE ARE NOT REPLACING ANY EXISTING EQUIPMENT; WE WERE AWARDED THE BID BY THE COUNTY, AND SOUTHERN BELL DID NOT SUBMIT A BID; THIS BEING A COUNTY JAIL, MOST OF THE CALLS WILL BE LOCAL OR INTRALATA CALLS AND OUR COMPANY NEEDS THE REVENUE GENERATED BY THESE CALLS TO BE PROFITABLE - BECAUSE BELL DID NOT BID THE JOB AND WOULD NOT PROVIDE THE INSTRUMENTS, IF A PRIVATE COMPANY SUCH AS US DIDN'T, THE COUNTY WILL NOT HAVE THE "COLLECT PHONE SYSTEM" IT IS REQUIRED BY LAW TO HAVE; SOUTHERN BELL WILL RECEIVE REVENUE FROM EACH CALL BY THE "MEASURED SERVICE" CHARGES THAT WE WOULD PAY FOR EACH CALL PLACED ON THEIR NETWORK, THE \$105.00 INSTALLATION CHARGES FOR EACH LINE, AND THE MONTHLY CDDOT BILL THEY WILL SEND.

THANK YOU FOR YOUR CONSIDERATION.

OWN YOUR OWN PHONE CENTERS, INC.

James N. McDonald
JAMES N. McDONALD

DOCUMENT NUMBER-DATE

02860 APR-2 1990

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1816 Third Avenue, North
Bessemer, AL
35020
(205) 425-5885

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MAY 15, 1990

RECEIVED

MAY 17 1990

MS. PAMELA AUSTIN
FLORIDA PUBLIC SERVICE COMMISSION
101 EAST GAINES STREET
TALLAHASSEE, FL 32399-0850

DIVISION OF COMMUNICATIONS

THIS LETTER IS IN RESPONSE TO YOUR REQUEST (COPY ENCLOSED)
FOR AMPLIFYING DATA ON OUR WAIVER.

1. PRIOR TO THE INSTALLATION OF OUR 122 PHONES, THE INMATES HAD ACCESS TO A TOTAL OF 27 PUBLIC PHONES WHICH WERE RESTRICTED TO LONG DISTANCE CALLS ONLY, AND TO 12 SINGLE LINE TELEPHONES WHICH WERE RESTRICTED TO LOCAL CALLS ONLY. THE SINGLE LINE PHONES WERE ON LONG CORDS AND THE JAILERS WOULD PHYSICALLY TAKE THE PHONE TO THE CELL AND LEAVE IT THERE FOR 10 MINUTES. THE INMATES WOULD SIGN UP DAILY FOR A 10 MINUTE PERIOD DURING THE DAY TO USE THE PHONE; THUS THE JAIL HAD TO KEEP UP WITH WHO WAS SCHEDULED TO USE THE PHONE AND ALSO TRANSPORT THE PHONE TO THE CELL, KEEP UP WITH THE DURATION OF THE CALL, AND RETRIEVE THE INSTRUMENT UPON THE EXPIRATION OF TIME. WITH SUCH LIMITED ACCESS, FIGHTS AND DISTURBANCES WERE COMMON.

2. CURRENTLY THERE ARE 122, COINLESS PHONES INSTALLED; APPROXIMATELY ONE FOR EVERY 12-15 INMATES (SOME ISOLATION CELLS HAVE ONE PHONE PER INMATE). THE LOCAL CALLS ARE SENT TO SOUTHERN BELL AS A 0+ COLLECT CALL. INTERLATA CALLS ARE ALSO OPERATOR ASSISTED COLLECT CALLS.

3. THE INMATE WILL DIAL A "0 + NUMBER + 1", FOR CALLS WITHIN THE HOME AREA CODE, AND A "0 + A.C. + NUMBER + 1" FOR LONG DISTANCE OUTSIDE THE HOME AREA CODE.

4. WE WILL NOT ALLOW 0- CALLS BECAUSE OF FRAUD. SOUTHERN BELL IS NOT REQUIRED BY THE P.S.C. TO PROVIDE COOBT PHONES WITH ANSWER SUPERVISION. BECAUSE OF THIS, WHEN A BELL OPERATOR DISCONNECTS FROM A CALL WITH AN INMATE, THE EQUIPMENT THE INMATE IS USING MAY (OR MAY NOT) RECEIVE A DISCONNECT SIGNAL WHICH PUTS THE PHONE INTO FRAUD PROTECTION. IF THE "WINK" IS NOT RECEIVED BY THE TELEPHONE, WHEN DIAL TONE IS RETURNED BY THE PHONE COMPANY, THE INMATE THEN CAN CALL ANYWHERE - FREE, INCLUDING 1-900 #'S. THE CALL BLOCKING OPTIONS OFFERED BY SOUTHERN BELL DOES NOT ALLOW US TO RESTRICT 1-900 CALLS WITHOUT GIVING UP THE RIGHT TO MAKE ANY OTHER TYPES OF 1 + CALLS!

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5. LOCAL AND INTRALATA OPERATOR SERVICE IS PROVIDED BY SOUTHERN BELL. INTERLATA SERVICE IS PROVIDED BY INTELISTAR (INTERNAL), OR SOUTHERNET (TCI).

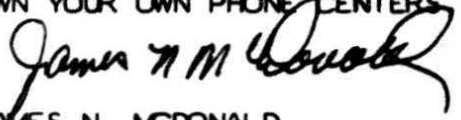
6. OUR REASONS FOR WANTING TO HANDLE OUR OWN LOCAL CALLS ARE:
- A. WE WOULD RECEIVE OUR COMMISSION CHECK WITHIN 15 DAYS OF THE MONTH ENDING;
 - B. AT THE REQUEST OF THE JAILS, WE CAN LIMIT THE DURATION OF CALLS SO ALL INMATES WILL HAVE ACCESS TO THE PHONES, NOT ONLY THE "MEANEST"; TIMED CALLS ARE NOT PROVIDED BY SOUTHERN BELL;
 - C. MORE CALLS WILL BE PROCESSED AND COMPLETED; HOWEVER, BILLING RESTRICTIONS AND CUSTOMER "NO COLLECT" REQUEST WOULD REMAIN IN EFFECT THRU SOUTHERN BELL;
 - D. THERE IS A TREMENDOUS FRAUD PROBLEM IN PRISONS. THE "WINK" PROBLEM ADDRESSED EARLIER IS A DIRECT RESULT OF HAVING TO SEND CALLS TO BELL, WHILE THEY ARE NOT REQUIRED TO PROVIDE US WITH SUPERVISION. THE (904) 968-XXXX, IS AN EXAMPLE; WE HAD OVER \$4,000.00 IN FRAUDULENT CALLS PLACED IN A TWO DAY PERIOD BY UNRESTRICTED CALLS GOING OUT ON "RETURNED DIAL TONE".
 - E. WE CAN HANDLE THE CALLS AT A LOWER COST TO THE CONSUMER.

WE APPRECIATE THE OPPORTUNITY OF FURNISHING THIS ADDITIONAL INFORMATION, AND WILL GLADLY ANSWER ANY QUESTIONS YOU MAY HAVE.

THANK YOU FOR YOUR CONSIDERATION.

CORDIALLY

OWN YOUR OWN PHONE CENTERS, INC.


JAMES N. McDONALD
AGENT

JNM/mn

ENCL: 2