

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

April 25, 1996

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF COMMUNICATIONS (K. LEWIS) *KL*  
DIVISION OF LEGAL SERVICES (BILLMEIER) *LB*

RE: DOCKET NO. 960407-TC - INVISION TELECOM, INC. - PETITION  
FOR EXEMPTION FROM RULE 25-24.515(7), F.A.C. TO PERMIT  
PROVISION OF 0+ LOCAL AND 0+ INTRALATA CALLS FROM PAY  
TELEPHONES LOCATED IN CONFINEMENT FACILITIES.

AGENDA: 05/07/96 - REGULAR AGENDA - PROPOSED AGENCY ACTION -  
INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: I:\PSC\CHU\WP\960407.RCM  
PLACE THIS AGENDA ITEM DIRECTLY AFTER DOCKET NO. 960492-TP

CASE BACKGROUND

Invision Telecom, Inc. (Invision) holds pay telephone certificate no. 4311, with an effective regulation date of November 8, 1995. Invision presently operates approximately 100 pay telephones in various confinement facilities throughout Florida. Invision's petition states that it is the largest independent inmate service provider in the country, with approximately 5,400 inmate phones in 36 states.

In Florida, Invision provides and bills automated 0+ interLATA calls via store-and-forward technology, resells sent-paid local and intraLATA calls placed from confinement facilities and provides debit cards for inmates to complete local and intraLATA toll calls.

On April 1, 1996, Invision filed a Petition for a waiver of those rules and policies currently prohibiting it from providing 0+ local and 0+ intraLATA calls from store-and-forward pay telephones located in confinement facilities (Attachment A). This recommendation addresses the Petition.

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FPSC-RECORDS/REPORTING

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### DISCUSSION OF ISSUES

**ISSUE 1:** Should the Commission grant InVision's Petition for exemption from rule 25-24.515(7), F.A.C. to permit provision of 0+ local and 0+ intralata calls from pay telephones located in confinement facilities?

**RECOMMENDATION:** Yes.

**STAFF ANALYSIS:** Invision's Petition states it is a Petition for Waiver of those rules and policies currently prohibiting it from providing 0+ local and 0+ intralATA calls from its store-and-forward pay telephone located in confinement facilities. Because Rule 25-24.515(7) specifically requires 0+ intralATA calls to be routed to the local exchange company, staff believes Invision's Petition should be considered as a request for exemption from this rule for pay telephones located in confinement facilities. Staff has also removed the reference to store and forward since we do not want our recommendation for approval of the Petition to preclude the use of other technology which may be equally effective.

### HISTORY OF THE POLICY

The policy of reserving 0+local and 0+intraLATA calls for the serving local exchange company (LEC) has been in effect since pay telephone service first became competitive in Florida in 1985. This policy was reaffirmed in Orders Nos. 16343, 20489, 21614, 22243, and 24101. The policy evolved to address the needs of the public and the newly developing pay telephone and operator service companies. Order 24101 stated "Our decision to reserve 0- and 0+ intraLATA traffic to the LEC was based on two points. First, this policy has been in effect since the original decision in 1984, which was reaffirmed by Order No. 16343, issued July 14, 1986. Second, the 0- policy is consistent with our support of a nationwide dialing plan." It is Staff's belief that the rationale behind this policy also included reasoning that LEC ratepayers might be harmed if LECs suddenly lost the revenue contributions they were accustomed to receiving from 0+ local and 0+ intraLATA traffic and reflected sensitivity to customer confusion surrounding dialing patterns.

This policy was considered again in Docket No. 930330-TP, Investigation into IntraLATA Presubscription. Order PSC-95-0203-FOF-TP, issued February 13, 1995, found that intraLATA presubscription was in the public interest. This meant that interexchange carriers (IXCs) would be allowed to compete with LECs for intraLATA, but not local, 0+ and 1+ traffic for the first time. Large LECs were ordered to implement intraLATA presubscription

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throughout their service areas by December 31, 1997. Small LECs would be allowed to delay implementation until a bona fide request was received. The Commission denied Motions for Reconsideration filed by General Telephone Company of Florida (GTEFL) and Southern Bell. GTEFL then filed a Notice of Appeal and a Motion for Stay of the Commission Order with the Florida Supreme Court. The Florida Supreme Court issued a stay of Order PSC-95-0203-FOF-TP. The Stay was lifted on March 11, 1996.

Even more significant is the Florida Legislature's amendment to Chapter 364 which allows other entities to offer local exchange services and instructs this Commission to encourage competition through flexible regulatory treatment. Since January 1, 1996, Alternative Local Exchange Companies (ALECs) have been authorized to provide all of the same local services, plus 1+ and 0+ intraLATA, as incumbent LECs.

Presently, Rule 25-24.515(7), Florida Administrative Code requires all 1+ and 0+ intraLATA calls to be routed to the LEC.

#### CHANGING THE POLICY FOR CONFINEMENT FACILITIES

For security reasons, pay telephones in confinement facilities generally only allow collect local and long distance calls to be made. Commission Rule 25-24.515(15) exempts pay stations located in confinement facilities from certain notice and access requirements. For example, pay stations located in confinement facilities are allowed to block access to other long distance carriers to minimize the ability of inmates to have contact with a live operator.

InVision has asked the Commission to allow it to handle and bill both 0+ local and 0+ intraLATA at its pay telephones located in confinement facilities. In its petition (Attachment A), InVision points to the statutory amendments opening local service to competition, the lifting of the Stay on intraLATA presubscription, and the company's capability to handle such traffic as reasons the Commission need no longer reserve such traffic for the LEC. The petition also states that the store and forward technology InVision presently uses to handle and bill interLATA calls in confinement facilities will provide the same benefits to the institutions, the company, and the end-user if employed for local and intraLATA calls. These benefits are: elimination of operator abuse by inmates, reduction of fraudulent calling, and rates that will not exceed those charged by the serving LEC for the same call.

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The Commission has already voted to allow intraLATA competition via presubscription in Docket No. 930330-TP. The Commission should grant InVision an exemption from this rule so that it may handle 0+ local and 0+ intraLATA traffic in confinement facilities.

Staff believes the public will not be harmed if InVision is allowed to handle and bill 0+ local and intraLATA calls placed from confinement facilities. InVision will not charge more than the incumbent LEC for these calls, according to a letter Staff has received from the counsel for InVision. The confinement facility will not be harmed as allowing InVision to handle local and intraLATA traffic on a 0+ collect basis means the inmates will not have contact with a live operator. InVision will not be harmed as it will receive more revenue. Even the LEC may receive a benefit by reducing the chances for the inmate to make fraudulent calls or harass live operators.

There seems to be no compelling reason to continue the prohibition against pay telephone providers in confinement facilities handling local and intraLATA calls on a collect basis since Florida Statutes have been amended to permit competition for local telephone service and the Commission has been instructed to encourage such competition. Section 364.01(4)(e), Florida Statutes instructs the Commission to "Encourage all providers of telecommunications services to introduce new or experimental telecommunications services free of unnecessary regulatory restraints." Section 364.01(4)(f), Florida Statutes instructs the Commission to "Eliminate any rules and/or regulations which will delay or impair the transition to competition."

Allowing InVision to handle local and intraLATA 0+ calls from confinement facilities will facilitate competition as the company will be able to more effectively compete with the LEC for those sites where the traffic is predominately local and intraLATA. InVision is capable of providing 0+ local and 0+ intraLATA service immediately as the technology is already in place within the pay telephone. Staff believes InVision's petition to handle 0+ local and intraLATA calls from confinement facilities should be granted.

**ISSUE 2:** Should local exchange companies be ordered to bill 0+ local and 0+ intraLATA calls placed from confinement facilities and

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handled by InVision when billing for such calls is requested through a valid billing and collection agreement?

**RECOMMENDATION:** Yes.

**STAFF ANALYSIS:** LECs should be required to bill such calls when requested through a valid billing and collection agreement. LECs will lose the revenues they would have earned from the confinement facilities served by InVision. However, LECs will still receive some monetary benefit from the calls if the billing and collection agreement calls for them to be paid on a per call basis for the number of calls billed and collected.

**ISSUE 3:** Should this docket be closed?

**RECOMMENDATION:** Yes, this docket should be closed unless a person whose interests are substantially affected by the Commission's decision files a protest within 21 days of the issuance of the Proposed Agency Action Order.

**STAFF ANALYSIS:** Whether the Commission adopts or rejects Staff's recommendations in issues 1 and 2, its decision will result in a Proposed Agency Action Order. This docket should be closed unless a person whose interests are substantially affected by the Commission's decision files a protest within 21 days of the issuance of the Proposed Agency Action Order.

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: )  
 )  
Petition of )  
InVision Telecom, Inc. )  
for Waiver )

Docket No. 960407-TC  
Filed: April 1, 1996

PETITION FOR WAIVER

Pursuant to Commission Rule 25-24.505(3), Florida Administrative Code, InVision Telecom, Inc. ("InVision") petitions the Florida Public Service Commission (the "Commission") for a waiver of those rules and policies currently prohibiting InVision from providing 0+ local and 0+ intraLATA calls from its store-and-forward pay telephones located in confinement facilities within the state of Florida. In support of its Petition, InVision states:

Identity of Petitioner

- 1. Petitioner's complete name and address are:

InVision Telecom, Inc.  
1150 Northmeadow Parkway, Suite 118  
Roswell, Georgia 30076

InVision Telecom, Inc. is a Georgia corporation, duly authorized to do business in the state of Florida. InVision is a wholly-owned subsidiary of Communications Central Inc., a publicly traded corporation whose stock is traded on the Nasdaq National Market System under the ticker symbol "CCIX."

2. InVision is the largest independent inmate service provider in the country, with approximately 5400 inmate phones in 36 states. Pursuant to Commission Order No. PSC-95-1277-FOF-TC issued October 17, 1995 in Docket No. 950997-TC, InVision provides pay telephone services from confinement facilities located in the state of Florida.

3. All notices, pleadings, orders or other documents regarding this docket should be directed to:

Barry E. Selvidge, Vice President,  
Regulatory Affairs and General Counsel  
InVision Telecom, Inc.  
1150 Northmeadow Parkway, Suite 118  
Roswell, Georgia 30076  
Telephone: 770-442-7300  
Facsimile: 770-442-7321

#### Relief Requested

4. Pursuant to Rule 25-24.505(3), InVision seeks waivers of Rules 25-24.515(7) and 25-24.620(2)(c) and (d) and the policies contained in Orders No. 95-0918 issued July 31, 1995, No. 95-0203 issued February 13, 1995 and No. 24101 issued February 14, 1991. Specifically, InVision seeks authority to provide and bill for 0+ local and 0+ intraLATA calls placed by inmates of confinement facilities through InVision's pay telephones, using store-and-forward technology.

#### Background

5. InVision currently provides and bills automated 0+ intrastate Florida calls via store-and-forward technology on an interLATA basis, and provides such calls on a local, intraLATA and interLATA basis in each of the other 35 states in which it provides

inmate pay telephone service. In Florida, InVision is currently authorized to resell sent-paid local and intraLATA calls and to provide debit cards for inmates of correctional facilities for local and intraLATA toll calling services. However, the Commission has continued to reserve to the LECs the authority to provide 0+ local and 0+ intraLATA calls from any and all pay telephones. Petitioner respectfully states that technological advances and regulatory changes have rendered continuation of this dialing monopoly inappropriate for pay telephones in confinement facilities.

6. Technological advances in store-and-forward pay telephones have enabled inmate service providers to furnish quality calling services for callers and end users while meeting the unique security needs of the confinement facility. This well-developed and proven technology provides reliable call completion and billing functions without allowing inmates access to the public telephone network, thus reducing harassment and fraud.

7. In addition, two significant regulatory developments have effectively eliminated the original basis for this dialing monopoly. First, in Order No. PSC-95-0203-FOF-TP, the Commission authorized competition and presubscription for intraLATA toll calls. Although the Florida Supreme Court issued a stay of this Order on October 12, 1995, that stay has now been lifted.

8. The second pivotal regulatory development was that as of July 1, 1995, competition for all local services was mandated by the Florida Legislature effective January 1, 1996. The Legislature



found that competition in the local exchange market is in the public interest.

9. InVision does not intend to offer basic local exchange services and therefore does not seek certification as an alternative local exchange company. InVision seeks only to expand its existing authority to include the provision of 0+ local and 0+ intraLATA calls from its pay telephones located in confinement facilities in order to address the security and control concerns that are paramount in the correctional environment.

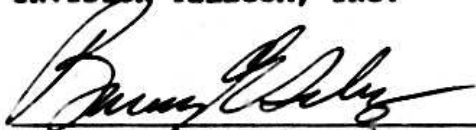
10. The Commission's approval of this waiver request is consistent with the legislative mandates to avoid "unnecessary regulatory constraints" and to eliminate rules that "delay or impair the transition to competition." Sections 364.01(4)(e) and 364.01(4)(f).

WHEREFORE, InVision respectfully requests that it be granted a waiver of the applicable rules and orders currently prohibiting it from providing and billing 0+ local and 0+ intraLATA calls made from its store-and-forward pay telephones located in confinement facilities, and for such other relief as may be appropriate.

Respectfully submitted, this the 29th day of March, 1996.

INVISION TELECOM, INC.

BY:

  
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