

FLORIDA PUBLIC SERVICE COMMISSION
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Tallahassee, Florida 32399-0850

M E M O R A N D U M

OCTOBER 17, 1996

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

FROM: DIVISION OF COMMUNICATIONS (ISLER) *pis*
DIVISION OF LEGAL SERVICES (PELLEGRINI) *MB*

RE: DOCKET NO. 960350-TC - ADTEC COMMUNICATIONS, INC. -
INITIATION OF SHOW CAUSE PROCEEDINGS FOR VIOLATION OF
RULES 25-24.515, FLORIDA ADMINISTRATIVE CODE, PAY
TELEPHONE SERVICE, AND 25-4.043, FLORIDA ADMINISTRATIVE
CODE, RESPONSE TO COMMISSION STAFF INQUIRIES

AGENDA: OCTOBER 29, 1996 - REGULAR AGENDA - INTERESTED PERSONS
MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: S:\PSC\CMU\WP\960350TC.RCM

CASE BACKGROUND

• Adtec Communications, Inc. (Adtec) is a provider of pay telephone service and was certificated August 12, 1985. According to local exchange company records, Adtec owns and operates approximately 927 pay telephones in Florida. Adtec reported gross operating revenues of \$637,856 on its Regulatory Assessment Fee Return.

• On May 29, 1996, the Commission issued Order No. PSC-96-0722-FOF-TC, which required Adtec to show cause why it should not be fined and/or have its certificate cancelled for violations of Rules 25-24.515, Florida Administrative Code, Pay Telephone Service, and 25-4.043, Florida Administrative Code, Response to Commission Staff Inquiries.

• On June 18, 1996, Adtec filed its response to the Order. In its response, Adtec requested a hearing.

• In telephone conversations with staff, Adtec requested copies of the pay telephone evaluations and responses so that it could review the information and obtain sufficient details of allegations. A copy of staff's files was provided to Adtec.

DOCUMENT NUMBER-DATE

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- On September 19, 1996, the Commission issued Order No. PSC-96-1174-PCO-TC, which established procedure for an administrative hearing.

- On September 26, 1996, staff received a letter from Adtec (Attachment A) in which the company proposed an informal resolution to the docket. Adtec's letter proposed to pay a fine of \$2,000 and bring all of its pay telephones into compliance with applicable rules by December 31, 1996. Staff's recommendation deals with Adtec's September 26, 1996, settlement offer.

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DISCUSSION OF ISSUES

ISSUE 1: Should the Commission accept the settlement proposed by Adtec Communications, Inc. as resolution of the apparent violations of Rules 25-24.515 and 25-4.043, Florida Administrative Code?

RECOMMENDATION: Yes.

STAFF ANALYSIS: On May 29, 1996, the Commission issued Order No. PSC-96-0722-FOF-TC to show cause Adtec for numerous violations of the Commission's pay telephone service standards and not responding to staff inquiries in a timely manner.

Between January 1, 1994 and December 31, 1995, staff evaluated 65 pay telephones owned or operated by Adtec and found 232 apparent violations. Staff found 18 instances where a pay phone was not wheelchair accessible and one case in which a pay telephone was unable to receiving incoming calls. In addition to the service standards violations, Adtec was late in responding to staff in every case of the 17 notices except three.

Previously, Adtec was show caused for lack of wheelchair accessibility for instruments located at the Bal Harbour Mall, Sunrise, Florida, in Docket No. 910880-TC. On October 20, 1992, the Commission issued Order No. PSC-92-1191-AS-TC, which accepted the company's settlement offer of \$1,000 after it had relocated the instruments to bring them into compliance with the Commission's service standards.

Staff believes the proposed settlement offer is the appropriate resolution of this docket. Adtec's settlement offer (Attachment A) can be summarized as follows:

- Adtec proposed to pay a fine of \$2,000.
- To prevent future complaints, Adtec proposed to bring all of its pay telephones into compliance with applicable rules by December 31, 1996.

Staff believes the terms of the proposed settlement offer are fair and reasonable. Any fine should be forwarded to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285 (1), Florida Statutes. Staff intends to conduct follow-up inspections of Adtec's pay telephones after December 31, 1996. Continued violation of the Commission's

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service standards may result in staff opening another docket to recommend additional action.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes, this docket should be closed with the approval of Issue 1 and remittance of the \$2,000 fine.

STAFF ANALYSIS: If the Commission accepts staff's recommendation in Issue 1 and upon remittance of the \$2,000 fine by Adtec Communications, Inc., this docket may be closed. The fine amount should be forwarded to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Chapter 364.285 (1), Florida Statutes.

WIGGINS & VILLACORTA, P.A.

ATTORNEYS AT LAW

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September 26, 1996

Mr. Charles Pellegrini
Staff Counsel
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 960350-TC: Initiation of show cause proceedings against Adtec Communications, Inc. for violation of Rules 25-24.515, F.A.C., Pay Telephone Service, and 25-4.043, F.A.C., Response to Commission Staff Inquiries

Dear Mr. Pellegrini:

The purpose of this letter is to propose a settlement in the above docket. As settlement of all issues raised in this docket, and settlement of any further complaints that may have arisen since the show cause order was initiated, Adtec proposes a fine in the amount of \$2,000. Additionally, because Adtec wishes to prevent future complaints, it proposes that it be given until the end of 1996 to conduct a comprehensive review and correction process for all of its pay telephones, after which time it would invite staff inspection to determine compliance with applicable rules.

This approach benefits the public as follows. First, the amount of the fine is double the fine paid by the company in 1992, in recognition of the fact that Adtec has been unsuccessful in solving its compliance difficulties. Second, giving the company the opportunity to conduct a thorough service evaluation, followed by a staff compliance review, will aid both the company and the staff in ensuring that high quality pay telephone service is available in the state.

Florida Public Service Commission

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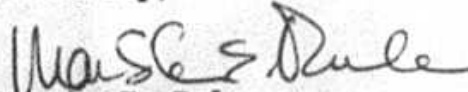
LEGAL DIV.

Mr. Charles Pellegrini
September 26, 1996

The procedural order in this docket requires the company and staff to file direct testimony and exhibits on October 8, 1996. I would like to work out an amended testimony date pending staff consideration of this settlement proposal. Also, you may be aware that I shortly will be leaving Wiggins & Villacorta to begin work with AT&T. Pat Wiggins will be handling this case, and he will need time to become familiar with the facts of this docket. I therefore suggest that the schedule be amended to require direct testimony to be filed on or after November 21, 1996. This would give staff time to file a recommendation for the October 29 agenda; parties would then have an additional three weeks to prepare testimony if the proposal is not approved by the Commission.

I hope that staff finds this proposal to be both responsive to staff concerns and in the public interest. Please let me know if you have any questions.

Sincerely,



Marsha E. Rule
Counsel for
Adtec Communications, Inc.

xc: T. Rammelkamp
R. Moses