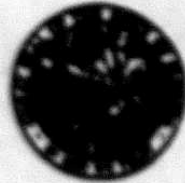


Commissioners
JULIA L. JOHNSON, CHAIRMAN
J. TERRY DEASON
SUSAN F. CLARK
JOE GARCIA
E. LEON JACOBS, JR.



DIVISION OF APPEALS
DAVID E. SMITH
DIRECTOR
(850) 413-6243

Public Service Commission

September 14, 1998

Ms. Monique H. Cheek
Office of Tourism, Trade, and
Economic Development
Executive Office of the Governor
The Capitol
Tallahassee, FL 32399-0001

SUBJECT: Docket No. 951560-TP - Proposed Repeal of Rule 25-4.076, F.A.C., Pay Telephone Service Provided by Local Exchange Companies, and Proposed Amendments to Rules to 25-4.003, F.A.C., Definitions; 25-4.0345, F.A.C., Customer Premises Equipment and Inside Wire; 25-24.475, F.A.C., Company Operations; Rules Incorporated; 25-24.505, F.A.C., Scope; 25-24.511, F.A.C.

The Commission has determined that the above rules will affect small business. Accordingly, pursuant to Section 120.54(3)(b), Florida Statutes, enclosed is a copy of the Florida Administrative Weekly (FAW) notice for the proposed rules, which will be published in the September 18, 1998 edition of the FAW. Also enclosed is a copy of the statement of estimated regulatory costs.

If there are any questions with respect to these rules or the Commission's rulemaking procedures, please do not hesitate to call on me.

Sincerely,

Diana W. Caldwell

Diana W. Caldwell
Associate General Counsel

DOCUMENT NUMBER - DATE

10025 SEP 14 98

FPSC-RECORDS/REPORTING

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- LIN _____
- OPC _____
- RCH _____
- SEC 1
- NAS _____
- DTH _____

Enclosures
cc: Division of Records & Reporting

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 951560-TP

RULE TITLE:

RULE NO.:

**Pay Telephone Service Provided by Local Exchange
Companies**

25-4.076

Definitions

25-4.003

Customer Premises Equipment and Inside Wire

25-4.0345

PURPOSE AND EFFECT: The proposed amendments to rules incorporate requirements mandated by the Federal Communications Commission (FCC) in their latest Report and Order (96-388 and 96-439). The Order requires all states to "review and remove . . . those regulations that affect competition such as entry and exit restrictions." The effect of the proposed amendments is to encourage competition and provide a limited regulatory framework within which all pay telephone service providers (PSPs) will operate. Local exchange company (LEC) pay telephone service providers will operate under the same rules as non-LEC pay telephone service providers.

SUMMARY: The proposed rule amendments repeal the separate rule for LECs providing pay telephone services, extend the scope of the other pay telephone rules to include LECs, and require that, "Any person desiring to provide pay telephone services must have a pay telephone certificate." Thus, under the rules all PSPs must follow the same requirements. The proposed amendments implement FCC requirements to bring Florida into compliance with the FCC's orders. These requirements include: defining the LEC's pay

DOCUMENT NUMBER-DATE

10025 SEP 16 8

FPSC-RECORDS/REPORTING

telephone equipment as customer premises equipment; allowing the PSPs to charge for directory assistance; allowing the PSPs to charge a market-based rate for local coin calls; and discontinuing the set use fee for all O+ and ICX completed O-calls. The proposed amendments include specific rate caps expressed in dollars and cents that pay telephone providers must not exceed for various types of calls. The proposed amendments allow more flexibility to providers for minimum length of calls at confinement facilities, and add conditions for extending incoming call blocking where exempted. In addition, pay telephones will have to meet certain American National Standards Institute (ANSI) requirements for handicapped users. Finally pay telephone stations located in confinement facilities are exempt from certain requirements, and outgoing local and long distance calls at those facilities can not be terminated until after a minimum elapsed time of ten minutes.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COST: The rule amendments implementing the FCC Order should not impose additional regulatory costs, because PSPs would still be subject to the federal rules absent Florida rule amendments. Rule amendments due to the Commission's initiatives will have additional regulatory costs. PSPs stated that limiting the exemption for blocking incoming calls to one year will create costs ranging from \$120 per pay station to a first year total company cost of \$151,919. The Commission is proposing the

exemption for two years which will spread out those compliance costs. PSPs may incur costs to comply with placard, volume control, both white and yellow page directory, and accessibility requirements. PSPs can no longer charge the set use fee for O+ calls and INC completed O- calls. However, offsetting the additional regulatory costs is the opportunity to increase the rate for intrastate toll calls from \$0.25 to \$0.30 per minute and the surcharge for toll calls from \$1.00 to \$1.75 as well as the ability to charge what the market will bear for local calls. Any person who wishes to provide information regarding the statement of estimated regulatory costs, or to provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

SPECIFIC AUTHORITY: 350.127(2), FS.

LAW IMPLEMENTED: 364.01, 364.02, 364.03, 364.32, 364.335, 364.337, FS.

WRITTEN COMMENTS OR SUGGESTIONS ON THE PROPOSED RULE MAY BE SUBMITTED TO THE FPSC, DIVISION OF RECORDS AND REPORTING, WITHIN 21 DAYS OF THE DATE OF THIS NOTICE FOR INCLUSION IN THE RECORD OF THE PROCEEDING.

HEARING: IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE HELD AT THE TIME, DATE, AND PLACE SHOWN BELOW:
TIME AND DATE: 9:30 A.M., October 19, 1998.

PLACE: Room 152, Betty Easley Conference Center, 4075 Esplanade Way, Tallahassee, Florida.

THE PERSON TO BE CONTACTED REGARDING THESE PROPOSED RULES ARE:

Director of Appeals, Florida Public Service Commission, 2540
Shumard Oak Blvd., Tallahassee, Florida 32399-0862.

THE FULL TEXT OF THESE PROPOSED RULES ARE:

25-4.003 Definitions.

For the purpose of Chapter 25-4, the ~~following~~ definitions of the following terms apply:

(1) - (36) No Change.

(37) "Pay Telephone Service Company." Any telecommunications company, ~~other than a Local Exchange Company,~~ which provides pay telephone service as defined in Section 364.3375, Florida Statutes.

(38) - (51) No Change.

Specific Authority 350.127(2) FS.

Law Implemented 364.01, 364.02, 364.32, 364.335, 364.337 FS.

History--Revised 12-1-68, Amended 3-31-76, Formerly 25-4.03,
Amended 2-23-87, 3-4-92, 12-21-93, 3-10-96,_____.

25-4.0345 Customer Premises Equipment and Inside Wire.

(1) Definitions: For purposes of this chapter, the definition to the following terms definitions apply:

(a) "Customer Premises Equipment (CPE)" includes terminal equipment intended for use on the customer's premises such as pay telephones, telephone sets, teletypewriters, data terminal equipment, mobile telephone terminal equipment, private branch exchange equipment, key system equipment, dialers and other

supplemental equipment. CPE does not include "911" public safety answering point equipment (ALI, ANI, ACD equipment), ~~local exchange company pay telephone stations~~, or telecommunications devices required by hearing or speech impaired subscribers.

(b) "Demarcation Point," ~~The~~ ~~to the~~ point of physical interconnection (connecting block, terminal strip, jack, protector, optical network interface, or remote isolation device) between the telephone network and the customer's premises wiring. Unless otherwise ordered by the Commission for good cause shown, the location of this point is:

1. - 4. No Change

(c) "Complex Equipment Wire" ~~The~~ ~~to the~~ premises wiring owned by the local exchange company which may be used as station wiring and to connect off-premises extensions and is beyond the normal demarcation points.

(d) "Inside Wire" ~~All~~ ~~to the~~ wire or cable other than complex equipment wire located on the customer's side of the demarcation point.

(e) "Customer Premises" ~~The~~ ~~to the~~ discrete real property owned, leased, or controlled by a customer for the customer's own business or residential purposes.

(2) The provision and maintenance of CPE ~~Customer-Premises Equipment-(CPE)~~ and inside wire, but not complex equipment wire, is deregulated for intrastate purposes.

(3) - (4) No Change.

Specific Authority 350.127(2) FS.

Law Implemented 364.03 FS.

**History--New 12-13-82, Amended 9-30-85, Formerly 25-4.345,
Amended 4-16-90, 3-10-96_____.**

**25-4.076 Pay Telephone Service Provided By Local Exchange
Companies.**

Specific Authority 350.127(2) FS.

Law Implemented 364.03 FS.

**History--New 12-1-68, Amended 3-31-76, 3-6-78, Formerly 25-4.76,
Amended 1-5-87, 4-14-92, 12-21-92, 2-3-93, 10-10-94, 12-27-94,
Repealed_____.**

NAME OF PERSON ORIGINATING PROPOSED RULES: Ray Kennedy

NAME OF SUPERVISOR OR PERSONS WHO APPROVED THE PROPOSED RULES:

Florida Public Service Commission.

DATE PROPOSED RULES APPROVED: August 18, 1998

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW:

Volume 23, Number 39, September 26, 1997

If any person decides to appeal any decision of the Commission with respect to any matter considered at the rulemaking hearing, if held, a record of the hearing is necessary. The appellant must ensure that a verbatim record, including testimony and evidence forming the basis of the appeal is made. The Commission usually makes a verbatim record of rulemaking hearings.

Any person requiring some accommodation at this hearing because of a physical impairment should call the Division of Records and

Reporting at (850) 413-6770 at least 48 hours prior to the hearing. Any person who is hearing or speech impaired should contact the Florida Public Service Commission by using the Florida Relay Service, which can be reached at: 1-800-955-8771 (TDD).

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 951560-TP

RULE TITLE:	RULE NO.:
Company Operations, Rules Incorporated	25-24.475
Scope	25-24.505
Application for Certificate	25-24.511
Pay Telephone Service	25-24.515
Pay Telephone Rate Caps	25-24.516
Reporting Requirements	25-24.520

PURPOSE AND EFFECT: The proposed amendments to rules incorporate requirements mandated by the Federal Communications Commission (FCC) in their latest Report and Order (96-388 and 96-439). The Order requires all states to "review and remove . . . those regulations that affect competition such as entry and exit restrictions." The effect of the proposed amendments is to encourage competition and provide a limited regulatory framework within which all pay telephone service providers (PSPs) will operate. Local exchange company (LEC) pay telephone service providers will operate under the same rules as non-LEC pay telephone service providers.

SUMMARY: The proposed rule amendments repeal the separate rule for LECs providing pay telephone services, extend the scope of the other pay telephone rules to include LECs, and require that, "Any person desiring to provide pay telephone services must have a pay telephone certificate." Thus, under the rules all PSPs must

follow the same requirements. The proposed amendments implement FCC requirements to bring Florida into compliance with the FCC's orders. These requirements include: defining the LEC's pay telephone equipment as customer premises equipment; allowing the PSPs to charge for directory assistance; allowing the PSPs to charge a market-based rate for local coin calls; and discontinuing the set use fee for all O+ and ICX completed O-calls. The proposed amendments include specific rate caps expressed in dollars and cents that pay telephone providers must not exceed for various types of calls. The proposed amendments allow more flexibility to providers for minimum length of calls at confinement facilities, and add conditions for extending incoming call blocking where exempted. In addition, pay telephones will have to meet certain American National Standards Institute (ANSI) requirements for handicapped users. Finally pay telephone stations located in confinement facilities are exempt from certain requirements, and outgoing local and long distance calls at those facilities can not be terminated until after a minimum elapsed time of ten minutes.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COST: The rule amendments implementing the FCC Order should not impose additional regulatory costs, because PSPs would still be subject to the federal rules absent Florida rule amendments. Rule amendments due to the Commission's initiatives will have additional regulatory costs. PSPs stated that limiting the

exemption for blocking incoming calls to one year will create costs ranging from \$120 per pay station to a first year total company cost of \$151,918. The Commission is proposing the exemption for two years which will spread out those compliance costs. PSPs may incur costs to comply with placard, volume control, both white and yellow page directory, and accessibility requirements. PSPs can no longer charge the set use fee for O+ calls and INC completed O- calls. However, offsetting the additional regulatory costs is the opportunity to increase the rate for intrastate toll calls from \$0.25 to \$0.30 per minute and the surcharge for toll calls from \$1.00 to \$1.75 as well as the ability to charge what the market will bear for local calls.

SPECIFIC AUTHORITY: 350.127(2), FS.

LAW IMPLEMENTED: 350.113, 350.115, 350.117, 364.01, 364.02, 364.03, 364.035, 364.063, 364.14, 364.15, 364.16, 364.17, 364.18, 364.183, 364.185, 364.30, 364.32, 364.33, 364.335, 364.337, 364.3375, 364.345, FS.

WRITTEN COMMENTS OR SUGGESTIONS ON THE PROPOSED RULE MAY BE SUBMITTED TO THE FPSC, DIVISION OF RECORDS AND REPORTING, WITHIN 21 DAYS OF THE DATE OF THIS NOTICE FOR INCLUSION IN THE RECORD OF THE PROCEEDING.

HEARING: IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE HELD AT THE TIME, DATE, AND PLACE SHOWN BELOW:

TIME AND DATE: 9:30 A.M., October 19, 1998

PLACE: Room 152, Betty Easley Conference Center, 4075 Esplanade

Way, Tallahassee, Florida.

THE PERSON TO BE CONTACTED REGARDING THESE PROPOSED RULES ARE:

Director of Appeals, Florida Public Service Commission, 2540
Shumard Oak Blvd., Tallahassee, Florida 32399-0862.

THE FULL TEXT OF THESE PROPOSED RULES ARE:

25-24.475 Company Operations; Rules Incorporated.

(1) No Change.

Section	Title	Portions Not Applicable
25-4.022	Complaint -- Trouble Reports, etc.	<u>All None</u>
25-4.036	Design and Construction of Plant	<u>All None</u>
25-4.038	Safety	<u>All None</u>
25-4.039	Traffic	<u>All None</u>
25-4.071	Adequacy of Service	Subsections (1) , (2) , (3) , (4) , (5), (6)
25-4.076	Pay Telephone Service Provided by Local Exchange Companies	All Subsections except (1)
<u>25-24.515</u>	<u>Pay Telephone Service</u>	<u>Subsection (2)</u>
25-4.077	Metering and Recording Equipment	<u>All Subsection (5)</u>
25-4.160	Operation of Telecommunications	<u>Subsection (1) Subsections (2), (3)</u>

Relay Service

(2) No Change.

Specific Authority 350.127(2) FS.

Law Implemented 364.03, 364.035, 364.17, 364.14, 364.15, 364.16,
364.18, 364.185, 364.30, 364.337, 364.345 FS.

History--New 2-23-87, Amended 6-24-90, 9-16-92, 2-3-93, 3-13-96, _____

PART XI

~~RULES GOVERNING PAY TELEPHONE SERVICE PROVIDED BY OTHER THAN LOCAL EXCHANGE TELEPHONE COMPANIES~~

25-24.500 Reserved

25-24.505 Scope

25-24.510 Certificate of Public Convenience and Necessity Required

25-24.511 Application for Certificate

25-24.512 Improper Use of a Certificate

25-24.513 Application for Approval of Sale, Assignment or Transfer
of Certificate (Repealed)

25-24.514 Cancellation of a Certificate

25-24.515 Pay Telephone Service

25-24.516 ~~Non-Local Exchange Company~~ Pay Telephone Rate Caps

25-24.520 Reporting Requirements

25-24.505 Scope.

(1) This part applies to any person ~~other than a Local Exchange Company~~ providing pay telephone service. As provided by Rules 25-4.002, 25-9.001, and 25-14.001, no provision of Chapters

25-4, 25-9, or 25-14 shall apply to pay telephone service companies, except the following: 25-4.003 (Definitions), 25-4.0161 (Regulatory Assessment Fees; Telecommunications Companies), 25-4.019 (Records and Reports In General), 25-4.020(2) (Location and Preservation of Records), and 25-4.043 (Response to Commission Staff Inquiries).

~~(2) To the extent these rules are inconsistent with provisions of Chapter 364, Florida Statutes, as regards pay telephone service, companies subject to this part are exempted from such provisions or are subject to different requirements than otherwise prescribed for telephone companies under the authority of Section 364.337, Florida Statutes.~~

~~(3) Any applicant may petition for exemption from applicable portions of Chapter 364, Florida Statutes, or for application of different requirements than otherwise prescribed for telephone companies by Chapter 364, Florida Statutes, under the authority of Section 364.337, Florida Statutes.~~

Specific Authority 350.127(2) FS.

Law Implemented 350.113, 350.115, 350.117, 364.01, 364.016, 364.02, 364.17, 364.18, 364.183, 364.185, 364.32, 364.337 FS.

History--New 1-5-87, Amended 11-13-95,_____.

25-24.511 Application for Certificate.

(1) Any person desiring to provide pay telephone services must have a pay telephone service certificate.

(2) An applicant shall submit an application on Form PSC/CMU

32 ~~(XX/XX) (1/91)~~, entitled "Application Form for Certificate to Provide Pay Telephone Service Within the State of Florida." which is incorporated into this rule by reference ~~and Form PSC/CNU 32 (1/91), entitled "Application Form for Certificate to Provide Pay Telephone Service Within the State of Florida,"~~ may be obtained from the Commission's Division of Communications. An non-refundable application fee of \$100.00 must accompany the filing of all applications. ~~This is a non-refundable fee to cover the costs of processing the application, and it has no relevance on the approval or denial of a certificate.~~

~~(3)(2)~~ An original and two ~~five~~ ~~(5)~~ copies of the application shall be filed with the Division of Records and Reporting.

~~(4)(2)~~ Any pay telephone service authority previously granted or granted hereafter is subject to the following:

(a) - (b) No Change.

~~(5)(4)~~ A certificate will be granted if the Commission determines that grant of the application is in the public interest. One certificate per applicant will be granted unless the applicant shows that granting of additional certificates is in the public interest. A new certificate will not be granted to any applicant who has previously had a certificate involuntarily cancelled unless the applicant shows that granting of the new certificate is in the public interest.

Specific Authority 350.127(2) FS.

Law Implemented 364.32, 364.33, 364.335, 364.337, 364.3375, 364.345

FS.

History--New 1-5-87, Amended 9-28-89, 4-7-91, 11-20-91, 12-21-92,

25-24.515 Pay Telephone Service.

(1) For the purposes of this section, the term "direct free" shall mean without requiring the use of a coin, paper money, credit card, or any other form of payment, even if the payment will be returned.

(2) Pay telephons stations shall be lighted during the hours of darkness when light from other sources is not adequate to read instructions and use the instrument.

(3) ~~+~~ Each pay telephone station shall return any deposited amount if the call is not completed, except messages to a Feature Group A access number.

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

(5) Each pay telephone station shall permit direct free access to dialtens.

(6) Each Pay telephone station shall permit direct free access to toll free numbers (e.g., 800, 877, and 888).

(7) ~~+~~ Each pay telephone station shall complete calls r

~~without charge, permit access to local and long distance directory assistance.~~

~~(8) Each pay telephone station shall complete calls to and the telephone number of any person responsible party for repairs or refunds by direct free access, 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.~~

~~(9) Except as provided in paragraph 9(c), each pay~~ each telephone station shall be equipped with a legible sign, card, or plate of reasonable permanence which shall identify the following:

~~(a) The telephone number and location address of the pay telephone~~ each station, name and certificate number of the certificate holder, ~~and the party responsible for repairs and refunds, address of responsible party, free phone number of responsible party, clear dialing instructions (including notice of the lack of availability of local or toll services), and the local coin rate, where applicable, a statement that the phone is not maintained by the local exchange company.~~

~~(b) For those pay telephone stations that will terminate conversation after a minimum elapsed time 15 minutes, notice shall be included on the sign card as well as an audible announcement 30 seconds prior to termination of the phone call.~~

~~(c) Pay telephone providers have until December 31, 1998, or six months after the effective date of this rule, which ever is later, to comply with the requirements of placing the certificate~~

number on the pay telephone station sign, card, or plate.

~~(10)46~~ Each pay telephone station which provides access to any interexchange company shall provide coin free access, except for Feature Group A access, to all locally available interexchange companies. The pay telephone station shall provide ~~For pay stations in equal access areas, such access shall be provided~~ through the forms of access purchased by locally available long distance carriers such as and shall include 10XXX+0, 10XXXX+0, 101XXXX+0, 950, and toll free (e.g., 800, 877, and 888) access. For ~~these pay stations located in non equal access areas, 102000 may be translated to 00 to directly access AT&T. Otherwise, in non equal access areas, 00 shall directly route to an AT&T operator and the instruction card shall so indicate. Where 00 is not available, 0 shall route to the LSC operator for transfer to AT&T and the instruction card shall so indicate.~~

(11) No sales solicitation shall be allowed during the interval between the last digit dialed by the end user and connection with the interexchange carrier.

(12)47 All 0- calls shall be routed to a telecommunications company that is authorized by the Commission to handle 0- calls. All other interstate calls, including operator service calls, may ~~shall~~ be routed to the pay telephone provider's carrier of choice local exchange company, unless the end user dials the appropriate access code for their carrier of choice, i.e., 950, ~~800~~, 10XXX, 10XXXX, 101XXXX, and toll free access (e.g., 800, 877, and 888).

~~(131-0)~~ (a) Each pay telephone station shall allow incoming calls to be received at all times, with the exception of those located at ~~confinement facilities~~ hospitals, and schools, and ~~ee~~ locations specifically exempted by the Commission. There shall be no charge for receiving incoming calls.

(b) A pay telephone provider may petition the Commission from the incoming call requirement for a period that shall not exceed two years from the effective date of the Order granting the exemption. Requests for exemption from the requirement that each pay telephone station allow incoming calls shall be accompanied by a completed Form PSC/CNU-2 (XX/XX)-10/94, entitled "Request to Block Incoming Calls." which is incorporated into this rule by reference ~~and Form PSC/CNU-2 (10/94), entitled Request to Block Incoming Calls~~ may be obtained from the Commission's Division of Communications. The form requires an attestation from the owner of the pay telephone, the owner of the pay telephone location, and the ~~g~~chief of the responsible law enforcement agency that the request is sought in order to deter criminal activity facilitated by incoming calls being received at the specified pay telephone. A separate form shall be filed for each telephone number for which an exemption is sought. Exemptions which were granted prior to the two-year limitation will expire two years from the effective date of the amendment establishing the two-year limitation. The Commission may grant additional requests for subsequent two-year exemptions if the provider of the pay telephone files another Form

PSC/CNU-2 (XX/XX). Where incoming calls are not received, central-office based intercept shall be provided at no charge to the ~~end user~~ end-user and a written notice shall be prominently displayed on the instrument directly above or below the telephone number which states: "Incoming calls blocked at request of law enforcement."

~~(14) (b) Each pay telephone station must be connected to an individual access line, as provided in the pay telephone access tariff offered by the local exchange company.~~

(15) (a) Each pay telephone service company shall permit outgoing calls to be placed from its pay telephone station at all times.

(b) Each pay telephone service company shall make all reasonable efforts to minimize the extent and duration of interruptions of service. Service repair programs should have as their objective the restoration of service on the same day that the interruption is reported to the company. (Sundays and holidays excepted.) ~~(b) Each telephone utility shall conduct its operations in such manner to ensure that, in each exchange, ninety five (95) percent of all interruptions in telephone service occurring in any calendar month shall be closed and service restored within twenty four (24) hours (Sundays and holidays excepted) after the trouble is reported to the company, except where such interruptions are caused by emergency situations, unavoidable accidents, and acts of God affecting large groups of subscribers.~~

~~(16)(a)(1)~~ Where there is a single pay telephone station ~~ere~~ fewer than three telephones located in a group, a current white and yellow page directory for the entire local calling area shall be maintained ~~at each station~~. Where there are ~~two~~ three or more pay telephone stations located in a group, a current white and yellow page directory for the entire local calling area shall be maintained at every other station. However, where telephone pay stations are fully enclosed, a current white and yellow page directory shall be maintained at each pay telephone station. Companies must comply with this subsection by December 31, 1998, or six months after the effective date of this rule, which ever is longer.

(b) Pay telephone stations that provide directory assistance at no charge are exempt from the provisions in (16)(a). A notice must appear on the placard if directory assistance at no charge is being provided.

~~(17)(1)~~ Normal maintenance and coin collection activity shall include a review of the cleanliness of each pay telephone station ~~and reasonable efforts shall be made to ensure that 95% of all stations are clean and free of obstructions.~~

~~(18)(a)(1)~~ Except as provided in paragraphs (18)(a)-(c) and (e) subsections (14)(a), (14)(b), and (14)(c) below, each pay telephone station ~~installed after January 5, 1993~~ shall conform to sections 4.28.8.4 and 4.29 subsections 4.29.2 4.29.4 and 4.29.7 4.29.8 of the American National Standards Accessible

~~and Usable Buildings and Facilities, approved December 15, 1992. Specifications for Making Buildings and Facilities Accessible and Usable by Physically Handicapped People, approved February 5, 1986~~ by the American National Standards Institute, Inc. (ANSI A117.1-~~1992+1986~~), which is incorporated by reference into this rule. ~~Each telephone station installed prior to January 5, 1987 shall conform to the above standards by January 1, 1995.~~

~~(b) Where~~ ~~(c) Effective June 1, 1993,~~ where there are two or more pay telephone stations located in a group, there shall be a minimum of one telephone per group of ten which conforms to the ANSI ~~above mentioned standards listed in subsection (18)(a).~~ The conforming station must be physically located in the group of pay telephone stations or must be installed within a clear line of sight within 15 feet of the group and the route to the conforming station must be free from wheelchair barriers.

~~(c) (b)~~ Except for locations on floors above or below entry level in buildings not serviced by a ramp or elevator, pay telephone ~~each~~ stations shall be placed in areas accessible to the physically handicapped.

~~(d) (c)~~ Pay telephone stations ~~Stations~~ located in buildings which are not wheelchair ~~physically~~ accessible to ~~physically handicapped persons~~ must comply with all ANSI provisions cited in this subsection except that these stations are exempt from complying with ANSI sections 4.29.2 through 4.29.4, 4.29.7, and 4.29.8 until the building is modified to make it wheelchair accessible. ~~to the~~

~~above mentioned standards upon modification of the building to make it handicap accessible, according to the Americans with Disabilities Act.~~

(e) Pay telephones shall not be installed where the required "clear floor or ground space" provided for in ANSI section 4.29.2 is reduced by a vehicle parked in a designated parking space.

(f) Each pay telephone provider shall modify its pay telephone station to comply with ANSI section 4.29.5 within six months from the effective date of these rules.

(19) Each pay~~(14)~~ station shall permit end users to input unlimited the additional digits for the duration of the call necessary to complete calling card calls, using any locally available carrier, without operator intervention, and to utilize features such as voice mail box and menu driven answering devices. This requirement shall not be applicable to pay telephones located in confinement facilities.

~~(15) Pay stations located in confinement facilities shall be exempt from the requirements of above subsections (1), (3), (4), (6), and (11). Such pay stations shall also be exempt from the requirements of subsection (5), except for the audible and written 15 minute disconnect notification.~~

(20)~~(16)~~ Toll Fraud Liability.

(a) A company providing interexchange telecommunications services or local exchange telecommunications services shall not collect from a pay telephone provider for charges billed to a line

for calls which originated from that line through the use of access codes such as 10XXX+0, 10XXXX, 10XXXXX, 950, and toll free (e.g., 800, 877, 888) 1-800-01, 950-1-800-0, or 1-800 access codes, or when the call originating from that line otherwise reached an operator position, if the originating line is subscribed to outgoing call screening and the call was placed after the effective date of the outgoing call screening order.

(b) A company providing interexchange telecommunications services or local exchange telecommunications services shall not collect from a pay telephone provider for charges for collect or third number billed calls, if the line to which the call was billed was subscribed to incoming call screening and the call was placed after the effective date of the incoming call screening order.

(c) Any calls billed through the provider of local exchange telecommunications services company or directly by an interexchange company, or through a billing agent, which have been identified as not collectible as described in paragraphs (20)(a) and (20)(b) above, must be removed from any pay telephone provider's bill after the pay telephone provider gives notice of the fraudulent charges to the billing party. Pay telephone providers shall give such ~~notice shall be provided~~ notice to the provider of local exchange telecommunications services LSC and the interexchange company IXC in writing no later than the due date of the bill.

(d) The provider of local exchange telecommunications services LSC is responsible for charges described in paragraph (20)(c) that

are associated with the failure of the provider of local exchange telecommunications services' ~~LEO's~~ screening services.

(e) The interexchange company ~~INC~~ is responsible for charges described in paragraph (20)(c) that are associated with the failure to properly validate calls via the appropriate provider of local exchange telecommunications services' ~~company~~ data base.

(f) Definitions: For purposes of subsection (20) ~~this rule~~ the term

~~---~~ "Effective Date" shall mean the date after the call screening order was placed and associated charges apply.

(g) Any charges accrued to a subscriber's line when the subscriber has subscribed to ~~paid~~ the provider of local exchange telecommunications services ~~company~~ to screen calls described in paragraphs (20)(a) and (20)(b) above shall not be the basis for discontinuance of local and intrastate service.

~~(21)(4)~~ Providers serving confinement facilities shall provide for completion of all inmate calls allowed by the confinement facility.

(22) Pay telephone stations located in confinement facilities shall be exempt from the requirements of subsections (2), (4), (6), (7), (8), (10), (12), (13), (15), (16), and (19) of this rule. Such pay telephone stations shall also be exempt from the requirements of subsection (9), except that outgoing local and long distance calls may not be terminated until after a minimum elapsed time of ten minutes. Audible and written disconnect notifications

shall apply, and one access line shall not be connected to more than three pay telephone stations.

Specific Authority 350.127(2) FS.

Law Implemented 364.03, 364.035, 364.063, 364.337, 364.345 FS.

History--New 1-5-87, Amended 4-14-92, 12-21-92, 2-3-93, 10-10-94, 12-27-94, 9-5-95,_____.

25-24.516 ~~Non-Local Exchange Company~~ Pay Telephone Rate Caps.

(1) Rates charged any end user by a pay telephone provider, providing operator service within the pay telephone premises' equipment, shall not exceed the following:

(a) ~~Local~~ coin calls -- the rate posted at the pay telephone station, a rate equivalent to the local coin rate of the local exchange telecommunications company, except that a provider using a debit card system may charge \$1.00 for a coin paid local call made from a pay telephone located in a confinement facility;

(b) Extended area service (EAS) coin calls - a rate equivalent to the local coin call rate.

(c) Extended calling scope (ECS) calls - the rate equivalent to the local coin rate.

(d) 0+ toll non-person-to-person - a maximum rate of \$0.30 per minute, plus a \$1.75 charge. intralATA and interlATA toll coin calls - a rate of \$0.25 per minute, plus a \$1.00 surcharge;

~~(e) 0+ and 0 interlATA toll non-coin calls billed directly or on behalf of the pay telephone provider - a rate of \$0.25 per minute, plus the Commission authorized set use fee as described in~~

~~subsection (3) below, plus a \$1.00 surcharge.~~

(a) 0+ toll person-to-person - a maximum rate of \$3.30 per minute, plus a \$3.25 charge.

(2) No Change.

(3) A set use fee of \$.25 shall apply to all completed 0+ and 0- local and ~~interLATA toll~~ calls placed from pay telephones. A ~~\$.25 set use fee may optionally be applied to completed 0+ and 0- interLATA toll calls~~

Specific Authority 350.127(2) FS.

Law Implemented 364.03, 364.3375(4), (5) FS.

History--New 9-3-95, Amended _____.

25-24.520 Reporting Requirements.

(1) Each pay telephone service company shall file with the Commission's Division of Communications updated information for the following items within ~~ten~~ 10 days after a change occurs:

(a) - (b) No Change.

~~(2) Each pay telephone service company shall by January 31 of each year provide a report to the local exchange companies listing the station number and location of all of its pay telephones.~~

Specific Authority 350.127(2) FS.

Law Implemented 350.115, 350.117, 364.17, 364.18, 364.185, 364.3375 FS.

History--New 1-5-87, Amended 1-2-91, 12-29-91, _____.

NAME OF PERSON ORIGINATING PROPOSED RULES: Ray Kennedy

NAME OF SUPERVISOR OR PERSONS WHO APPROVED THE PROPOSED RULES:

Florida Public Service Commission.

DATE PROPOSED RULES APPROVED: August 18, 1998

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW:

Volume 23, Number 39, September 26, 1997

If any person decides to appeal any decision of the Commission with respect to any matter considered at the rulemaking hearing, if held, a record of the hearing is necessary. The appellant must ensure that a verbatim record, including testimony and evidence forming the basis of the appeal is made. The Commission usually makes a verbatim record of rulemaking hearings.

Any person requiring some accommodation at this hearing because of a physical impairment should call the Division of Records and Reporting at (850) 413-6770 at least 48 hours prior to the hearing. Any person who is hearing or speech impaired should contact the Florida Public Service Commission by using the Florida Relay Service, which can be reached at: 1-800-955-8771 (TDD).

MEMORANDUM

May 20, 1998

93 1. 122 F. 2: 48

TO: DIVISION OF APPEALS (CALDWELL)

FROM: DIVISION OF RESEARCH AND REGULATORY REVIEW (HEWITT) *[Signature]*

SUBJECT: STATEMENT OF ESTIMATED REGULATORY COSTS, DOCKET NO. 951560-TP, PROPOSED REPEAL OF RULE 25-4.076, F.A.C., PAY TELEPHONE SERVICE PROVIDED BY LOCAL EXCHANGE COMPANIES, AND PROPOSED AMENDMENTS TO RULES 25-4.003, F.A.C., DEFINITIONS; 25-4.0345, F.A.C., CUSTOMER PREMISE EQUIPMENT AND INSIDE WIRE; 25-24.475, F.A.C., COMPANY OPERATIONS, RULES INCORPORATED; 25-24.505, F.A.C., SCOPE; 25-24.511, F.A.C., APPLICATION FOR CERTIFICATE; RULE 25-24.515, F.A.C., PAY TELEPHONE SERVICE; RULE 25-24.516, F.A.C., PAY TELEPHONE RATE CAPS; AND RULE 25-24.520, F.A.C., REPORTING REQUIREMENTS.

SUMMARY OF THE RULE

The current rules in Chapter 25-24, F.A.C., governing pay telephone service apply to any telecommunications company, other than local exchange companies (LECs), that provide pay telephone service as defined in Section 364.3375, Florida Statutes (1995). LECs are governed by Rule 25-4.076, F.A.C., Pay Telephone Service By Local Exchange Companies.

The proposed rule amendments would repeal the separate rule for LECs providing pay telephone services, extend the scope of the other pay telephone rules to include LECs, and require that, "Any person desiring to provide pay telephone services must have a pay telephone certificate." Thus, the rules would combine all pay telephone service providers (PSPs) under the same requirements.

The amendments would also implement Federal Communications Commission (FCC) requirements found in FCC Report and Order 96-388 and FCC Order 96-439 on Reconsideration. Adopting these requirements is necessary to bring Florida into compliance with the FCC's orders. These requirements include: defining the LECs' pay telephone equipment as customer premises equipment; allowing the PSPs to charge for directory assistance; allowing the PSPs to charge a market-based rate for local coin calls; and discontinuing the set use fee for all 0+ and DXC completed 0- calls.

The proposed amendments include specific rate caps expressed in dollars and cents that pay telephone providers must not exceed for various types of calls. The proposed amendments would also

allow more flexibility to providers for minimum length of calls at confinement facilities, allow a charge for incoming calls after five minutes, and add conditions for extending incoming call blocking where exempted. Outgoing calls would be required to be permitted at all times. In addition, pay telephones would have to meet certain American National Standards Institute (ANSI) requirements for handicapped users. Finally, pay telephone stations located in confinement facilities would be exempt from certain requirements, and outgoing local and long distance calls at those facilities could not be terminated until after a minimum elapsed time of ten minutes.

ESTIMATED NUMBER AND DESCRIPTION OF INDIVIDUALS AND ENTITIES IMPACTED

Any telecommunications company that provides pay telephone service would be required to comply with the proposed rule amendments. In Florida, certificates to provide pay telephone telecommunications service are currently held by over 1,000 entities. The companies range from sole proprietors with one pay telephone to large companies with thousands of pay telephones throughout the state.

Any individual that uses a pay telephone in Florida could be indirectly impacted by the proposed rule amendments when implemented by pay telephone providers. They would be the ultimate bearer of the costs and receiver of the benefits of the rule changes.

DIRECT COSTS TO THE AGENCY AND OTHER STATE OR LOCAL GOVERNMENT ENTITIES

The Florida Public Service Commission (Commission) should eventually see a reduction in the number of complaints filed by pay telephone users if the rule achieves its purpose (to reduce the incidence of price gouging on toll calls and increase the level of information and service quality of pay telephones). However, there may be a short-term increase in consumer complaints (due to higher surcharges and rates). Also, staff would be monitoring compliance with the proposed rule changes. Present staff levels should be adequate if these increases are short term.

At least three local governments (Cities of Lakeland, Ocala, and Tallahassee) hold ALEC certificates, although none are currently offering telecommunications services. Local governments offering pay telephone service would face the same compliance costs as others. Local law enforcement

agencies would have some minimal costs associated with approving call blocking renewals. No other direct costs to state or local government entities are foreseen.

**ESTIMATED TRANSACTIONAL COSTS
TO INDIVIDUALS AND ENTITIES REQUIRED TO COMPLY**

The estimated costs of complying with the proposed rule amendments are described in this section. Staff reviewed data request responses, testimony, and workshop comments and has made every effort to include all costs provided by any participating party. Cost estimates are contained in the following discussion for each section of the proposed rule amendments where data request responses indicated an increased regulatory cost. Where explicit costs are not included but indicated, the total amount of regulatory cost increases would depend on unknown factors such as the actual number of companies affected and the duration and number of calls affected.

Proposed Rule Amendments to 25-24.515, F.A.C., Pay Telephone Service

Proposed Rule Amendments 25-24.515(5) & (6), F.A.C., would require free direct access to dial tone and toll free numbers. This would decrease revenues for companies currently charging for these items. Subsection (7) would allow a charge for local directory calls which could increase revenues for those companies imposing a charge per the FCC order.

Subsection (9)(a) would require the certificate number and local coin rate to be added to the currently required identification information at the pay telephone station. Alltel does not believe that the certificate should be required to be listed on the phone because: (a) the pay station cards are already over crowded with required information; (b) the name of the provider is on the phone and can be checked with the Commission for an assigned certificate number; and (c) multi-state operations create difficulties with lack of consistency in formatting. Sprint-Florida, Inc. responded that this section has caused a total expense of \$4,200 to include the company's certificate number. Sprint Payphone Services, Inc. indicated it has incurred a one-time expense of \$4,000 to update its existing place cards in compliance with the proposed rule change.

The Florida Public Telecommunications Association, Inc. (FPTA) suggested that a minimum time period of at least six months be allowed for PSPs to bring their pay telephones into compliance with the rule changes. With a reasonable amount of time to change signage, the economic impact of

these changes would be minimal, because the PSP can change the cards during the normal course of business, without a special trip.

Subsection (9)(b) would change the allowed call termination period from "15 minutes" to "a minimum elapsed time." The change could reduce the amount of time allowed without an additional charge which could increase revenues to PSPs and increase costs to pay telephone users.

Subsection (13)(a) would require incoming calls to be received at all times with no charge for the first five minutes unless the location has been granted an exemption by the Commission. There could be an increase in revenues for companies now blocking incoming calls at certain times. An audible notice of disconnect must be provided prior to disconnect. The cost to provide this audible notice was not reported. Subsection (13)(a) would also limit the exemption for the incoming call requirement to a one year period. Exemptions granted prior to the one year limitation would expire one year from the effective date of the proposed amendment. Florida Pay Phone Systems, Inc. (FPPS) indicated that it is extremely difficult to obtain a signature from a chief of police because of reluctance to acknowledge a crime problem in his jurisdiction. FPPS states it took five months to obtain a signature (including 80 man hours, many calls, and visits to the office) for two phones at one location. It stated, "An annual exemption signature would make the request a constant battle." While there is a regulatory cost to obtain additional signatures every year, the requirement would ensure that there is continued justification for the blocking and loss of accessibility for customers receiving incoming calls. GTE anticipates that annual petitions for exemption for blocking incoming calls would result in an additional expense of \$120 per pay station.

BellSouth Public Communications, Inc. (BSPC) estimated that to comply with this change would initially cost \$113,799 with subsequent costs per year to comply at \$38,119, for a total first year cost of \$151,918. Costs include labor costs for administration, marketing, technical, and maintenance and assumes 50% of existing exempted stations and subsequent exempted stations would revert back to two-way calling.

FPTA believes that a five-minute minimum elapsed time is too long a time period to allow for free incoming calls. FPTA recommends only one or two minutes at most which would accommodate most, if not all, emergency call-back situations. This would still provide an incentive to the PSP to only request incoming call blocking where absolutely necessary due to a crime situation.

FPTA believes that a one-year exemption would create an additional administrative burden that would not be offset by any benefit. Allowing PSPs to charge for incoming calls would be a sufficient incentive to allow incoming calls everywhere possible. Some of the increased costs would be associated with increased paperwork and the need to create and maintain another set of records with very specific tracking requirements. To secure signatures, it would be necessary to divert personnel to track down location owners. Also, FPTA believes that the chief of law enforcement would be reluctant to state in writing that crime has been reduced because of incoming call blocking. The result would be the loss of a number of pay telephones where the location provider or law enforcement agencies are reluctant to get involved with such "bureaucracy."

Subsection (13)(b) would allow a pay telephone provider to initiate a temporary block of incoming calls after: (a) the required form has been filed with the Commission; (b) a central office based intercept message has been activated; (c) a written notice is displayed as required; and, (d) the LEC has informed the local emergency 911 services center that the number is restricted to outbound calls. This proposed amendment should shorten the time frame to implement an incoming call block but would make continuation of the exemption contingent on subsequent Commission approval of the request.

Subsection (14) would require that each pay telephone station be connected to an individual access line. This may require companies with multiple stations to incur costs to connect to an individual access line.

Subsection (15) would require that outgoing calls be permitted at all times. Although this should increase revenues for PSPs, there may be some additional costs to some PSPs from this requirement. FPTA states that it strongly believes that PSPs should have the latitude to configure each pay telephone in the way that is best suited to serve each specific location. A PSP should be allowed, with proper signage, to turn off a pay telephone certain hours to deter loitering and criminal activity around the phone. Otherwise, PSPs would be forced to remove some instruments that could have remained for use during most hours of the day.

Subsection (16) would require that both white and yellow pages directories must be at each pay telephone station except in phone banks where every other station must have directories. Florida Pay Phone Systems, Inc. indicated that it would cost the company approximately \$200 for every single pay phone station. Where there are two phones at one location, the cost would be approximately \$30 per

pay phone. Sprint-Florida, Inc. estimates the initial expense to adhere to this section would be \$51,500 to cover the purchase and installation of additional directory binders and mounting equipment to secure directories at the pay phone location. Sprint Payphone Services, Inc. would incur \$42,200 in additional expense for the required directory binders, mounting equipment, and labor.

FPTA objects to being required to obtain yellow page volumes where the yellow pages are not included within the same book as the white pages. Large metropolitan areas can mean three volumes of directories. A larger swing-away binder to accommodate this many volumes cost approximately \$200 versus a single volume binder that would cost approximately \$75. Also, because yellow pages are a commercial activity, FPTA believes PSPs should not be required to provide free advertising space for these commercial entities.

Subsection (18)(a) would change the ANSI reference date from 1986 to 1992 and require volume controls on pay telephones. Subsection (18)(b) would insure that the route to a conforming station was free of wheelchair barriers. Subsection (18)(e) would prohibit the installation of pay telephones where the clear floor or ground space provided in ANSI section 4.29.2 is reduced by a vehicle parked in a designated parking space. Florida Pay Phone Systems, Inc. indicated that this section would dramatically reduce the amount of pay phones which are accessible to the public. If a pay phone is placed in a location that is not adjacent to a designated parking space, for example, at a gas station, then it is usually in the direct line of traffic which would be a liability to both the pay phone provider and location owner if anyone was hit while using the pay phone. It would cost approximately \$250 per pay phone to move the phones and an estimated 40% of all pay phones could be lost at gas stations, according to Florida Pay Phone Systems, Inc. FPTA states that to upgrade an instrument to comply with volume control requirements would cost between \$50 and \$100, including parts and labor, depending on the age of the phone. Allowing the modifications over a period of time and in conjunction with routine repairs and maintenance would minimize costs and use employees most efficiently.

Subsection (19) requires that each pay telephone station except those in a confinement facility allow entry of unlimited digits for the duration of a call. The proposed amendment removes the exception for pay telephones in confinement facilities. GTE objects that this new requirement would have a potentially significant impact on GTE. "A significant majority, if not all, of the pay station systems serving inmate facilities do not allow inmate dialing after either seven or ten digits have been

dialed. This is a limitation typically asked for by the superintendents of the inmate facilities." Unlimited dialing increases the opportunity for an inmate to harass persons outside the inmate facility or commit telephone fraud. Although the impact to GTE is undeterminable, GTE's experience indicates that inmate systems which limit the calling access by limiting the number of digits dialed, do have a positive effect on limiting pay station fraud. Otherwise, the unlimited digit input is beneficial, particularly for a calling card customer who desires to make several calls, but only wants to dial the carrier access number once, and for banking and other transactions. However, these applications should not apply to an inmate.

Subsection (22) exempts pay telephone stations located in confinement facilities from many of the provisions of 25-24.515 because of the restricted nature of the end user. Although inmates would not enjoy all the benefits of this section, the exemptions are necessary for the safety and welfare of the nonincarcerated public.

Proposed Amendments to Rule 25-24.516, F.A.C., Pay Telephone Rate Caps

The proposed amendments for rate caps would raise rate and surcharge caps and allow increased revenues if market conditions permitted higher charges. Extended calling service (ECS) calls must be billed at the same price as local coin calls per the FCC order. Sprint-Florida, Inc. estimated that if it raises rates to a very high level, it would generate approximately \$328,500 annually (\$53,400 nonregulated and \$275,100 regulated), presumably at current volume. In addition, the Pay Station Location Provider would realize an increase in revenue estimated at \$82,100 annually based on the current contracted commission rates. Sprint Payphone Services, Inc. could realize additional revenues, if it raises its rates to a very high level, of approximately \$127,600 annually. In addition, the pay station location provider would realize an increase in revenue estimated at \$32,400 annually, based on the current contracted commission rates. FPTA objects to the requirement that ECS coin calls match local coin call rates because PSPs are charged measured rates for ECS calls and market conditions may dictate a different price. However, since local call rates would be rates set by the PSPs, they may be set at an adequately high rate for ECS calls. That higher rate may, in turn, make the local call rate too high for the local market. The PSPs would each have to find the right balance for their local and ECS coin call rate.

Although PSPs may increase rates and surcharges, in a competitive market they may be constrained from charging the highest level possible. Also, as charges increase, there may be a consumer response of less usage of pay telephones which could lessen the rise in PSP revenues.

IMPACT ON SMALL BUSINESS, SMALL CITIES, OR SMALL COUNTIES

None of the responding pay telephone companies said that they met the statutory definition of a small business. However, FPTA indicated that most of its members are small businesses. Small pay telephone companies should have the same regulatory compliance costs per pay telephone station as the larger companies. They would have the same rate and surcharge caps. All providers of pay telephone services must meet Commission service availability and accessibility requirements so that pay telephone users may expect a minimum acceptable level of service. Small pay telephone companies should also enjoy the same benefits as large companies by having more flexibility in setting local call rates and raising their revenues. No additional direct impact on small cities or small counties is foreseen.

REASONABLE ALTERNATIVE METHODS

Section 120.541, Florida Statutes, provides for a substantially affected person to submit a good faith written proposal for a lower cost regulatory alternative to a proposed rule and requires the SERC to either adopt the alternative or give a statement of the reasons for rejecting it in favor of the proposed rule. There were no formal proposals submitted in accordance with Section 120.541, F.S., however, the alternative suggestions submitted are addressed. These proposals have not been adopted into staff's proposed rule amendments.

The proposed rule amendment to 25-24.515(9), F.A.C., requires the addition of the holder's certificate number to the pay telephone station information provided. Although this addition may cause some additional expense and difficulty, PSPs have six months to comply, and it would help avoid confusion between similar named companies and eliminate several steps in addressing complaints about a particular pay phone.

The proposed rule amendment to 25-24.515(12) allows all calls except 0- calls (currently all calls must be routed to the LEC) to be routed to the PSP's carrier of choice. FPTA objects that the proposed amendment would continue to mandate that the local exchange provider (LEP) ultimately

carry non-emergency 0- calls. Unless the Commission requires that the LEP re-route non-emergency calls back to the PSP's carrier of choice, FPTA proposes that all 0- calls be routed to a certificated provider authorized by the Commission to handle 0- traffic. For each 0- call handled by the LEP, the PSP loses a commission that may be 30%-40% of the revenue on the call. For an "operator transfer," long distance carriers pay LEPs a typical transfer fee of \$0.75.

The proposed rule amendment to 25-24.515(13)(a), F.A.C., makes incoming call blocking exemptions limited to one year. One suggestion was that only the pay phone owner and location provider be required to sign any renewal. Another alternative, considered less cumbersome by one company, would be to allow the exemption to remain in place until the local agent or local police authority requests to open the pay stations to incoming calls. The requirement aims to balance the interest of the public in having available incoming calling ability and the need to eliminate or minimize criminal elements congregating at certain pay telephone locations.

Regarding the proposed rule amendment 25-24.515(16), F.A.C., for directory placement, a suggestion was made that all single pay phones only need white pages and only two or more pay phones need yellow. This suggestion would not fully meet the needs of pay phone users.

The proposed rule amendment 25-24.515(18)(e), F.A.C., prohibits installing a pay phone where the required clear floor or ground space is reduced by a vehicle parked in a designated parking place. There was an opinion expressed that the section should be removed. Although this section may be a disincentive for some location owners to install a pay phone, removal of the amendment would allow clear ground space to be occupied by a vehicle, thus, blocking access and clear space for handicapped access. FPTA suggests that pay telephone providers be allowed a minimum period of at least one year after the rule becomes effective to comply with the newly adopted ANSI standards.

The proposed rule amendment 25-24.515(19), F.A.C., requires allowing unlimited input of digits during a call. A language change was recommended to block inmates from using this ability to harass and commit phone fraud. Not allowing inmates unlimited digit entry has merit but that objective may be reached by including subsection (19) in the exemptions for confinement facilities in subsection (22).

BSPC requested that it be allowed to place additional directories and directory holders, where required, on routine maintenance visits within a specified period of time to avoid additional costs of dispatching service technicians.

CONCLUSION

The rule amendments implementing the FCC Order should not impose additional regulatory costs, because PSPs would still be subject to the federal rules absent Florida rule amendments. Rule amendments due to FPSC initiative would have additional regulatory costs. PSPs may incur costs to comply with placard, volume control, both white and yellow page directory, and accessibility requirements. PSPs could no longer charge the set use fee for 0+ calls and DXC completed 0- calls. However, offsetting the additional regulatory costs would be the opportunity to increase the rate for intrastate toll calls from \$0.25 to \$0.30 per minute and the surcharge for toll calls from \$1.00 to \$1.75 as well as the ability to charge what the market will bear for local calls.

CBH:tf/e-patelj

MEMORANDUM

August 17, 1998 98 AUG 18 AM 8:19

TO: APPEALS (CALDWELL)

FROM: RESEARCH AND REGULATORY REVIEW (HEWITT) *AS + P/O*

SUBJECT: STATEMENT OF ESTIMATED REGULATORY COSTS ADDENDUM FOR DOCKET NO. 951560-TP, PROPOSED AMENDMENTS TO PAY TELEPHONE RULES

A Statement of Estimated Regulatory Cost was prepared for the proposed pay telephone rule changes contained in the June 18, 1998, Staff Recommendation for Docket 951560-TP. That recommendation was deferred from the June 30, 1998, Commission Agenda. Since that time, an additional proposed subsection (b) has been added to Rule 25-24.515(16), F.A.C. The proposed subsection (b) gives companies an option to provide directory assistance at no charge in lieu of subsection (16)(a), which requires a white and yellow page directory:

(b) Pay telephone stations that provide directory assistance at no charge are exempt from the provisions in (16)(a). A notice must appear on the placard if directory assistance at no charge is being provided.

Companies were asked to comment on any expected regulatory costs due to the proposed addition of subsection (16)(b). The only substantive comments were from the Florida Public Telecommunications Association (FPTA). FPTA represents approximately 190 payphone service providers (PSPs), of which all but three or four are small businesses.

FPTA restated its strong objection to the proposed requirement to provide a separate yellow page directory where the yellow pages are not included within the same directory as the white pages. FPTA stated:

In major metropolitan areas, this will mean that a pay telephone will have to accommodate three volumes of directories, necessitating considerable more costly equipment than usual, as well as extra maintenance. Swing-away binders to accommodate this many volumes cost approximately \$200 as opposed to a single volume binder that would cost approximately \$75. . . . Additionally, yellow pages are a purely commercial activity that is not regulated by the Florida Public Service Commission (FPSC). PSPs should not be required to provide free advertising

space for commercial entities. Local exchange companies are not required to publish or provide yellow page directories to their customers.

... Local directory assistance is not the same as having white and yellow pages; local directory assistance only gives the caller the information normally contained in the white pages. If the FPSC sees free local directory assistance as an adequate substitute for having directories at the phone, then the white pages alone should be sufficient, since that is the only information that directory assistance is able to provide to a customer.

The decision of whether to provide free directory assistance or placing and maintaining a directory at the pay telephone station would be made on a case-by-case basis because the charge by the LECs for a directory assistance call varies and the total number of directory assistance calls per phone varies. Anecdotal evidence suggests that when directory assistance is free, customers will use it for convenience, even if a directory is available, therefore driving up costs for the PSPs.

Finally, FPTA suggests that if the Commission moves forward with this additional proposed language, it be modified to "local directory assistance at no charge" since neither the white nor the yellow pages provide information for toll calls.

CBH:rf/e-patel4