

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-

DATE: AUGUST 5, 1999

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

FROM: DIVISION OF LEGAL SERVICES (D.CALDWELL) *Quic*
DIVISION OF COMMUNICATIONS (T.E.JOHNSON) *1 of 2*

RE: DOCKET NO. 990753-TC - INITIATION OF SHOW CAUSE PROCEEDINGS AGAINST COMMERCIAL TELEPHONE'S, INC. FOR APPARENT 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\CMU\WP\990753.RCM

RECEIVED - FPSC
AUG - 5 AM 10: 12
RECORDS AND REPORTING

CASE BACKGROUND

- January 21, 1999 - Commercial Telephone's, Inc.'s 1998 regulatory assessment fee return reported gross intrastate revenues of \$870,299.72 and 378 pay telephones in operation.
- February 22, 1999 - Staff performed a routine service evaluation on a pay telephone station operated by Commercial Telephone's, Inc. and found the apparent violation as presented in Attachment A (Page 5).
- March 29, 1999 - Staff received a Service Violation Correction Form from Commercial Telephone's, Inc. signifying that all apparent violations were corrected.

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

- April 18, 1999 - Staff reevaluated the pay telephone station and found the same apparent violation as presented in Attachment A.
- June 14, 1999 - Staff opened this docket to investigate whether Commercial Telephone's Inc. should be required to show cause why it should not be fined or have its certificate canceled.
- July 20, 1999 - Commercial Telephone's, Inc. 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 Commercial Telephone's, Inc. (Commercial) 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.
(T.E. JOHNSON)

STAFF ANALYSIS: Staff performed service evaluations of pay telephone stations on February 22, 1999. Through written correspondence, staff notified Commercial of the apparent violations.

Staff performed a reevaluation of the same pay telephone stations on April 18, 1999. Although Commercial reported that all violations had been corrected, the table provided as Attachment A depicts the apparent rule violation that was a repeat of a violation observed during the initial evaluations.

Based on the showings of the reevaluations that the pay telephone station exhibited the same apparent violation, staff opened this docket to investigate whether Commercial should be required to show cause why it should not be fined \$100 or have its certificate canceled, pursuant to Section 364.285, Florida Statutes.

On July 19, 1999, Commercial contacted staff to discuss the method for settlement of this case and request a deferral of its item from the July 27, 1999, Agenda Conference. On July 20, 1999, Commercial submitted its offer to settle provided as Attachment B. In its settlement offer, Commercial agreed to do the following:

- Commercial will voluntarily pay \$100 to the General Revenue Fund.
- Commercial will conduct an investigation of all their pay telephones to ensure compliance with Commission rules.
- In the future, Commercial will contact staff before returning Service Violation Correction Forms, if they are unclear about any violations.

Staff supports Commercial's conducting an investigation of their pay telephones. By conducting an investigation, Commercial demonstrates its willingness to meet the objectives of the Commission's rules.

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.

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. (D.CALDWELL)

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

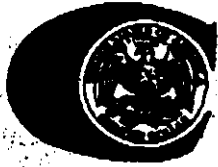
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company fails to pay in accordance with the terms of its settlement offer, the monetary settlement will be forwarded to the Comptroller's office for collection, and this docket closed.

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ATTACHMENT A

| | |
|---------------------------------|--|
| Pay Telephone Station Number | Rule 25-24.515(8), Florida Administrative Code |
| | Direct Coin Free Number for Repairs and/or Refunds Does Not Work Properly |
| 305-604-9281 | X |



Commercial Telephones, Inc.

8510 N.W. 56th Street • Miami, Florida 33166
Office: (305) 592-3321 • (800) 242-COIN • Fax: (305) 477-2950

July 20, 1999

Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RE: Settlement Letter
Commercial Telephones DOCKET NO. 990753-TC

Dear Elaine Johnson:

We have elected to voluntarily pay the \$100.00 for settlement on an apparent violation of Rule 25-24.515. In addition we will conduct an investigation on all payphones we operate to insure they are in compliance. In the future when receiving violations, if unclear, we will call staff to verify before sending back correction form

Sincerely,

A handwritten signature in black ink, appearing to read "Juan Vilches", is written over the word "Sincerely,".

Juan Vilches