

VOICE SHEET

DATE: September 3, 1996

RE: DOCKET NO. ~~96000000~~ - Establishment of appropriate regulatory policy for interexchange companies which issue prepaid debit cards.

Issue 1: Recommendation that a prepaid debit card provider is any entity that does one or both of the following activities:

- a) Buys bulk time from an underlying interexchange company and repackages and resells the time as telephone prepaid cards.
- b) Specifies the initial volume of usage in the telephone prepaid card account, expressed in terms of minutes, or units of time ^{or} ~~at~~ dollar value.

Such entities typically authorize placement of their name and their 800 customer service number on the prepaid card and typically rely on the facilities of an underlying IEC.

MODIFIED

*Approved with noted modification.
Commissioner Kieding dissented.*

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

[Handwritten signatures in majority column]

[Handwritten signature in dissenting column]

REMARKS/DISSENTING COMMENTS:

[Handwritten mark/initials]

PSC/RAR33 (5/90)

DOCUMENT NUMBER-DATE

09374 SEP-4 96

FPSC-RECORDS/REPORTING

Issue 2: Recommendation that enforcement of the Commission's policies has been effectively done through the show cause process, and no change in this policy should be made at this time. FDC providers do not require a different method of achieving compliance with the rules than any other type of telecommunications company the Commission regulates. FDC service provided by certificated interexchange companies should be included in each company's tariff. Any discrepancies in the tariff can be handled by filing a recommendation to the Commission for resolution.

DENIED

Alternative Recommendation: The Commission should issue fines of not less than \$1,000 to uncertificated FDC providers whose cards are sold in Florida and who have not filed for certification who are in willful violation of the requirement that they be certificated. The effective date for this change in policy shall be November 1, 1996. Additionally, as of November 1, 1996, staff will provide the names of any such uncertificated FDC providers to the Florida Department of Revenue.

MODIFIED

*Approval with modification
that effective date for change is
November 30 rather than November 1.
Commissioner Kissling dissented.*

Issue 11. The Commission should take an educational approach in protecting customers from abuses in the prepaid debit card industry. First, the Commission should require that all prepaid debit card providers include the following consumer information along with the debit card:

1. Unless the card is given away as part of a promotion (for example, buy a cordless telephone and get a free prepaid debit card, or rent a car and get a free prepaid debit card), the face value of the prepaid debit card must be printed on the card or the individual enclosure containing the prepaid debit card.
 2. The name of the certificated entity responsible for the prepaid debit card and its mailing address must be made clear on the card or the individual enclosure containing the card.
 3. If a prepaid debit card has an expiration date, that date must be clearly indicated on the card. If an expiration date is not disclosed, the card will be considered active as long as time remains on the card.
 4. A prepaid debit card must have a clearly defined procedure for refunding the consumer's money or re-issuing a new prepaid debit card should a prepaid debit card become unusable. This information must be available from the card provider either through its toll-free 1-800 customer service number or have its refund and release policy printed on the card.
 5. Each card must include a toll-free Customer Service number. Customer complaints must be responded to within 24 hours of the PDC provider receiving the complaint.
 6. At the time of sale, a PDC's customers must have information which allows them to know or compute the price per minute of intrastate calls for the PDC (i.e., either the price per minute or the price of the card and the number of minutes provided on the card).
 7. End users shall only be charged for "conversation time" or time when two-way communication is possible. End users shall not be charged for ring time and uncompleted calls. Billing for a call shall end when either the calling or called party hangs up.
 8. If the card is a sample (a sample card is one with no time allocated to it) there must be clear information either on the card or on the individual enclosure containing the card that indicates that the card is a sample with no time assigned to it.
- The Commission should strongly suggest that underlying carriers obtain advance payment from debit card providers.

*No action was taken by the Commission
on this issue.*

Alternative Recommendation: In addition to the actions specified in the primary recommendation, the toll-free number shall, at a minimum, be manned by a live operator for 8 hours a day, 5 days a week.

Vote Sheet
Docket No. 960243-TL
September 3, 1996

Issue 4: Recommendation that this docket remain open to provide for rulemaking. If no person whose substantial interests are affected files a protest within 21 days of the issuance date of the order from this recommendation, the order shall become final.

APPROVED