



Public Service Commission

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RECORDS AND REPORTING
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PSC-RECORDS/REPORTING

DATE: JULY 15, 1999

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

FROM: DIVISION OF LEGAL SERVICES (WATTS) *CB facau*
DIVISION OF COMMUNICATIONS (BIEGALSKI) *KB MW*

RE: DOCKET NO. 990241-TC - INITIATION OF SHOW CAUSE PROCEEDINGS AGAINST PHONETEL TECHNOLOGIES, 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\990241.RCM

CASE BACKGROUND

- December 19, 1996 - Staff opened Docket No. 961506-TC to initiate show cause proceedings against PhoneTel Technologies, Inc. (PhoneTel) for apparent pay telephone service violations.
- April 23, 1997 - In Order No. PSC-97-0461-AS-TC the Commission accepted a settlement from PhoneTel as resolution to the apparent pay telephone service violations.
- February 18, 1999 through February 25, 1999 - Staff performed routine service evaluations on pay telephones operated by PhoneTel and found apparent violations as presented in Attachment A.
- March 2, 1999 - Staff opened this docket to investigate whether PhoneTel should be required to show cause why it should not be fined or have its certificate canceled.

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- March 9, 1999 and March 19, 1999 - Staff received Service Violation Correction Forms from PhoneTel signifying that all apparent violations were corrected.
- March 24, 1999 - PhoneTel's 1998 regulatory assessment fee return reported gross intrastate revenues of \$4,145,481 and 4139 pay telephones in operation.
- April 26, 1999 through April 28, 1999 - Staff reevaluated the pay telephone stations and again found the apparent violations as presented in Attachment A.
- July 8, 1999 - PhoneTel submitted an offer to settle this case. (Attachment B, Pages 6-7)

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission accept the settlement offer proposed by PhoneTel Technologies, 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 PhoneTel from February 18, 1999 through February 25, 1999. Through written correspondence, staff notified PhoneTel of the apparent violations. Based on the showings of the service evaluations, staff opened this docket to investigate whether PhoneTel should be required to show cause why it should not be fined \$16,800 or have its certificate canceled pursuant to Section 364.285, Florida Statutes.

On March 8, 1999, PhoneTel contacted staff to discuss the method for settlement of this case and request a deferral of its item from the March 16, 1999, Agenda Conference. On March 22, 1999, PhoneTel met with staff to discuss the apparent pay telephone service violations. As a result of the meeting, PhoneTel submits quality assurance reports to staff on a monthly basis and has

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undertaken the retraining of all technicians on the new pay telephone service standards.

Staff reevaluated the same pay telephone stations from April 26, 1999 through April 28, 1999. Although most of the previous violations were 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.

On July 8, 1999, PhoneTel submitted its offer to settle provided as Attachment B, (Page 6). In its settlement offer, PhoneTel agreed to do the following:

- PhoneTel will voluntarily pay \$1,200 to the General Revenue Fund.
- PhoneTel will conduct a thorough inspection of all its pay telephones to ensure compliance with Commission rules.
- PhoneTel will retrain all staff and new hires in order to ensure the pay telephone service standards are fully understood.
- PhoneTel will continue to submit monthly reports outlining the "self-audit" results for that period for a period of not less than six months.

Staff supports PhoneTel's offer to conduct a thorough inspection of all its pay telephones as well as training all employees to ensure compliance with Commission rules. By initiating this action PhoneTel has created a proactive approach to compliance rather than a reactive response to staff's inquiries. In addition, staff supports PhoneTel's remittance of monthly reports to Commission staff for a period of not less than six months. This will enable the company and staff to be aware of any circumstances that may become a problem.

Moreover, the company has been forthright in its assertion that the cited violations were valid and has been very cooperative in resolving all issues. 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.

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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 \$1,200 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. (Watts)

STAFF ANALYSIS: This docket should remain open pending the remittance of the \$1,200 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 its settlement offer, the monetary settlement will be forwarded to the Comptroller's office for collection, and this docket closed.

Pay Telephone Station Number	25-24.515(3)	25-24.515(7)
	Coin Return Function Not Operating Properly	No Access To Local & Toll Directory Assistance
954-763-4924	X	
954-760-6203		X
954-760-4625		X
954-779-1039		X
954-767-6259		X
954-462-6949		X



09 July 1999

VIA FAX 850.413.6547

Ms. Kelly Biegalski
State of Florida
PUBLIC SERVICE COMMISSION
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RE: Docket No. 990241-TC

Dear Ms. Biegalski:

After meeting with the Commission Staff and conducting a thorough investigation into the facts and circumstances in the matters that caused this docket to be opened, PhoneTel Technologies, Inc. (the Company) would at this time respectfully request the Commission's consideration and review of the following facts.

Upon notification of the above referenced docket, PhoneTel Technologies, Inc. requested a meeting with Staff. As a result of that meeting the Company developed a "self-audit" process. This process consists not only of a phone specific audit but retraining of staff and mandatory training for all new hires consistent and in compliance with the rules and regulations set forth by the Commission, to mention but a few of issues addressed in this policy.

A monthly progress report is submitted to the Commission outlining the audit results for each calendar period. We welcome the assistance of the Staff regarding their input into these matters and rely on their definition when there is any question with regard to interpretation of a specific violation.

(cont'd)

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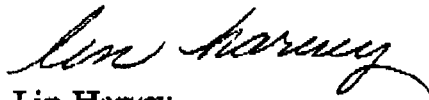
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In addition, as a result of our meeting with Staff, PhoneTel Technologies, Inc.'s management made the decision that it would be in the best interest of compliance and an indication of the Company's commitment to our service standards in the State of Florida to deliver directory assistance as a free service from our payphones. In implementing the new free service, we experienced computer programming issues that were isolated and corrected.

In the spirit of compromise and in consideration of Staff's substantial effort in working with PhoneTel Technologies, Inc. in our continuing privilege of providing pay telephone service in the State of Florida, the Company proposes to make a settlement payment in the amount of \$1,200.00 (ONE THOUSAND TWO HUNDRED DOLLARS) to the General Revenue Fund.

Respectfully submitted,

PHONETEL TECHNOLOGIES, INC.



Lin Harvey
Director - Regulatory Affairs