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RECORDS AND
REPORTING

March 4, 1999

BY HAND DELIVERY

Ms. Blanca Bayo, Director
Division of Records and Reporting
Room 110, Easley Building
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

990255-TC

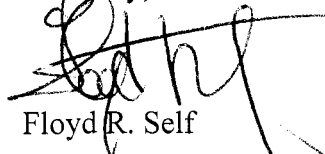
Dear Ms. Bayo:

Enclosed for filing on behalf of Global Tel*Link Corporation are an original and fifteen copies of Global's Petition for Waiver of Rule. Also enclosed is a 3 1/2" diskette with the document on it in WordPerfect 6.0/6.1 format.

Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the same to me.

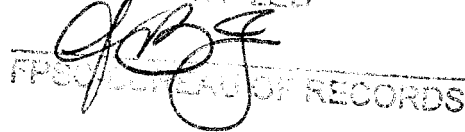
Thank you for your assistance with this filing.

Sincerely,



Floyd R. Self

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- ACK _____
- AFA _____ ERS/amb
- APP _____ Enclosure
- cc: Ms. Jennifer Clark
- DAF _____ Martha Carter-Brown, Esq.
- DMU _____ Ms. Ann Shelfer
- STR _____ Mr. Rick Moses
- EAG _____
- LEG _____
- LIN _____
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- SEC _____
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02844 MAR-4 99

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition of Global Tel*Link)
Corporation for Exemption from)
Florida Administrative Code, §25-4.113(f).)
_____)

Docket No. _____

Filed: March 4, 1999

PETITION FOR WAIVER OF RULE

COMES NOW, Global Tel*Link Corporation ("Global"), pursuant to Rules 25-24.505(3) and 28-104.002, Florida Administrative Code, and Sections 120.542 and 364.337(4), Florida Statutes, and files this Petition For Waiver with the Florida Public Service Commission ("Commission") for exemption from the requirement of Rule 25-4.113(1)(f) for five days written notification of refusal to complete calls placed from collect-only telephones located in confinement institutions within the state of Florida. In support of its Petition, Global states as follows:

- 1. Petitioner's name and address are:

Global Tel*Link Corporation
2609 Cameron Street
Mobile, Alabama 36607

- 2. All notices, Orders or documents regarding this Petition should be directed to:

Jennifer Clark
Regulatory Analyst
Global Tel*Link Corporation
2609 Cameron Street
Mobile, Alabama 36607
800/489-4500 (phone)
334/473-4588 (facsimile)

Floyd Self, Esq.
Messer, Caparello & Self, P.A.
215 South Monroe Street, Suite 701
Tallahassee, Florida 32301
850/425-5213 (phone)
850/224-4359 (facsimile)

I. BACKGROUND

- 3. Global is certificated by the Commission to provide both pay telephone service and

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FPSC-RECORDS/REPORTING

intrastate interexchange service pursuant to Certificate Numbers 3878 and 3972. Rule 25-4.113, written under the authority of Florida Statutes sections 350.127 and 427.704(8), is the subject of this Petition and provides in pertinent part:

(1) As applicable, the Company may refuse or discontinue telephone service . . . provided that, . . . the customer shall be given notice and allowed a reasonable time to comply with any rule or remedy any deficiency:

(f) For nonpayment of bills for telephone service, . . . provided that suspension or termination of service shall not be made without five working days' written notice to the customer, except in extreme cases. The written notice shall be separate and apart from the regular monthly bills for service. . . .

4. Global contracts with confinement facilities to provide pay telephone services to inmates within the state of Florida which permit inmates to place outbound, collect-only calls. The recipient of these collect calls are referred to as the "customer."

5. The control of bad debt is critical in the telecommunications industry and to Global, which primarily serves county jail facilities within the state of Florida. These inmates are incarcerated, on average, thirty days or less. Because of this short incarceration period, it is extremely impractical to utilize traditional, monthly billing cycles to establish a credit history with the customer. Global had implemented line blocking procedures that would prevent a customer from receiving collect calls when a pre-established credit limit was exceeded. In order for the customer to reestablish the ability to accept collect calls from Global's network, immediate payment was required. By this process, Global was able to limit bad debt to a manageable level. However, when the Commission Staff learned of this practice, they advised that it constituted "termination of service" as defined in Rule 25-4.113 and violated the written notice requirement of subsection (1)(f).

Global immediately stopped this practice, and began working with Staff to derive an alternative means of complying with their interpretation of the intent of this rule. It is this alternative practice that is the subject of this waiver request.

6. Global believes that its former call blocking process is not subject to the termination of service rule. Rule 25-4.113(1)(f) was drafted to protect the customers of presubscribed local and presubscribed long distance service. Global does not provide a presubscribed telecommunications service in that it does not have the capability of terminating, affecting, or limiting customer-dialed local or long distance calls. Global does not, under any circumstances, terminate or interrupt a customer's ability to make local or long distance calls or receive collect calls handled by any other carrier. Thus, Global's blocking procedure had the limited effect of only denying the customer's ability to accept collect calls from the correctional facilities that Global serves. Rule 25-4.113 (1)(f) should not be interpreted to apply to Global's collect call conditions of service which specify blocking when a pre-determined credit limit has been reached. Applying Rule 25-4.113 to Global's situation has the effect of ordering that a company extend an unlimited line of credit regardless of the availability of the customer's credit history to the company. Because Global's blocking of collect calls had no effect on a customer's presubscribed service, this Commission should find that Global's blocking procedures are not subject to the separate written notice requirements of Rule 25-4.1139(1)(f), whereupon its request for waiver would be moot.

II. WAIVER REQUEST

7. If this Commission finds that Rule 25-4.113(1)(f) applies to Global, it respectfully requests waiver of subsection (f) requiring five working days' written notification of refusal to

complete collect calls under the limited circumstances described herein. Upon granting this waiver, Global would then file the tariff amendment (attached hereto as Exhibit "A"), and institute the new customer notice procedures for each and every call which are diagrammed on Exhibit B to this Petition.

8. Section 364.337(4) provides that the Commission may adopt rules for the provision of intrastate interexchange service that are consistent with section 364.01, Florida Statutes, and that a carrier may petition the Commission for a waiver of some or all of the requirements of Chapter 364 (with certain limited exceptions not at issue in this Petition). Section 120.542(2) provides in pertinent part as follows:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of the rule would create a substantial hardship or would violate principles of fairness. For purposes of this section, "substantial hardship" means a demonstrated economic, technological, legal or other type of hardship to the person requesting the variance or waiver

Global believes that the application of the rule demonstrates both substantial hardship and that Global's alternative proposal will better satisfy the underlying purpose of the rule and Chapter 364.

A. Substantial Hardship

9. The application of Rule 25-4.113(1)(f) to Global will cause it to suffer substantial hardship. When a customer's account reaches the point at which Global is required to block service, the customer has already incurred a substantial debt to Global. At that point, to provide a second, written notice of blocking and then to wait five business days (which generally means at least seven calendar days), the customer has the opportunity to incur substantial additional debt. Global realizes

that most customers will pay their bills as they are due, in which case blocking never becomes an issue. However, extensive profiles of Global's history with bad debt reveal that 2% of Global's customers are responsible for 50% of its bad debt. The credit limitations and blocking previously used by Global have proven to be extremely effective in controlling this critical factor. Since it is not uncommon for a customer to receive in excess of \$50.00 in collect calls in one day, the unfortunate truth is that customers who have no intention of paying collect call charges, and know that Global cannot terminate their local service, find that they have an additional week to run-up virtually unlimited collect charges.

10. In an attempt to narrow the window of opportunity for fraud, Global started to bill some of its customers directly. From January 1999 to February 1999, direct billing represented 13% of Global's gross revenues in the State of Florida. To date Global has collected approximately 15% of this activity and anticipates, as a direct result, to incur bad debt of 80% on these charges. This is in gross excess of Global's typical business experience. With respect to gross revenues without regard to billing procedures, Global expects to incur bad debt in the amount of 28% if this waiver is not granted as opposed to incurring 15% if the waiver is granted. Additionally, this waiver will enable Global to shift more of its billing back to Local Exchange Carrier, which would be more cost effective and have the potential effect of reducing bad debt below even the 15% figure.

SATISFACTION OF UNDERLYING RULE

11. The purpose of the Rule 25-4.113(1)(f) is to inform customers of the conditions under which service is based. Essentially the five working days notice is designed to ensure that the customer knows its status with the carrier. Global's proposed tariff and procedures go far beyond

this requirement by notifying a customer at the beginning of each and every call of the relevant conditions of service by the use of its proposed voice prompt system. (See Exhibits A and B consisting of proposed tariff language and a flow chart outline of the voice prompt system, respectively.) Specifically, these conditions are:

- (a) When/if the customer's account exceeds \$50.00 in charges, Global reserves the right to prevent the customer from receiving collect calls from the facilities to which Global provides service.
- (b) Global will provide a toll free number to the customer which the customer may call to make payment arrangements.
- (c) Global will notify the customer of and Global will maintain a toll free voice response database which the customer may call to obtain the customer's current account information.

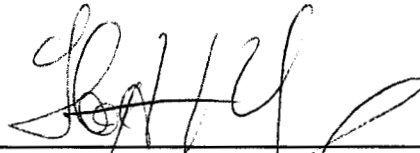
These conditions will be announced to the customer each and every time the customer receives a collect call from a Global facility.

12. These conditions of service provide reasonable business restrictions by allowing Global to control its bad debt while providing convenient, user friendly, and readily available account information to the customer. The intent of the Rule is to provide the customer adequate notification of any conditions of service. This system will satisfy and exceed this intent by giving the customer notification of such conditions, the procedure necessary for making payment arrangements, and providing the customer's current account balance through the use of a toll-free automated voice database. The customer will also receive a bill as an additional form of notification. Global's billing practices are specified in its tariff at pages 14.1 (original sheet) and 14.2 (original sheet).

III. CONCLUSION

WHEREFORE, Global respectfully requests that this Commission: (1) provide its legal interpretation of Rule 25-4.113(1)(f), as applicable to Global, and (2) if inapplicable, in light of the extensive notification provided, grant Global a permanent waiver of subsection (f) which requires a separate five working days' written notification of the intent to block collect calls to the customer that originate on Global's facilities at a correctional institution.

Respectfully submitted,



FLOYD R. SELF, ESQ.
NORMAN H. HORTON, JR., ESQ.
Messer, Caparello & Self, P.A.
P. O. Box 1876
Tallahassee, Florida 32302
(850) 222-0720

Attorneys for Global Tel*Link Corporation

Jennifer Clark
Regulatory Analyst
Global Tel*Link Corporation

EXHIBIT "A"

Proposed tariff revisions of Global Tel*Link Corporation consisting of Original Sheet 14.3.

Section 2 - Rules And Regulations, Continued

2.15 Conditions of Service

The Company shall notify its customers of the conditions of service by utilizing an automated voice prompt system. Specifically:

1. The customer shall be notified after accepting a collect call that when the customer's account exceeds \$50.00 in charges, the Company reserves the right to prevent the customer from receiving collect calls from any facility to which The Company provides service until payment is made.
2. The Company shall notify the customer of a toll free number to make payment arrangements.
3. The Company shall notify the customer of and maintain a toll free automated database which provides the customer's current account balance.

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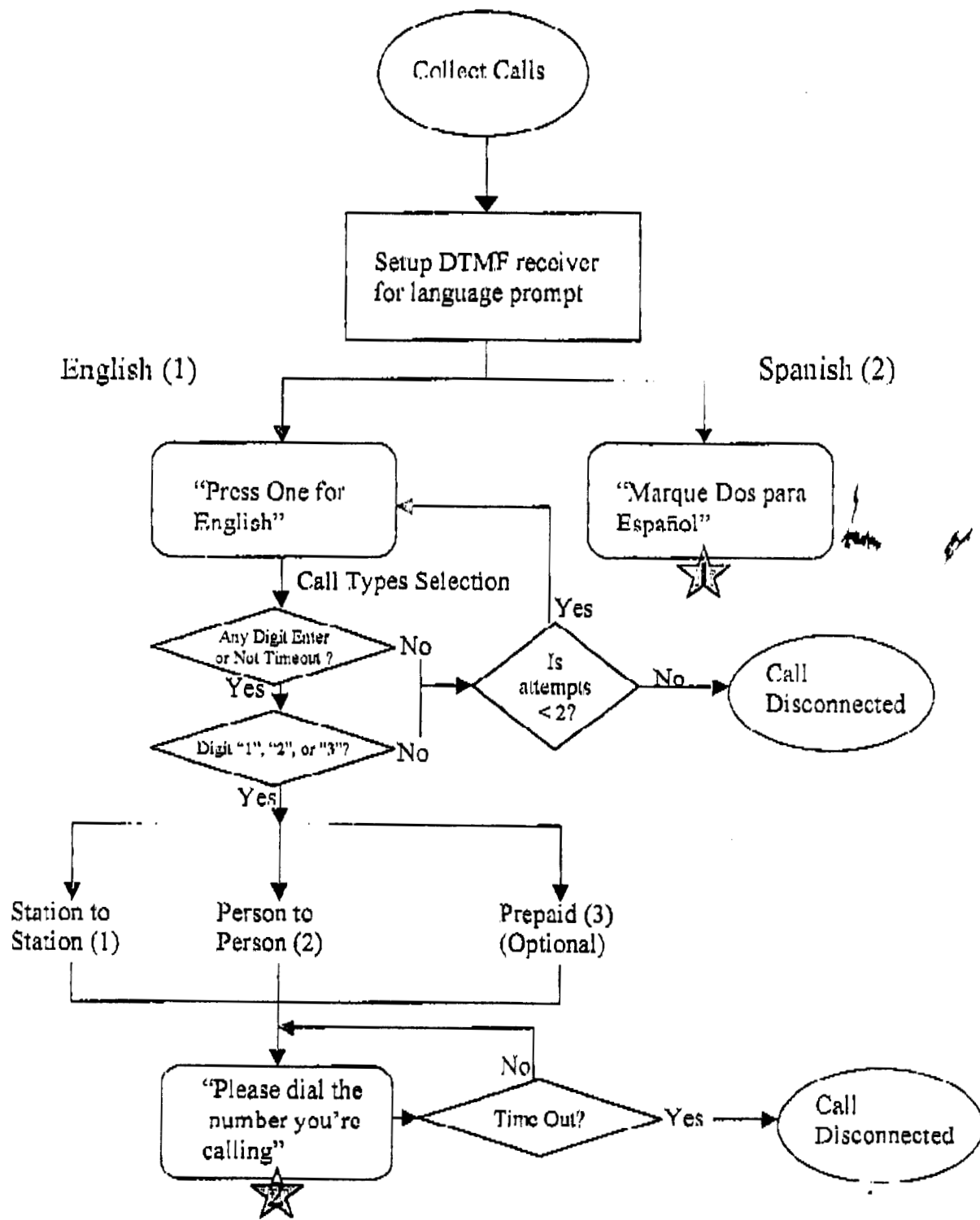
Effective:

Issued by: William F. Shepard
President
Global Tel*Link Corporation
2609 Cameron Street
Mobile, Alabama 36607

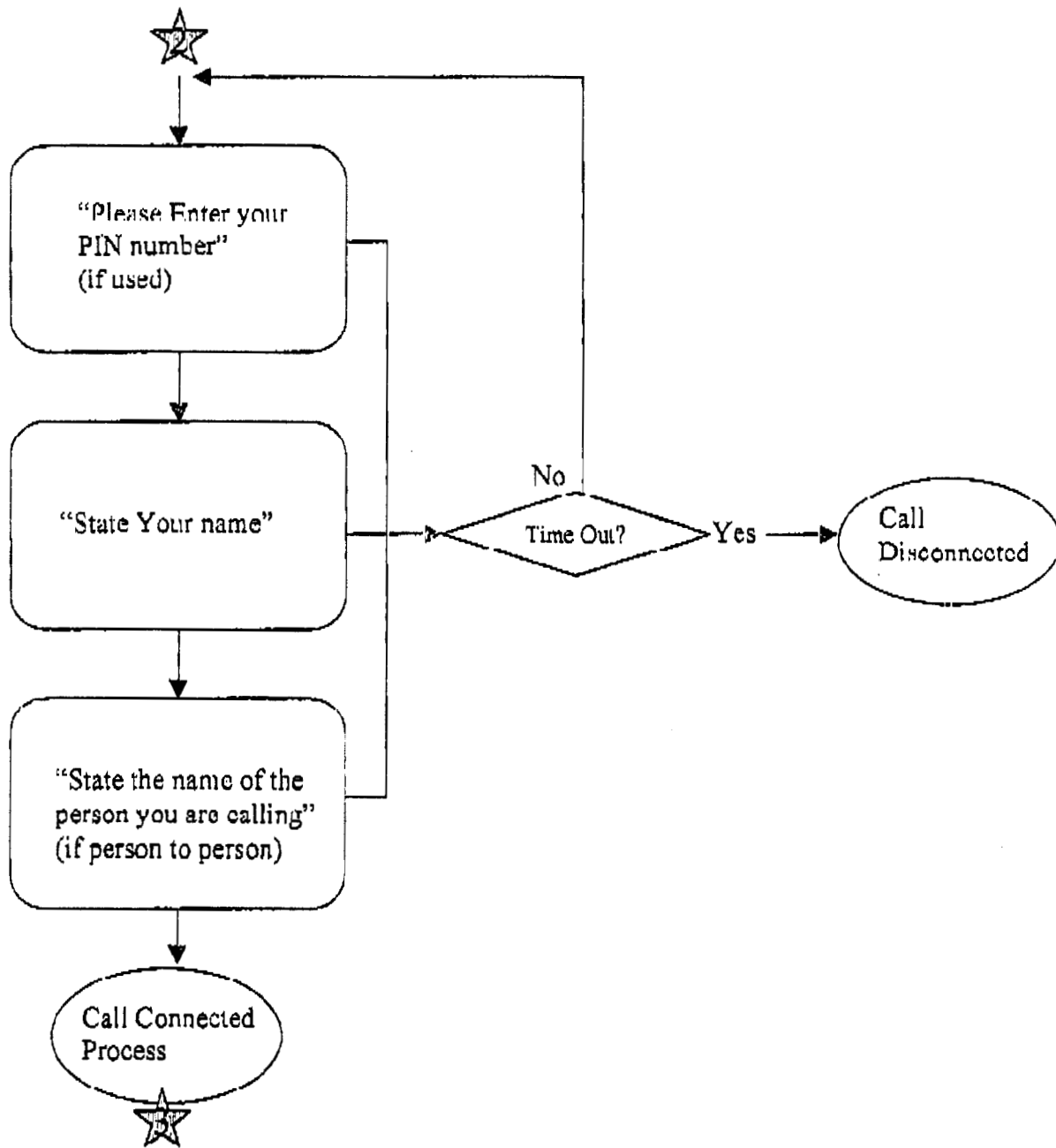
EXHIBIT "B"

Flow chart of language constituting voice prompt system identifying conditions of service.

Proposed Collect Calls Flow Diagrams for Florida



Proposed Collect Calls Flow Diagrams for Florida



Proposed Collect Calls Flow Diagrams for Florida

