

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

RECORDS AND REPORTING

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RECEIVED-FPSC

DATE: AUGUST 5, 1999

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

FROM: DIVISION OF LEGAL SERVICES (CALDWELL) *duc*
DIVISION OF COMMUNICATIONS (BIEGALSKI) *KB*

RE: DOCKET NO. 990627-TC - INITIATION OF SHOW CAUSE PROCEEDINGS AGAINST A. COINPHONE SERVICES, INC. FOR VIOLATION OF RULE 25-24.515, FLORIDA ADMINISTRATIVE CODE; PAY TELEPHONE SERVICE

AGENDA: 08/17/99 - REGULAR AGENDA - SHOW CAUSE - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\LEG\WP\990627.RCM

CASE BACKGROUND

- January 29, 1999 - A. CoinPhone Services, Inc.'s (CoinPhone) 1998 regulatory assessment fee return reported gross intrastate revenues of \$1,491.90 and 20 pay telephones in operation.
- February 25, 1999 - Staff performed routine service evaluations on a pay telephones operated by CoinPhone.
- April 9, 1999 - Staff received Service Violation Correction Form from CoinPhone signifying that all apparent violations were corrected.
- April 22, 1999 - Staff reevaluated the pay telephone station.
- June 22, 1999 - Order No. PSC-99-1231-SC-TC was issued ordering CoinPhone to show cause in writing why it should not be fined \$400 or have its certificate canceled, pursuant to Section 364.285, Florida Statutes.

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

- July 8, 1999 - CoinPhone timely responded to the show cause order.
- July 14, 1999 - CoinPhone submitted its offer of settlement. (Attachment A, Page 4)

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission accept the settlement offer proposed by A. CoinPhone Services, 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 of a pay telephone station operated by CoinPhone on February 25, 1999. Through written correspondence, staff notified CoinPhone of the apparent violations. Staff reevaluated the same pay telephone station on April 22, 1999. Although CoinPhone reported that all violations had been corrected, the same apparent rule violations were still present.

Based on the showings of the reevaluations that the pay telephone station exhibited the same apparent violations, by Order No. PSC-99-1231-SC-TC issued June 22, 1999, the Commission ordered CoinPhone to show cause why it should not be fined \$400 or have its certificate canceled, pursuant to Section 364.285, Florida Statutes. On July 8, 1999, CoinPhone responded to the Order stating that the apparent violations had been corrected. On July 14, 1999, CoinPhone submitted its offer of settlement. In its settlement offer, CoinPhone agreed to do the following:

- CoinPhone will voluntarily pay \$400 to the General Revenue Fund.
- CoinPhone will conduct a thorough inspection of all its pay telephones to ensure compliance with Commission rules.

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- CoinPhone will ensure problems are clearly understood and fixed before reporting to the Commission that they are fixed.

Staff supports CoinPhone's offer to conduct a thorough inspection of all its pay telephones to ensure compliance with Commission rules. By initiating this action, CoinPhone has created a proactive approach to compliance rather than a reactive response to staff's inquiries. In addition, staff believes that the company's clear understanding of the violations will prevent it from inadvertently responding that a violation has been corrected.

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 \$400 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. (Caldwell)

STAFF ANALYSIS: This docket should remain open pending the remittance of the \$400 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.

A. COINPHONE SERVICES, INC.
P.O. BOX 144384
CORAL GABLES, FLORIDA 33114

July 14, 1999

Florida Public Service Commission
Attn: Blanca Bayo, Director
Division of Records and Reporting
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

In re: Docket No. 990627TC

Dear Ms. Bayo,

As per my conversation with Kelly today, we are hereby offering a voluntary contribution to the Commission in the amount of \$400.00.

On our part, we will continue to inspect, on a regular basis, all of our company's payphones for compliance. We have been doing so since inception and have avoided violations in the past given this practice.

If in the future we receive any violations, we will contact the commission to clearly understand the violation.

Very truly yours,



Luis M. Falero
President

LMF/rpf