

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) *pij*  
DIVISION OF LEGAL SERVICES (PELLEGRINI) *MB*

RE: DOCKET NO. 960649-TC - TELALEASING ENTERPRISES, 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\960649TC.RCM

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CASE BACKGROUND

• Telaleasing Enterprises, Inc. (Telaleasing) is a provider of pay telephone service and was certificated September 12, 1989. According to local exchange company records, Telaleasing owns and operates approximately 578 pay telephones in Florida. Telaleasing reported gross operating revenues of \$1,433,182 on its Regulatory Assessment Fee Return.

• On July 16, 1996, the Commission issued Order No. PSC-96-0912-FOF-TC, which required Telaleasing 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 July 23, 1996, Telaleasing filed its response to the Order. In its response, Telaleasing requested a hearing.

• In telephone conversations with staff, Telaleasing 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 Telaleasing.

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

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• On September 26, 1996, staff received a letter from Telaleasing (Attachment A) in which the company proposed an informal resolution to the docket. Telaleasing's letter proposed to pay a fine of \$10,000 and bring all of its pay telephones into compliance with applicable rules by December 31, 1996. Staff's recommendation deals with Telaleasing's September 26, 1996, settlement offer.

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DISCUSSION OF ISSUES

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

**RECOMMENDATION:** Yes.

**STAFF ANALYSIS:** Between January 1, 1994 and March 8, 1996, staff performed 308 evaluations and found a total of 688 apparent violations of the pay telephone service standards. The violations included 106 cases where wheelchair accessibility was unavailable, 35 cases in which a pay telephone was unable to receive incoming calls, 26 cases in which access to all locally available interexchange carriers was not available, and 14 cases where 0+ intraLATA calls did not go to the local exchange company operator.

By Order No. PSC-96-0912-FOF-TC issued July 16, 1996, the Commission ordered Telaleasing to show cause why it should not be fined and/or have its certificate cancelled for violations of the pay telephone service standards and for its repeated failure to timely respond to staff inquiries. The company was late in responding to staff inquiries 27 out of 56 times.

Also, in a previous docket, No. 910788-TC, Telaleasing was ordered to show cause why it should not be fined \$5,000 for violations of Rules 25-4.043, Florida Administrative Code, Response to Commission Staff Inquiries and 25-24.515 (13), Florida Administrative Code, Pay Telephone Service, Wheelchair Accessibility. Telaleasing proposed to bring its pay telephones into compliance and pay a \$5,000 settlement. The Commission accepted the company's settlement offer and the docket was closed after payment was made.

Staff believes the proposed settlement offer is the appropriate resolution of this docket. The settlement offer submitted by Telaleasing (Attachment A) can be summarized as follows.

- Telaleasing proposed to pay a fine of \$10,000.
- To prevent future complaints, Telaleasing proposed to bring all of its pay telephones into compliance with applicable rules by December 31, 1996.

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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 Telaleasing's pay telephones after December 31, 1996. Continued violation of the Commission's 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 \$10,000 fine.

**STAFF ANALYSIS:** If the Commission accepts staff's recommendation in Issue 1 and upon remittance of the \$10,000 fine, 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. 960649-TC: Initiation of show cause proceedings against Telaleasing Enterprises, Inc. for violation of Rules 25-24.515, F.A.C., Pay Telephone Service, and 25-4.043, F.A.C., Response Requirement

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, Telaleasing proposes a fine in the amount of \$10,000. Additionally, because Telaleasing 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.

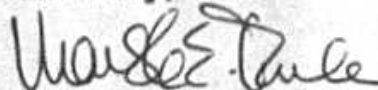
This approach benefits the public as follows. First, the amount of the fine is double the fine paid by the company in 1992, in recognition of the fact that Telaleasing has been unsuccessful in solving its compliance difficulties. Second, giving the company the opportunity to conduct a thorough service 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.

Mr. Charles Pellegrini  
September 26, 1996

The schedule 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  
Telereleasing Enterprises, Inc.

xc: T. Rammelkamp  
R. Moses