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FLORIDA PUBLIC SERVICE COMMISSION
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MEMORANDUM

June 13, 1996

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

FROM: DIVISION OF COMMUNICATIONS (P. ISLER) *Pji*
DIVISION OF LEGAL SERVICES (M. BILLMEIER) *LMB RB*

RE: DOCKET NO. 960649-TC - TELALEASING ENTERPRISES, INC. -
INITIATION OF SHOW CAUSE PROCEEDINGS FOR VIOLATION OF
RULES 25-24.515, Florida Administrative Code, PAY
TELEPHONE SERVICE, AND 25-4.043, Florida Administrative
Code, RESPONSE REQUIREMENT.

AGENDA: JUNE 25, 1996 - REGULAR AGENDA - INTERESTED PERSONS MAY
PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: I:\PSC\CMU\WP\960649.RCM

CASE BACKGROUND

• Telaleasing Enterprises, Inc. (Telaleasing) is a provider of pay telephone service and was certified September 12, 1989. According to local exchange company records, Telaleasing owns and operates approximately 578 pay telephones in Florida. Telaleasing reported gross operating revenues of \$1,433,182 on its Regulatory Assessment Fee Return for the period ending June 30, 1995. As a provider of pay telephone service in Florida, Telaleasing is subject to the rules and regulations of the Commission.

• From 1994 through March 8, 1996, staff performed 308 evaluations on 288 pay telephones operated by Telaleasing. Staff found a total of 688 apparent violations of the Commission's service standards.

• There were 106 instances where a pay telephone was not wheelchair accessible, 35 cases in which a pay telephone was unable to receive incoming calls, 26 cases in which access to all locally available interexchange carriers was not available, and 14 cases where 0+ intraLATA calls did not go to the LEC operator.

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- Telaleasing was notified of each violation and given 15 days to bring the instruments into compliance with Commission rules. In addition, staff's notices suggested that Telaleasing inspect all of its pay phones for the same violations.

- By Order 25184, issued October 10, 1991, the Commission ordered Telaleasing to show cause why it should not be fined \$5,000 for violation of pay telephone handicapped access rules and failure to respond to Commission staff inquiries. By Order No. PSC-92-0219-POF-TC, issued April 17, 1992, the Commission accepted Telaleasing's offer to correct the handicapped access violations and suspended the fine if no further violations were found during the next six months. By Order No. PSC-92-1007-POF-TC, issued September 21, 1992, the Commission found Telaleasing had pay telephones that did not comply with the handicapped access standards and ordered Telaleasing to pay a \$5,000 fine. The docket was closed when Telaleasing paid the fine.

- In addition to the service standards violations, Telaleasing was late in responding to staff's notices almost half the time. Staff issued 56 notices since 1994 and in 27 cases, the company responded after the 15 days allowed by Commission rule. Telaleasing responded timely to 29 notices.

- Due to the number of apparent violations found during routine service evaluations, staff recommends that Telaleasing be ordered to show cause why it should not be fined or have its certificate cancelled for numerous violations of the Commission's pay telephone service standards (Rule 25-24.515, Florida Administrative Code) and violations of the Commission's response requirement (Rule 25-4.043, Florida Administrative Code).

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DISCUSSION OF ISSUES

ISSUE 1: Should Telaleasing Enterprises, Inc. be ordered to show cause why a fine should not be imposed or certificate number 2358 should not be cancelled for violations of Rules 25-24.515 and 25-24.505(1), Florida Administrative Code?

RECOMMENDATION: Yes.

STAFF ANALYSIS: Rule 25-24.515 (13), Florida Administrative Code, requires each telephone station installed after January 5, 1987 to conform to subsections 4.29.2 through 4.29.4 and 4.29.7 through 4.29.8 of the standards published by the American National Standards Institute, Inc. (ANSI A117.1-1986). Telaleasing was provided a copy of all applicable rules at the time of application and was certificated over two years after the January, 1987 effective date of the ANSI standards. Therefore, it is staff's belief that Telaleasing should have had no wheelchair accessibility violations.

To ensure compliance with the Commission's rules, staff evaluated a total of 288 pay telephones operated by the company from January 1, 1994 through March 8, 1996. Staff found 106 instruments to be in apparent violation of Rule 25-24.515 (13), Florida Administrative Code, wheelchair accessibility. Based on staff's evaluations, a thirty-six percent (36%) violation rate of this rule was found.

Further analysis shows Telaleasing had 14 pay telephones that did not meet the height requirement. Two of the 14 pay phones were installed in 1991. This means that the company did not ensure that all of its pay telephones were in compliance as required in Commission Order No. PSC-92-0219-FOF-TC.

In addition to the wheelchair accessibility violations, staff found 35 instances in which incoming calls could not be received. Rule 25-24.515 (8), Florida Administrative Code, states, in part, that "Each telephone station shall allow incoming calls to be received, with the exception of those located at confinement facilities, hospitals and schools, and at locations specifically exempted by the Commission." None of the 35 pay telephones are exempt.

Rule 25-24.515 (6), Florida Administrative Code, states that each 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." In route evaluations, staff found 26 pay stations that did not allow

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access to all locally available carriers. For example, none of the three pay telephones in a bank located at 100 Cottonwood Center, Archer, Florida, would allow calls to be made using AT&T's access code (102880). Yet, calls using MCI (950-1022) and Sprint's (1-800-877-8000) networks could be completed. Telaleasing advised staff that no trouble was found after making their own test calls.

Rule 25-24.515 (7), Florida Administrative Code, states "All intralata calls, including operator service calls, shall be routed to the local exchange company, unless the end user dials the appropriate access code for their carrier of choice, i.e., 950, 800, 10XXX." Staff found 14 pay stations where an intralata call did not route to the local exchange company. File No. TE119.9518 shows that staff evaluated eight pay telephones, all located in Tallahassee. Of the eight, seven pay telephones did not route the call to the local exchange company. Instead the calls were handled by Telaleasing. The company acknowledged the improper routing and corrected the problem on all seven pay phones. Staff acknowledges that the policy is changing, but at the time the evaluations were performed, Telaleasing was in violation of the Commission's rule.

When pay telephone companies are notified of apparent violations, staff's notices suggest that the company inspect each of its pay phones for the same violations. Despite the fact that staff opened a show cause docket for violation of wheelchair violations in 1991, apparently, Telaleasing has no policy in place to check its existing pay telephones for compliance.

In addition, Rule 25-24.505(1), Florida Administrative Code, incorporates Rule 25-4.043, Florida Administrative Code, and states that "The necessary replies to inquiries propounded by the Commission's staff concerning service or other complaints received by the Commission shall be furnished in writing within fifteen (15) days from the date of the Commission inquiry." Staff noticed Telaleasing 56 times in a little over two years and 27 of the 56 times, the company responded after the 15-day requirement. In one case, File No. TE119.9519, staff noticed the company on August 9, 1995 with the response due by August 24. When a response was not received, staff mailed Telaleasing a certified letter on August 30 with a response due by September 14. On September 6, staff received the signed returned receipt showing the certified letter was delivered September 1, 1995 and signed by Michele Willner at Telaleasing. On March 4, 1996, a copy of the file was faxed to Telaleasing's attorney, Mr. Theodore C. Rammelkamp, Jr. Mr. Rammelkamp faxed staff a letter on March 6 explaining it had no record of ever receiving the original or certified notices but promised to respond no later than March 20, 1996. Staff called Mr.

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Rammelkamp on April 4 and 17 and each time was promised a response would be sent. Telereleasing finally faxed a response on April 23.

The following chart shows the total number of violations for each rule violation.

Number of Violations	Item No.	Violation
202	6	Current directory was not available Rule 25-24.515 (11), Florida Administrative Code
106	2	Telephone was not wheelchair accessible Rule 25-24.515 (13), Florida Administrative Code
65	9	Address of pay phone location was not displayed Rule 25-24.515 (5), Florida Administrative Code
35	13	Insufficient light to read instructions at night Rule 25-24.515 (1), Florida Administrative Code
35	19	Incoming calls could not be received or bell did not ring loud enough Rule 25-24.515 (8), Florida Administrative Code
33	1	Telephone was not in service Rule 25-24.515 (10), Florida Administrative Code
28	7	Extended area service and locals calls were not 25¢ or less Rule 25-24.516 (1)(a), Florida Administrative Code
26	22	Access to all locally available interexchange carriers was not available Rule 25-24.515 (6), Florida Administrative Code

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Number of Violations	Item No.	Violation
22	8	Wiring was not properly terminated or was in poor condition Rule 25-24.515 (10), Florida Administrative Code
19	26	Instrument did not comply with 0+ or 1+ interLATA toll rate caps Rule 25-24.516 (1)(c), Florida Administrative Code
19	3	Telephone number plate was not displayed Rule 25-24.515 (5), Florida Administrative Code
14	25	Transmission was not adequate or free of noise Rule 25-24.515 (10), Florida Administrative Code
14	29	0 + area code + local number did not go to LEC operator Rule 25-24.515 (7), Florida Administrative Code
12	27	Combination of nickels and dimes did not operate properly Rule 25-24.515 (2), Florida Administrative Code
10	18	Automatic coin return function did not operate properly Rule 25-24.515 (2), Florida Administrative Code
10	12	Glass was chipped or broken Rule 25-24.515 (12), Florida Administrative Code
10	24	911 center could not verify the street address of the pay phone Rule 25-4.076 (4), Florida Administrative Code
5	14	Certificated name of provider was not displayed Rule 25-24.515 (5), Florida Administrative Code

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Number of Violations	Item No.	Violation
5	11	Enclosure was not adequate or free of trash Rule 25-24.515 (12), Florida Administrative Code
4	16	Clear and accurate dialing instructions were not displayed Rule 25-24.515 (5), Florida Administrative Code
4	5	Coin free number for repairs/refunds did not work properly Rule 25-24.515 (5), Florida Administrative Code
3	4	Address of responsible party for refunds/repairs was not displayed Rule 25-24.515 (5), Florida Administrative Code
3	15	Local telephone company responsibility disclaimer was not displayed Rule 25-24.515 (5), Florida Administrative Code
2	21	Coin-free service to local directory assistance did not work Rule 25-24.515 (4), Florida Administrative Code
1	20	Direct, free service to local operator did not work Rule 25-4.076 (3), Florida Administrative Code
1	17	Statement of services not available was not displayed Rule 25-24.515 (5), Florida Administrative Code

In previous dockets involving violations of the pay telephone service rules, fines and/or settlements have ranged from \$500 to \$60,400. Factors that have affected previous fine and/or settlement amounts are: the number of occurrences of apparent violations; the severity of the violations; and whether the provider promptly corrected violations when notified. In this

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case, staff believes the number of occurrences, the seriousness of the violations, the company's apparent non-compliance with Commission Order No. PSC-92-0219-FOF-TC, and the delay in responding to Commission staff inquiries warrant a substantial penalty.

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ISSUE 2: Should this docket be closed?

RECOMMENDATION: No.

STAFF ANALYSIS: If Issue 1 is approved, this docket should remain open pending disposition of the show cause. Otherwise, this docket should be closed. In the event the company is fined, the monies should be forwarded to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes.