

FLORIDA PUBLIC SERVICE COMMISSION
Capital Circle Office Center • 2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

MEMORANDUM

January 23, 1997

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

FROM: DIVISION OF COMMUNICATIONS (HAWKINS) *ASB*
DIVISION OF LEGAL SERVICES (COX) *WPC mcb*

RE: DOCKET NO. 961357-TC - SECURITY TELECOM CORPORATION -
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: 02/04/97 - REGULAR AGENDA - PROPOSED AGENCY ACTION -
INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: S:\PSC\CMU\WP\961357.RCM

CASE BACKGROUND

Security Telecom Corporation (Security) holds pay telephone certificate no. 4233 with an effective regulation date of August 29, 1995 and was granted a Certificate to provide Interexchange Telecommunications service on October 8, 1996, certificate no. 4742. Security is incorporated under the laws of the State of Texas.

On October 21, 1996, Security 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). Security currently provides service through fifty-one instruments located in a confinement facility in Bay County. Security also offers telecommunication services to inmates of confinement institutions within the state of Florida. The Company installs sophisticated premises equipment in confinement institutions that permits inmates to make outgoing, collect-only calls without the assistance of a live operator. The company's service is provided through telephone instruments connected to a centralized call processing unit with store-and-forward capability.

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

DOCKET NO. 961357-TC
DATE: JANUARY 23, 1997

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission grant Security's Petition for exemption from Rule 25-24.515(7), and Rule 25-24.620(2)(c) and (d) Florida Administrative Code, and the policies contained in Orders Nos. 95-0918, 95-0203, and 24101 to permit it to handle and bill 0+ local and 0+ intralata calls from pay telephones located in confinement facilities at no more than the rates charged by the serving local exchange company for the same call?

RECOMMENDATION: Yes.

STAFF ANALYSIS: The Commission has already issued Order No. PSC-96-0884-FOF-TP implementing 1+intraLATA competition via presubscription for non-LEC pay telephone providers and call aggregators. The Commission has also granted exemptions to allow telephone providers to handle 0+local and intraLATA traffic in confinement facilities. Three small rate-of-return regulated LECs filed protests to the Orders granting those exemptions and all dockets have been scheduled for hearing.

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

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ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes, this docket should be closed unless a person whose substantial interests are affected by the Commission's decision files a protest within 21 days of the issuance of the Proposed Agency Action. A protest filed by a local exchange company shall be applicable only to that local exchange company's territory and shall not prevent Security from carrying this traffic in a non-protesting LEC's territory.

STAFF ANALYSIS: This docket should be closed unless a person whose substantial interests are affected by the Commission's decision files a protest within 21 days of the issuance of the Proposed Agency Action.

As stated in the staff analysis of issue 1, the Commission has approved similar requests from five other pay telephone providers. Those decisions were protested by three of the rate of return regulated LECs. Staff does not believe Security should be prohibited from carrying this traffic in a LEC's territory if that LEC does not protest the Commission's action. Accordingly, a protest filed by a local exchange company shall be applicable only to that local exchange company's territory and shall not prevent Security from carrying this traffic in a non-protesting LEC's territory.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for waiver of rules and)
requirements prohibiting provision of)
0+ local and 0+ intraLATA calls from)
store-and-forward pay telephones located)
in confinement institutions by)
Security Telecom Corporation)
_____)

Docket No. 961357-7C

PETITION FOR WAIVER

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

1. Petitioner's name and address are:

Security Telecom Corporation
1209 W. North Carrier, Suite 300
Grand Prairie, Texas 75050
Telephone: (214) 988-3737
Facsimile: (214) 988-3774

2. All notices, orders or documents regarding this petition should be directed to:

Jeff Rothell
President
Security Telecom Corporation
1209 W. North Carrier, Suite 300
Grand Prairie, Texas 75050
Telephone: (214) 988-3737
Facsimile: (214) 988-3774

and Hal Stringer
Consultant to Security Telecom
Technologies Management, Inc.
P.O. Drawer 200
Winter Park, FL 32790-0200
Telephone: (407) 740-8575
Facsimile: (407) 740-0613

3. Security Telecom Corporation is incorporated under the laws of the State of Texas. Security Telecom currently holds a Certificate to Provide Pay Telephone Service, No. 4233, granted by the Commission on August 7, 1995 in Docket No. 950626-TC. In addition, the Company was recently granted a Certificate to Provide Interexchange Telecommunications Service, No. 4742 on October 8, 1996 in Docket No. 960812-TI. Security Telecom currently provides service through fifty-one instruments located in a confinement facility in Bay County.

4. Security Telecom offers telecommunications services to inmates of confinement institutions within the state of Florida. The Company installs sophisticated premises equipment in confinement institutions that permits inmates to make outgoing, collect-only calls without the assistance of a live operator. The company's service is provided through telephone instruments connected to a centralized call processing unit with store-and-forward capability.

Through this equipment, the company provides a number of controls and restrictions that serve to reduce or eliminate fraudulent use of telephone services. These restrictions also provide the confinement institution with increased control over the use of the telecommunications services by inmates of the institution.

Currently, automated 0+ collect-only interLATA calls may be placed by inmates within the confinement institution over resold facilities subscribed to by Security Telecom. Local and intraLATA calls are routed to the serving local exchange carrier for handling. Security Telecom's system collects and stores interLATA call detail information for each call. These call records are retrieved Security Telecom via dial up modem and submitted for billing through the its billing agent. Ultimately, call charges appear on the called party's monthly local phone bill.

In addition to call processing, Security Telecom's systems offer restrictive call blocking and screening. These features provide confinement institutions with the maximum degree of control over telecommunications services and help to minimize fraud. Call blocking prevents calls to directory assistance, "0-", 800 numbers, pay-per-call services, and emergency numbers (including 911) in order to reduce prank calls and fraudulent use of long distance services. Access to other interexchange carriers may also be denied. Call screening serves to eliminate harassing or threatening calls to individuals such as judges, sheriffs, witnesses or jury members. Security Telecom's systems allow institutions to enforce telephone curfews, without manual intervention, by pre-setting the hours during which calls can be processed from a given telephone instrument.

5. Security Telecom seeks waivers of Rules 25-24.515(7) and 25-24.620(2)(c) and (d). These rules currently prohibit Security Telecom from providing and billing for 0+ local and 0+ intraLATA calls placed by inmates of confinement institutions. Specifically, Security Telecom seeks authority to provide and bill for 0+ local and intraLATA calls placed by inmates using its store-and-forward pay telephones. Security Telecom believes that benefits afforded to confinement institutions and the general public, such as call screening and blocking, currently provided with its interLATA service will be enhanced if Security Telecom is allowed to handle 0+ local and 0+ intraLATA calls as well.

6. Waivers requested by Security Telecom are similar to those already granted by the Commission to other pay telephone providers including Ameritel Pay Phones, Inc.¹, ATN, Inc.², Global Tel*Link³, InVision Telecom, Inc.⁴, and T-Netix, Inc.⁵ In its orders granting waivers similar to those requested by Security Telecom, the Commission recognized that no reason could be found to prevent NPATS from carrying 0+ local and 0+ intraLATA calls. In addition, the Commission found that allowing NPATS to carry such calls is a step toward a more competitive market place.

7. Security Telecom agrees to charge no more than the servicing local exchange carrier for local and intraLATA 0+ calls placed from confinement institutions.

¹ In Re: Petition for waiver of Rules 25-24.620(2)(c) and (d) and 25-24.515(7), F.A.C., by Ameritel Pay Phones, Inc., Docket No. 960570-TC, Order No. PSC-96-1063-FOF-TC, Issued August 20, 1996.

² In Re: Request for waiver of rules and policies which prohibit provision of 0+ local and 0+ intraLATA calls from store-and-forward pay telephones located in confinement facilities, by ATN, Inc., Docket No. 960603-TC, Order No. PSC-96-1062-FOF-TC, Issued August 20, 1996.

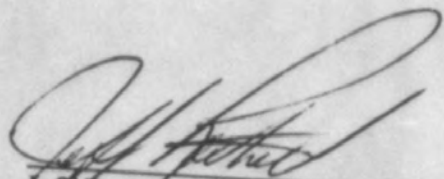
³ In Re: Petition for waiver of rules and policies to permit provision of 0+ local and 0+ intraLATA utilizing store and forward technology at pay telephones located in correctional institutions and other confinement facilities, by Global Tel*Link Corporation, Docket No. 951198-TC, Order No. PSC-96-0867-FOF-TC, Issued July 2, 1996.

⁴ In Re: Petition for waiver of requirement prohibiting provision of 0+ local and 0+ intraLATA calls from store-and-forward pay telephones located in confinement facilities, by InVision Telecom, Inc., Docket No. 960407-TC, Order No. PSC-96-1009-FOF-TC, Issued August 7, 1996.

⁵ In Re: Petition for waiver of Rule 25-24.515 (7), F.A.C., and Rule 25-24.620(2)(c) and (d), F.A.C., regarding 0+ local and 0+ intraLATA traffic, by T-Netix, Inc., Docket No. 95-1456-TP, Order No. PSC-96-0868-FOF-TP, Issued July 2, 1996.

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

Respectfully submitted this 21st of October, 1996.



Jeff Rothell, President
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