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MEMORANDUM

August 17, 1998

TO: APPEALS (CALDWELL)

FROM: RESEARCH AND REGULATORY REVIEW (HEWITT) *as + / D*

SUBJECT: STATEMENT OF ESTIMATED REGULATORY COSTS ADDENDUM FOR DOCKET NO. 951560-TP, PROPOSED AMENDMENTS TO PAY TELEPHONE RULES

A Statement of Estimated Regulatory Cost was prepared for the proposed pay telephone rule changes contained in the June 18, 1998, Staff Recommendation for Docket 951560-TP. That recommendation was deferred from the June 30, 1998, Commission Agenda. Since that time, an additional proposed subsection (b) has been added to Rule 25-24.515(16), F.A.C. The proposed subsection (b) gives companies an option to provide directory assistance at no charge in lieu of subsection (16)(a), which requires a white and yellow page directory:

(b) Pay telephone stations that provide directory assistance at no charge are exempt from the provisions in (16)(a). A notice must appear on the placard if directory assistance at no charge is being provided.

Companies were asked to comment on any expected regulatory costs due to the proposed addition of subsection (16)(b). The only substantive comments were from the Florida Public Telecommunications Association (FPTA). FPTA represents approximately 190 payphone service providers (PSPs), of which all but three or four are small businesses.

ACK _____ FPTA restated its strong objection to the proposed requirement to provide a separate
 AFA _____ yellow page directory where the yellow pages are not included within the same directory as the
 APP _____ white pages. FPTA stated:

CA _____ In major metropolitan areas, this will mean that a pay telephone will have to
 CTR _____ accommodate three volumes of directories, necessitating considerable more costly
 EAG _____ equipment than usual, as well as extra maintenance. Swing-away binders to
 LEG _____ accommodate this many volumes cost approximately \$200 as opposed to a single
 LIN _____ volume binder that would cost approximately \$75. . . . Additionally, yellow pages
 OPC _____ are a purely commercial activity that is not regulated by the Florida Public Service
 ROH _____ Commission (FPSC). PSPs should not be required to provide free advertising

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space for commercial entities. Local exchange companies are not required to publish or provide yellow page directories to their customers.

... Local directory assistance is not the same as having white and yellow pages; local directory assistance only gives the caller the information normally contained in the white pages. If the FPSC sees free local directory assistance as an adequate substitute for having directories at the phone, then the white pages alone should be sufficient, since that is the only information that directory assistance is able to provide to a customer.

The decision of whether to provide free directory assistance or placing and maintaining a directory at the pay telephone station would be made on a case-by-case basis because the charge by the LECs for a directory assistance call varies and the total number of directory assistance calls per phone varies. Anecdotal evidence suggests that when directory assistance is free, customers will use it for convenience, even if a directory is available, therefore driving up costs for the PSPs.

Finally, FPTA suggests that if the Commission moves forward with this additional proposed language, it be modified to "local directory assistance at no charge" since neither the white nor the yellow pages provide information for toll calls.

CBH:tf/e-patel4