

State of Florida



Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

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RECEIVED-FFPSC
JUL 15 AM 10:30
RECORDS AND REPORTING

DATE: JULY 15, 1999

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

FROM: DIVISION OF LEGAL SERVICES (CLEMONS) *Amc CB*
DIVISION OF COMMUNICATIONS (BIEGALSKI) *CB*

RE: DOCKET NO. 990779-TC - INITIATION OF SHOW CAUSE PROCEEDINGS AGAINST SOUTHERN TELECOM, INC. FOR VIOLATION OF RULE 25-24.515, FLORIDA ADMINISTRATIVE CODE, PAY TELEPHONE SERVICE

AGENDA: 07/27/99 - REGULAR AGENDA - SHOW CAUSE - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\CMU\WP\990779.RCM

CASE BACKGROUND

- January 26, 1999 - Southern Telecom, Inc.'s (Southern) 1998 regulatory assessment fee return reported gross intrastate revenues of \$11,680 and 154 pay telephones in operation.
- February 18, 1999 - Staff performed routine service evaluations on pay telephones operated by Southern and found apparent violations as presented in Attachment A.
- March 28, 1999 - Staff received a Service Violation Correction Form from Southern signifying that all apparent violations were corrected.
- April 19, 1999 - Staff reevaluated the pay telephone stations and again found the apparent violations as presented in Attachment A.

DOCUMENT NUMBER-DATE

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- June 17, 1999 - Staff opened this docket to investigate whether Southern should be required to show cause why it should not be fined or have its certificate canceled.
- July 8, 1999 - Southern submitted an offer to settle this case. (Attachment B, Page 6)

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission accept the settlement offer proposed by Southern Telecom, Inc. to resolve the apparent violations of Rule 25-24.515, Florida Administrative Code, Pay Telephone Service?

RECOMMENDATION: Yes. The Commission should accept the company's settlement proposal. Any contribution should be received by the Commission within ten business days from the issuance date of the Commission Order and should identify the docket number and company name. The Commission should forward the contribution to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. (Biegalski)

STAFF ANALYSIS: Staff performed service evaluations on pay telephone stations operated by Southern on February 18, 1999. Through written correspondence, staff notified Southern of the apparent violations.

Staff reevaluated the same pay telephone stations on April 19, 1999. Although Southern reported that all violations had been corrected, the table provided as Attachment A (page 5) depicts the apparent rule violations discovered in the first inspection that were still present in the reevaluation.

Based on the showings of the reevaluations that the pay telephone stations exhibited the same apparent violations, staff opened this docket to investigate whether Southern should be required to show cause why it should not be fined \$300 or have its certificate canceled, pursuant to Section 364.285, Florida Statutes.

On July 1, 1999, Southern contacted staff to discuss the method for settlement of this case and request a deferral of its item from the July 6, 1999, Agenda Conference. Southern was able to provide information related to two apparent violations concerning incorrect addresses on two pay telephone stations. When staff contacted 911 to verify the apparent violations, it was determined

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that the address on the pay telephone stations were correct. Therefore, staff revised its assessment and notified the company of the revision. On July 8, 1999, Southern submitted its offer to settle provided as Attachment B, (Page 6). In its settlement offer, Southern agreed to do the following:

- Southern will voluntarily pay \$100 to the General Revenue Fund.
- Southern will conduct a thorough inspection of all its pay telephones to ensure compliance with Commission rules.
- Southern will respond to all future evaluations in a timely manner.

Staff supports Southern's offer to conduct a thorough inspection of all its pay telephones to ensure compliance with Commission rules. By initiating this action Southern has created a proactive approach to compliance rather than a reactive response to staff's inquiries.

Moreover, the company has been cooperative in resolving all apparent violations. Any contribution should be received by the Commission within ten business days from the issuance date of the Commission Order and should identify the docket number and company name. The Commission should forward the contribution to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. Staff believes the terms of the settlement agreement as summarized in this recommendation are fair and reasonable, and we support the voluntary contribution to the General Revenue Fund.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: No. With the approval of Issue 1, this docket should remain open pending the remittance of the \$100 voluntary contribution. Upon remittance of the settlement payment, this docket should be closed. If the company fails to pay in accordance with the terms of the settlement offer, the monetary settlement will be forwarded to the Comptroller's office for collection, and this docket will be closed. (Clemons)

STAFF ANALYSIS: This docket should remain open pending the remittance of the \$100 voluntary contribution. Upon remittance of the settlement payment, this docket should be closed. If the

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company fails to pay in accordance with the terms of its settlement offer, the monetary settlement will be forwarded to the Comptroller's office for collection, and this docket closed.

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ATTACHMENT A

Pay Telephone Station Number	25-24.515(18)
	ANSI Standards; No Front or Side Access
954-971-2886	X

Southern Telecom Inc.
10427 S.W. 49 Pl. Cooper City, FL 33328

July 8, 1999

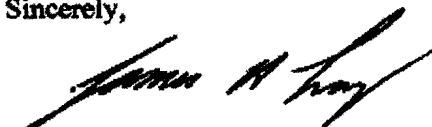
P.S.C
Kelly Biegalski
2540 Shumard Oak Blvd.
Tallahassee, Fl. 32399

Subject: Settlement offer.

We are requesting your acceptance of our settlement offer of \$100. For item number TE444.9903 payphone numbers (954)971-2622 and (954)971-2886.

A thorough inspection of all our phones is in progress to ensure compliance with current regulations. And future evaluations will be responded to timely.

Sincerely,



James Layer (President)