

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

MEMORANDUM

May 29, 1997

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

FROM: DIVISION OF LEGAL SERVICES (COX) *WPC*
DIVISION OF COMMUNICATIONS (CORDIANO) *MCB* *PD*

RE: DOCKET NO. 961286-TC - INITIATION OF SHOW CAUSE
PROCEEDINGS AGAINST COMMUNICATIONS CENTRAL, INC. FOR
VIOLATION OF RULE 25-24.515, FLORIDA ADMINISTRATIVE CODE,
PAY TELEPHONE SERVICE.

AGENDA: JUNE 10, 1997 - REGULAR AGENDA - INTERESTED PERSONS MAY
PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: S:\PSC\CMU\WP\961286TC.RCM

CASE BACKGROUND

Communications Central, Inc. (CCI) has been a certificated pay telephone service provider since May 8, 1986. CCI currently operates approximately 4,126 pay telephones in Florida. CCI reported gross intrastate revenue of \$5,645,057 for the period ending December 31, 1996.

From January 1, 1994, to June 7, 1996, staff conducted evaluations of pay telephones in operation by CCI, uncovering apparent violations of the following Commission rules: handicapped accessibility requirements set forth in Rule 25-24.515(13), Florida Administrative Code; incoming call requirements set forth in 25-4.515(8), Florida Administrative Code; interexchange access requirements set forth in 25-24.515(6), Florida Administrative Code; 0+ intraLATA call routing requirements set forth in 25-24.515(7), Florida Administrative Code; and EAS/Local calling requirements set forth in Rule 25-24.516, Florida Administrative Code.

Based on the continuance and severity of apparent violations found, staff opened a show cause docket to be presented at the November 12, 1996 agenda conference. However, prior to the agenda conference, CCI contacted staff to discuss the violations and a possible settlement. The meeting was held on November 21, 1996, and staff agreed to allow CCI until February 28, 1997 to respond in

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FPSC-RECORDS/REPORTING

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writing whether all of its pay telephones are in compliance with Commission rules.

On April 24, 1997, staff received a settlement proposal from CCI, which is shown as Attachment A.

Staff believes the following recommendations are appropriate.

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission accept CCI's settlement proposal?

RECOMMENDATION: Yes, the Commission should require CCI to pay the \$3,000, within 90 days of the effective date of the Commission Order, with the monies to be forwarded to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. In addition, the Commission should require CCI to submit, within 90 days of the effective date of the Commission Order, a verification report to confirm that its pay telephones are in compliance with Commission rules. (Cordiano)

STAFF ANALYSIS: Fines or settlements associated with previous dockets involving pay telephone service rule violations have ranged from \$500 to \$60,400, depending on the number and severity of the violations, as well as whether the provider promptly corrected violations when notified. In the settlement proposal of this docket, CCI states that it has purchased 28 payphone companies in recent years, adding more than 20,000 payphones and inmate phones in 41 states and the District of Columbia. While CCI's competitive acquisition strategies resulting in rapid growth may have caused many of the violations from January 1, 1994, to June 7, 1996, CCI appears to have implemented the necessary corrective measures, because subsequent evaluations have shown a significant reduction in the number of rule violations. Furthermore, CCI has promptly corrected violations when notified, has not been previously show caused by this Commission, and has been very cooperative in regard to the resolution of this matter.

Overall, staff believes CCI's settlement proposal is appropriate and in the public interest. Staff recommends that the Commission require CCI to pay the \$3,000, within 90 days of the effective date of the Commission Order, and require CCI to submit, within 90 days of the effective date of the Commission Order, a verification report to confirm that its pay telephones are in compliance with Commission rules.

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ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes, this docket should be closed upon payment of the \$3,000, within 90 days of the effective date of the Commission Order, and the receipt of the compliance verification report, within 90 days of the effective date of the Commission Order. (Cox)

STAFF ANALYSIS: This docket should be closed upon payment of the \$3,000, within 90 days of the effective date of the Commission Order, and the receipt of the compliance verification letter, within 90 days of the effective date of the Commission Order.

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VIA FACSIMILE (904) 413-6591

April 24, 1997

Mr. Victor Cordiano
Florida Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 961286-TC; Initiation of Show Cause Proceedings
Against Communications Central Inc. ("CCI") For Violation of
Rule 25-24.515 F. A. C., Pay Telephone Service

Dear Mr. Cordiano:

Pursuant to our previous telephone conversations, please accept this letter as a formal settlement offer relative to the above-referenced docket.

Since Florida is CCI's largest state with nearly 4,000 payphones in operation, the Florida Public Service Commission ("FPSC") is aware that CCI has endeavored to maintain a record of quality service and compliance, while integrating the asset purchases of 28 payphone companies into its existing operations in recent years. During this period, the company grew by more than 20,000 payphones and inmate phones in 41 states and the District of Columbia. In addition, in 1995 CCI engaged Perot Field Services Corporation to develop specialized field operations and management information systems to better support the growing installed base of equipment. We believe these systems will greatly assist the company in continuing to ensure superior service levels to our Florida consumers.

CCI is willing to pay a sum of \$3,000 to the FPSC in full settlement of all issues in this docket. This offer is contingent upon the FPSC not issuing a formal show cause proceeding against the company, and with the understanding that the payment does not constitute an admission that such issues warrant a show cause proceeding.

1150 Northmeadow Parkway • Suite 118 • Roswell, Georgia 30076

770/442-7300 • 770/442-7319 FAX • 800/652-0774

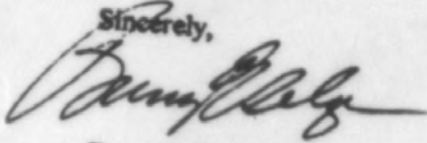
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Mr. Victor Cordiano
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In consideration of the recent unexpected circumstances regarding the company's Florida personnel, CCI agrees to pay such sum with the further understanding that the company shall have 90 days following the effective date of a Commission order accepting this settlement to ensure its payphones are in full compliance with all applicable FPSC rules.

Thank you for your assistance in this matter. As always, should you have any questions or desire additional information, please do not hesitate to contact me at (770) 442-7373.

Sincerely,



Barry E. Selvidge
Vice President, Regulatory Affairs
and General Counsel

BES

cc: Rodger Johnson
Doug McKeever
Floyd Self, Esq.
Doc Horton, Esq.