

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

**M E M O R A N D U M**

July 2, 1996

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

**FROM:** DIVISION OF COMMUNICATIONS (K. LEWIS) *KL*  
DIVISION OF LEGAL SERVICES (BILLMEIER) *LMB MCB*

**RE:** DOCKET NO. 960407-TC - INVISION TELECOM, INC. - 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:** 07/16/96 - REGULAR AGENDA - PROPOSED AGENCY ACTION -  
INTERESTED PERSONS MAY PARTICIPATE

**CRITICAL DATES:** NONE

**SPECIAL INSTRUCTIONS:** I:\PSC\CMU\WP\960407B.RCM

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**CASE BACKGROUND**

Invision Telecom, Inc. (Invision) holds pay telephone certificate no. 4311, with an effective regulation date of November 8, 1995. Invision presently operates approximately 100 pay telephones in various confinement facilities throughout Florida. Invision's petition states that it is the largest independent inmate service provider in the country, with approximately 5,400 inmate phones in 36 states.

In Florida, Invision provides and bills automated 0+ interLATA calls via store-and-forward technology, resells sent-paid local and intraLATA calls placed from confinement facilities and provides debit cards for inmates to complete local and intraLATA toll calls. Invision provides inmate service at fourteen facilities in Florida in seven different LEC territories.

On April 1, 1996, Invision 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).

Staff had planned to bring this petition before the Commission along with the similar petitions filed by Global Tel\*Link (951198-

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TC) and T-Netix (951546-TP). However, on May 24, 1996, staff learned that InVision was already handling 0+ local and 0+ intraLATA traffic from confinement facilities and was not routing it to the LEC as required by Rule 25-24.515(7), Florida Administrative Code. Consequently, staff opened another docket (960665-TC) to determine the appropriate amount that should be refunded to each local exchange company (LEC) as compensation for the money it would have earned but did not due to the way the calls were routed. It was staff's intention to bring the two dockets before the Commission at the same time. However, because of recent developments and concerns about security issues at the confinement facilities, staff has chosen not to delay filing its recommendation regarding the routing of telephone traffic from the jail.

#### **DISCUSSION OF ISSUES**

**ISSUE 1:** Should the Commission grant InVision'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:** On June 11, 1996, the Commission granted the same exemption to two other pay telephone providers Global Tel\*Link (951198-TC) and T-Netix (951546-TP). The reasons staff gave for recommending that those exemptions be granted are the same as in this case and are outlined below. The difference between the other two dockets and this one is that InVision has already been handling the 0+local and 0+intraLATA traffic. InVision has already agreed in principal to compensate each LEC for the operator assistance charges it would have earned had InVision routed the traffic to it. InVision has stated to staff that although it carried the inmates' local and intraLATA calls, it did not bill any of the calls. As stated in the case background, staff is working with InVision and the affected LECs to determine the appropriate refund and will be making a recommendation in this matter in Docket No. 960665-TC.

Upon learning that InVision was already handling 0+local and 0+intraLATA calls in apparent violation of the Commission's rules and policies, staff directed InVision to cease handling the traffic. When InVision began routing the traffic to the LEC, it

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began causing problems for several of the confinement facilities as the traffic was no longer being provisioned with many of the security features that they had when they were handled by InVision. For example, the calls were no longer announced as being from a correctional facility, the calls were no longer time limited, and the inmates were no longer blocked from accessing certain numbers (judges, witnesses, etc.).

Staff learned of these problems from InVision and from the Levy County Sheriff. Sheriff Ted Glass contacted staff on June 20, 1996 to complain about the problems the Levy County Jail was experiencing due to the changes in the provisioning of telephone traffic. Staff spoke with Sheriff Glass at length and faxed him a letter on June 20, 1996, in an effort to explain the situation and let him know we would attempt to bring the matter before the Commission as soon as possible (Attachment B).

Staff believes it is in the public interest to allow InVision to handle and bill 0+ local and intraLATA calls placed from confinement facilities. InVision will not charge more than the incumbent LEC for these calls, according to a letter Staff has received from the counsel for InVision (Attachment C). The confinement facility will not be harmed as allowing InVision to handle local and intraLATA traffic on a 0+ collect basis means the inmates will not have contact with a live operator, will have their calls restricted to certain numbers, and will have their calls timed. Additionally, the persons receiving the call will benefit by having the call announced as being from an inmate facility so they will be able to make an informed choice about whether to accept the collect call. Even LECs may receive a benefit as it will reduce the inmates chances to harass live operators and make fraudulent calls.

Staff believes the Commission should grant InVision's petition to handle and bill 0+local and 0+intraLATA traffic from confinement facilities for the reasons given above, and for the same reasons that it has done so in previous dockets (951198-TC and 951546-TP) as outlined below.

#### HISTORY OF THE POLICY

The policy of reserving 0+local and 0+intraLATA calls for the serving local exchange company (LEC) has been in effect since pay telephone service first became competitive in Florida in 1985. This policy was reaffirmed in Orders Nos. 16343, 20489, 21614, 22243, and 24101. The policy evolved to address the needs of the public and the newly developing pay telephone and operator service

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companies and protect LEC revenues in an environment of rate of return regulation.

This policy was considered again in Docket No. 930330-TP, Investigation into IntraLATA Presubscription. Order PSC-95-0203-FOF-TP, issued February 13, 1995, found that intraLATA presubscription was in the public interest. This meant that interexchange carriers (IXCs) would be allowed to compete with LECs for 1+ and 0+ intraLATA toll traffic for the first time. 0+local traffic would still be reserved for the LECs. Large LECs were ordered to implement intraLATA presubscription throughout their service areas by December 31, 1997. Small LECs would be allowed to delay implementation until a bona fide request was received. The Commission denied Motions for Reconsideration filed by General Telephone Company of Florida (GTEFL) and BellSouth. GTEFL and BellSouth appealed the Order but the appeals were withdrawn and the Order is now in effect.

#### CHANGING THE POLICY FOR CONFINEMENT FACILITIES

For security reasons, pay telephones in confinement facilities generally only allow collect local and long distance calls to be made. Commission Rule 25-24.515(15) exempts pay stations located in confinement facilities from certain notice and access requirements. For example, pay stations located in confinement facilities are allowed to block access to other long distance carriers to minimize the ability of inmates to have contact with a live operator.

InVision has asked the Commission to allow it to handle and bill both 0+ local and 0+ intraLATA at its pay telephones located in confinement facilities. In its petition (Attachment A), InVision points to the statutory amendments opening local service to competition, the lifting of the Stay on intraLATA presubscription, and the company's capability to handle such traffic as reasons the Commission need no longer reserve such traffic for the LEC. The petition also states that the store and forward technology InVision presently uses to handle and bill interLATA calls in confinement facilities will provide the same benefits to the institutions, the company, and the end-user if employed for local and intraLATA calls. These benefits are: elimination of operator abuse by inmates, reduction of fraudulent calling, and rates that will not exceed those charged by the serving LEC for the same call.

The Commission has already voted to allow intraLATA competition via presubscription in Docket No. 930330-TP. The

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Commission should grant InVision an exemption from this rule so that it may handle 0+ local and 0+ intraLATA traffic in confinement facilities.

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

**ISSUE 2:** Should local exchange companies be ordered to bill 0+ local and 0+ intraLATA calls placed from confinement facilities and handled by InVision when billing for such calls is requested through a valid billing and collection agreement?

**RECOMMENDATION:** Yes.

**STAFF ANALYSIS:** LECs should be required to bill such calls when requested through a valid billing and collection agreement. LECs will lose the revenues they would have earned from the confinement facilities served by InVision. However, LECs will still receive some monetary benefit from the calls if the billing and collection agreement calls for them to be paid on a per call basis for the number of calls billed and collected.

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**ISSUE 3:** Should this docket be closed?

**RECOMMENDATION:** Yes, this docket should be closed unless a person whose interests are substantially affected by the Commission's decision files a protest within 21 days of the issuance of the Proposed Agency Action Order.

**STAFF ANALYSIS:** Whether the Commission adopts or rejects Staff's recommendations in issues 1 and 2, its decision will result in a Proposed Agency Action Order. This docket should be closed unless a person whose interests are substantially affected by the Commission's decision files a protest within 21 days of the issuance of the Proposed Agency Action Order.

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re:	)	Docket No. <u>960407-TC</u>
	)	
Petition of	)	Filed: April 1, 1996
InVision Telecom, Inc.	)	
<u>for Waiver</u>	)	

**PETITION FOR WAIVER**

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

**Identity of Petitioner**

1. Petitioner's complete name and address are:

InVision Telecom, Inc.  
 1150 Northmeadow Parkway, Suite 118  
 Roswell, Georgia 30076

InVision Telecom, Inc. is a Georgia corporation, duly authorized to do business in the state of Florida. InVision is a wholly-owned subsidiary of Communications Central Inc., a publicly traded corporation whose stock is traded on the Nasdaq National Market System under the ticker symbol "CCIX."

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FPSC-REGISTRATION-REPORTING

2. InVision is the largest independent inmate service provider in the country, with approximately 5400 inmate phones in 36 states. Pursuant to Commission Order No. PSC-95-1277-FOF-TC issued October 17, 1995 in Docket No. 950997-TC, InVision provides pay telephone services from confinement facilities located in the state of Florida.

3. All notices, pleadings, orders or other documents regarding this docket should be directed to:

Barry E. Selvidge, Vice President,  
Regulatory Affairs and General Counsel  
InVision Telecom, Inc.  
1150 Northmeadow Parkway, Suite 118  
Roswell, Georgia 30076  
Telephone: 770-442-7300  
Facsimile: 770-442-7321

#### Relief Requested

4. Pursuant to Rule 25-24.505(3), InVision seeks waivers of Rules 25-24.515(7) and 25-24.620(2)(c) and (d) and the policies contained in Orders No. 95-0918 issued July 31, 1995, No. 95-0203 issued February 13, 1995 and No. 24101 issued February 14, 1991. Specifically, InVision seeks authority to provide and bill for 0+ local and 0+ intraLATA calls placed by inmates of confinement facilities through InVision's pay telephones, using store-and-forward technology.

#### Background

5. InVision currently provides and bills automated 0+ intrastate Florida calls via store-and-forward technology on an interLATA basis, and provides such calls on a local, intraLATA and interLATA basis in each of the other 35 states in which it provides



inmate pay telephone service. In Florida, InVision is currently authorized to resell sent-paid local and intraLATA calls and to provide debit cards for inmates of correctional facilities for local and intraLATA toll calling services. However, the Commission has continued to reserve to the LECs the authority to provide 0+ local and 0+ intraLATA calls from any and all pay telephones. Petitioner respectfully states that technological advances and regulatory changes have rendered continuation of this dialing monopoly inappropriate for pay telephones in confinement facilities.

6. Technological advances in store-and-forward pay telephones have enabled inmate service providers to furnish quality calling services for callers and end users while meeting the unique security needs of the confinement facility. This well-developed and proven technology provides reliable call completion and billing functions without allowing inmates access to the public telephone network, thus reducing harassment and fraud.

7. In addition, two significant regulatory developments have effectively eliminated the original basis for this dialing monopoly. First, in Order No. PSC-95-0203-FOF-TP, the Commission authorized competition and presubscription for intraLATA toll calls. Although the Florida Supreme Court issued a stay of this Order on October 12, 1995, that stay has now been lifted.

8. The second pivotal regulatory development was that as of July 1, 1995, competition for all local services was mandated by the Florida Legislature effective January 1, 1996. The Legislature

found that competition in the local exchange market is in the public interest.

9. InVision does not intend to offer basic local exchange services and therefore does not seek certification as an alternative local exchange company. InVision seeks only to expand its existing authority to include the provision of 0+ local and 0+ intraLATA calls from its pay telephones located in confinement facilities in order to address the security and control concerns that are paramount in the correctional environment.

10. The Commission's approval of this waiver request is consistent with the legislative mandates to avoid "unnecessary regulatory constraints" and to eliminate rules that "delay or impair the transition to competition." Sections 364.01(4)(e) and 364.01(4)(f).

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

Respectfully submitted, this the 29th day of March, 1996.

INVISION TELECOM, INC.

BY:



BARRY E. SELVIDGE, Vice President,  
Regulatory Affairs and General Counsel  
1150 Northmeadow Parkway, Suite 118  
Roswell, GA 30076  
(770) 442-7300

Commissioners:  
SUSAN F. CLARK, CHAIRMAN  
J. TERRY DEASON  
JULIA L. JOHNSON  
DIANE K. KIESLING  
JOE GARCIA



DIVISION OF COMMUNICATIONS  
WALTER D'HAESELEER  
DIRECTOR  
(904) 413-6600

## Public Service Commission

June 20, 1996

Sheriff Ted Glass  
Levy County Sheriff's Office

Re: Inmate telephone service provided by InVision Telecom, Inc.

Dear Sheriff Glass:

I understand from our conversation that the Levy County Jail is experiencing a problem due to a change in the way that telephone service is being provided. I understand that InVision Telecom, Inc. (InVision), currently provides telephone service for inmate use at the Levy County Jail. Under Rule 25-24.515(7), Florida Administrative Code, pay telephone providers such as InVision are prohibited from handling operator assisted local and intraLATA toll calls. These calls are required to be routed to the local exchange company (BellSouth).

InVision recently filed a petition with the Commission, asking that it be granted an exemption to Rule 25-24.515(7) so that it could handle operator assisted local and intraLATA calls from confinement facilities (Docket No. 960407-TC). During the course of its investigation the Commission staff learned that InVision was already handling this traffic from several confinement facilities in Florida, in apparent violation of the Rule. The company was instructed to immediately begin routing the traffic to the local exchange company until staff could take the matter before the Commission for a decision on whether the petition should be granted. Such petitions can usually be brought before the Commission without delay. However, in this case, staff was delayed by having to open another docket (Docket No. 960665-TC) to determine the appropriate compensation that InVision should pay to the local exchange companies for any loss of the revenues the companies experienced as a result of not handling the 0+ local and intraLATA traffic.

Sheriff Ted Glass  
Levy County Sheriff's Office  
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We will make every effort to bring this matter before the Commission for a vote as soon as possible. Meanwhile, should you have any questions, please contact me at 904/413-6594.

Sincerely,



**Kathryn Dyal Lewis**  
Regulatory Analyst  
Bureau of Service Evaluation

cc: Michael Billmeier, LEG  
Docket File 960407-TC

Attachment C

Communications Central Inc.



Public Telecommunications

April 17, 1996

via Facsimile 904-413-6595

Ms. Kathy Lewis  
Florida Public Service Commission  
Room 110, Easley Building  
2540 Shumard Oak Building  
Tallahassee, FL 32399-0850

Re: Docket No. 960407-TC  
Petition for Waiver  
InVision Telecom, Inc.

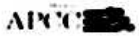
Dear Ms. Lewis:

As we discussed by telephone this morning, we are pleased to provide the following information regarding InVision's Florida inmate pay telephones. InVision currently operates approximately 5300 inmate pay telephones in 35 states, including 215 inmate phones in Florida.

InVision's pay telephones located in Florida confinement facilities provide 0+ collect outgoing only calling for inmates. Calls are initiated from the pay telephone by taking the handset offhook and dialing the telephone number on the phone's standard touchtone keypad. After screening to determine the validity of the dialed number, the caller's name is solicited by voice prompt and temporarily stored in the system. It is then played to the called party in the collect call announcement. Positive acceptance by the called party is required before the call is connected.

At the option of the confinement facility administration, a time limit can be placed on calls. Other special safeguard features provided at the discretion of the facility administration include blocking certain telephone numbers, e.g., numbers of victims, witnesses, judges, and limiting the hours during which pay telephone service is available.

With respect to rates, should InVision's Petition be granted, the rates charged for local and intraLATA calls would not exceed rates charged by the serving local exchange company for the same call.



1150 Northmeadow Parkway • Suite 118 • Roswell, Georgia 30076  
General Office Tel: 800 652-0774 • 770 442-7300 • Fax: 770 442-7319 • Service: 800 666-9224

Ms. Kathy Lewis  
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We appreciate your assistance in processing our Petition.  
Should you need any additional information, please feel free to  
contact Barry or me at 1-800-652-0774.

Sincerely,

INVISION TELECOM, INC.

  
Jeanie Ray, Coordinator,  
Regulatory Affairs

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

Robert E. Bowling, Vice President,  
Operations and General Manager, InVision