

PTC

Peoples Telephone Company, Inc.

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October 29, 1996

DELIVERED VIA FEDERAL EXPRESS

Ms. Blanca Bayo
Director, Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

961303-TC

Dear Ms. Bayo:

Enclosed are an original and fifteen copies of Peoples Telephone Company, Inc.'s Petition for Waiver of Rules 25-24.515 (7) and 25-24.620 (2) (c) and (d). To confirm receipt of filing, please return a date stamped copy of this cover letter to the undersigned in the enclosed postage paid envelope.

Respectfully,

Randel Carr
Randel Carr
Regulatory Assistant

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for Waiver of Rule 25-24.515 (7))
and Rule 25-24.620 (2) (c) and (d), F.A.C.,)
regarding 0- and 0+ intraLATA traffic by Peoples)
Telephone Company, Inc.)
_____)

Docket No. 96 1303 -

Filed: 10/29/96

PEOPLES TELEPHONE COMPANY, INC.'S
PETITION FOR WAIVER OF
RULES 25-24.620 (2) (c), (d) AND 25-24.515 (7)
FLORIDA ADMINISTRATIVE CODE

Peoples Telephone Company, Inc. (Peoples), pursuant to Florida Public Service Commission (Commission) Rule 25-24.505, Florida Administrative Code, hereby files this Petition for waiver of Rule 25-24.515(7) and Rule 25-24.620(2)(c) and (d), Florida Administrative Code, regarding certain 0+ local and intraLATA traffic. In support of its Petition, Peoples shows:

Procedural Background

1. The exact name of the Petitioner and the address of its principal business office is:

Peoples Telephone Company, Inc.
2300 N.W. 89th Place
Miami, Florida 33172-2431

2. All notices, pleadings and orders should be directed to:

Bruce Renard
Peoples Telephone Company, Inc.
2300 N.W. 89th Place
Miami, Florida 33172-2431
(305) 593-9667

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Relief Requested

3. Peoples requests that this Commission authorize it to carry 0+ local and intraLATA traffic from inmate facilities in Florida.

Factual Background

4. The corporation holds Pay Telephone Certificate No. 84 (issued in Docket No. 840364-TI) and IXC Certificate No. 2995 (issued in Docket No. 920171-TI). Peoples is authorized to offer Inmate Telecommunication service, by Docket 891301-TC issued January 23, 1990.

5. Peoples provides intrastate telecommunication services to inmates in certain Florida Inmate facilities. Peoples' system uses store and forward technology to convert 0+ automated calls to 1+ automated calls. The inmate must input a personal identification number (PIN) to place an outgoing call and is restricted to thirty (30) telephone numbers, previously approved by prison officials. Peoples' system then automatically identifies the originator of the call to the called party. When the called party inputs the validating signal to accept charges for the call, the call is completed. This process assures that inmates cannot engage in harassment of citizens or conduct illicit activity over the telephone network.

6. Peoples' on-premise equipment records call detail for interLATA calls, which currently is then rated and sent out for billing every week. Peoples wishes to carry and bill 0+ local and intraLATA calls in addition to interLATA traffic.

Discussion

7. Rule 25-24.515(7), and Rule 25-24.620(2)(c) and (d), Florida Administrative Code, require all intraLATA calls to be routed to the local exchange company unless the end user dials the access code for a specific long distance carrier. The basis for these rules has been the local exchange companies' long-standing local service monopoly. Recent events have, however, modified the policies set forth in those rules and removed the legal impediment to Peoples' offering intraLATA services.

8. First, the Commission authorized competition and presubscription to intraLATA toll traffic in Order No. PSC-95-0203-FOF-TP, which effectively "demonopolized" the intraLATA toll market. Additionally, the Florida Legislature went several steps beyond that point when it authorized competition for all local services beginning January 1, 1996. In the legislation instructing the Commission as to its duties and authority under the new competitive regulatory scheme, the Legislature included a strong finding that competition is very much in the public interest:

The Legislature finds that the competitive provision of telecommunications services, including local exchange telecommunications service, is in the public interest and will provide customers with freedom of choice, encourage the introduction of new telecommunications service, encourage technological innovation and encourage investment in telecommunications infrastructure.

Section 364.01(3), Florida Statutes (1995). See, also, Section 361.01(4)(b), which requires the Commission to encourage competition through "flexible regulatory treatment" in order to promote consumer choice; Section 364.01(4)(e), which directs the Commission to avoid "unnecessary regulatory constraints"; and Section 364/01(4)(f), which requires the Commission to eliminate rules and regulations that would "delay or impair the transition to competition". Peoples believes that these statutory revisions allow the Commission to grant its petition.

9. Peoples does not seek general authority to provide local exchange services and therefore does not seek certification as an alternative local exchange company. Peoples wishes to carry and bill 0+ local and intraLATA calls solely to improve the competitive pay telephone services it provides at Florida inmate institutions, which must meet the expressed needs of Florida corrections administrators to control inmates' use of pay telephones.

10. In the absence of controls, inmates use telephones to harass and defraud

businesses and individuals. Telephone fraud and harassment by inmates of confinement facilities is a serious and continuing problem in Florida. Peoples' system includes a patented safeguard that screens and prevents certain dialing patterns and other schemes for unauthorized calls, including three-way or conference calling.

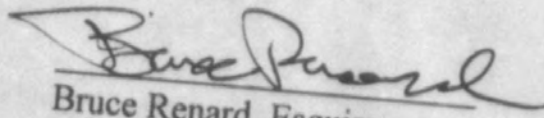
11. Unfortunately, placing 0+ local and intraLATA calls through the LEC operator and facilities, as required by the Commission's current rules, defeats Peoples' safeguards and deprives inmate facilities of the ability to control these calls.

12. Granting the waiver is in the public interest generally because it aids inmate facilities administrators in controlling inmate fraud and abuse. More importantly, the waiver is consistent with the Legislative directive to encourage competition and promote consumer choice and is exactly the kind of "flexible regulatory treatment" contemplated by section 364.01(4)(b), Florida Statutes. The dissolution of the LEC monopoly on local exchange services renders the continued application of Rules 25-24.515(7) and 25-24.620(2)(c) and (d) an "unnecessary regulatory constraint" which the Commission must avoid as required by section 364.01(4)(e).

THEREFORE, for the reasons stated above, Peoples requests that the Commission enter an order granting a waiver of Rules 25-24.515(7) and 25-24.620(2)(c) and (d), Florida Administrative Code, and authorizing it to carry and bill

0+ local and intraLATA traffic originated at Florida inmate facilities without delivering traffic to the applicable local exchange company.

Respectfully submitted this 28th day of October, 1996



Bruce Renard, Esquire
Peoples Telephone Company, Inc.
2300 N.W. 89th Place
Miami, Florida 33172-2431
Counsel for Peoples Telephone Company, Inc.