

CHESTER OSHEYACK
17850-A Lake Carlton Drive
Lutz, Florida 33549

FILED

May 2, 1997

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

In re: Docket No 970157-TP

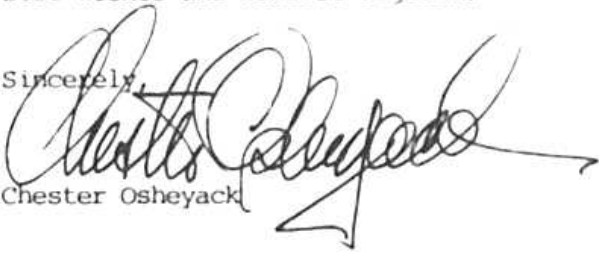
Dear Ms. Bayo:

Enclosed are comments for filing pursuant to your NOTICE OF
STAFF WORKSHOP dtd April 23, 1997

It is not necessary to acknowledge receipt.

Best wishes and kindest regards.

Sincerely,


Chester Osheyack

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BEFORE THE STAFF OF THE FLORIDA PUBLIC SERVICE COMMISSION

In DOCKET NO. 970157-TP

Date of filing: 5-2-97

From: Chester Osheyack, Private Citizen

Specific Reference: Universal Service & Disconnect Authority

Subject Issue: DISCONNECT AUTHORITY, defined as the right of local exchange telephone carriers to interrupt, terminate and/or deny local and emergency telephone service; and, access to competing long distance telephone service, as a tactic designed to leverage collection of long distance telephone bills in dispute or default.

The staff of the Public Service Commission is well aware of my views on the subject issue as a result of almost four (4) years of dialogue, and I am aware of theirs. The PSC staff has made recommendations to the Commission including but not limited to specific amendatory language vis a vis the PS 25.113 (1) (1), and I have supported their recommendations. I still support their recommendations.

Accordingly, rather than repeat arguments already made, I would like herein to add a few relevant comments.

When disconnect authority was first granted in 1984, the telecommunications industry had little other than its core business from which to derive its revenues. Moreover, the vertical growth of the industry was severely restricted by regulations which balanced the protections of monopoly. Today, the corporations which comprise the telecommunications industry are able to grow vertically without the constraints imposed by monopoly, and as new technological innovations are presented to the marketplace, they are able to grow horizontally by the addition of products and services as well as by addition of lines and subscribers. The consequence of this growth are larger bills per customer, and commensurately larger numbers of delinquencies and defaults in payment thereof. Thus the future of the industry must be secured through proper administration of sensible credit policies which meet contemporary market needs. Continuation of severe and non-

judicial punishment as a telephone bill collection strategy no longer serves a useful purpose and in fact is counter-productive to the intents and purposes of the expansion of UNIVERSAL BASIC LOCAL TELEPHONE SERVICE mandate of the legislature.

In recent discussions with a member of the staff legal affairs group, the intent of the PSC to continue to permit the telecommunications carriers to set aside the mandate of Universal Service to collect unpaid and outstanding telephone balances prior to restoration of service, was proclaimed. In my view, that's OK if the outstanding balance is for basic local service; probably OK if the balance due is for LEC provided intra-state service; debatable if the unpaid amount is for third party billed services intra-state (exception would be cases where the balance due was charged back to the service provider as uncollectible under the "true-up" provision of the tariff in which case the billing agent has no financial interest in the debt and under law has no legal right to collect it); but, without question, inappropriate if the unpaid balance due is for interstate or international telephone charges under any circumstances. The State PSC has no lawful jurisdiction over rates, service or trade practices outside of its borders. Consequently it has no legal right to permit punitive acts against the consumer by denial, interruption or termination of local telephone service to aid in collection of bills for service that it cannot lawfully regulate. Such an act would clearly be an unreasonable and immoderate breach of jurisdiction.

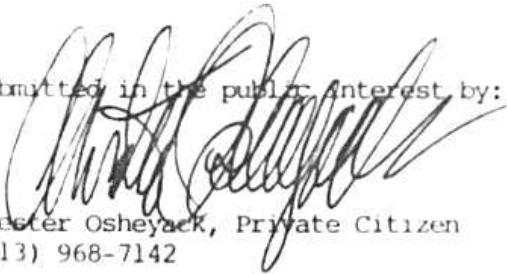
Moreover, it should be noted that both the federal and state laws include very specific statutes of limitation on debt collection, but the debts incurred as a result of telephone charges, appear to have an indefinite life.

The telephone service subscriber should receive whatever product or service he or she pays for, and the denial of service for unpaid balances or debts when necessary and appropriate under law, should be limited to that service for which payment is in default.

As for the telecommunications corporations, it will be necessary for them to determine first, what is legally and morally right, and then to find a way to economically achieve that goal. Given an environment of consistency in law, and a predictable consistency between policy and law, you may be sure that American industry can and will rise to the occasion of the need, and bring forth a customer friendly solution to the problem. It will only continue to be a problem until it is solved, and it won't be solved until the need to do so becomes a top management priority in the telecommunications companies. That won't happen until the PSC takes proper action to attract top management attention.

I want to add just one more comment. Your NOTICE OF STAFF WORKSHOP is a case in point which highlights the need for a policy change in this matter. You invite "any person who is unable to attend (to) participate by telephone...." Thus you emphasize by your own words the fact that affected or interested parties who have no telephone because of the disconnect authority rule, are disenfranchised. If they had basic local telephone service, and even if all of the long distance carriers refused to serve them via direct billing, they could still participate in government activities using a telephone card, a debit card, or a credit card.

Submitted in the public interest by:



Chester Osheyack, Private Citizen
(813) 968-7142

CHESTER OSHEYACK
17850-A Lake Carlton Drive
Lutz, Florida 33549

BEFORE THE STAFF OF THE PUBLIC SERVICE COMMISSION

IN DOCKET NO. 970157-TP

Date of filing: 5-2-97
From: Chester Osheyack, Private Citizen
Specific Reference: Universal Service and Disconnect Authority/Addendum
Subject Issue: Interpretation of 47 USC §254 (f) Universal Service

The NOTICE OF STAFF WORKSHOP issued April 23, 1997, states as follows:
".....The Act also states that state commissions may adopt regulations to advance and preserve universal service so long as the state regulations are consistent with those established by the FCC. See 47 USC §254(f)."

The following is what 47 USC §254 (f) actually states:

"STATE AUTHORITY: A State may adopt regulations not inconsistent with the Commission's (FCC) rules to preserve and advance universal service. Every telecommunications carrier that provides intrastate telecommunications services shall contribute, on an equitable and non-discriminatory basis, in a manner determined by the State to the preservation and advancement of universal service in that State....."

With all due respect, any good lawyer will tell you that the language of the law provides greater discretionary latitude than the interpretation contained in your NOTICE.

Moreover, the mandate upon the intrastate telecommunications carriers does not specify that their contribution must be financial or solely financial. Thus, the conclusion might be drawn that the sacrifice of a small portion of revenue that is derived from the sale of billing and collection services which are conditioned upon the LECs ability to invoke disconnect authority for collection purposes, may be an appropriate contribution to the accomplishment of universal service objectives.

Insofar as revenues that might be lost by interexchange carriers as a result of increases in uncollectible interstate or international telephone bills, such as

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Addendum

a normal business concern for corporate managers dealing in competitive markets and they must deal with it under the pressure of market forces and the regulatory authority of the FCC. It is not a matter that lies within the jurisdiction of the state PSC, therefore it should not be an impediment to the adoption of regulations which meet the criteria of the broadest possible universal service goals.

Respectfully submitted in the public interest by:

A handwritten signature in cursive script, appearing to read "Chester Osheyack".

Chester Osheyack
(813) 968-7142

CHESTER OSHEYACK
17850-A Lake Carlton Drive
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