



# Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

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

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MAY 3 11:09 AM '01  
OFFICE OF THE  
PUBLIC SERVICE COMMISSION

**DATE:** MAY 3, 2001

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

**FROM:** DIVISION OF LEGAL SERVICES (ELLIOTT) *JHC*  
DIVISION OF COMPETITIVE SERVICES (BUYS) *DRB* *RD*

**RE:** DOCKET NO. 010179-TC - INITIATION OF SHOW CAUSE PROCEEDINGS AGAINST MK COMMUNICATIONS, INC. FOR APPARENT VIOLATION OF RULE 25-24.515, F.A.C., PAY TELEPHONE SERVICE.

**AGENDA:** 05/15/01 - REGULAR AGENDA - INTERESTED PERSONS MAY PARTICIPATE

**CRITICAL DATES:** NONE

**SPECIAL INSTRUCTIONS:** NONE

**FILE NAME AND LOCATION:** S:\PSC\CMP\WP\010179.RCM

### CASE BACKGROUND

- June 02, 2000 - MK Communications, Inc. (MK Communications) was granted Certificate No. 7440 to provide pay telephone services in the State of Florida.
- November 8, 2000 - Staff performed routine service evaluations on three pay telephone stations operated by MK Communications and found several apparent pay telephone service violations.
- November 14, 2000 - Staff mailed MK Communications notification of the apparent violations and requested that the company make the appropriate corrections.
- November 29, 2000 - Staff sent MK Communications a second notification of the violations via certified mail.

DOCUMENT NUMBER-DATE

05599 MAY-30

REC'D-RECORDS & REPORTING

DATE: May 3, 2001

- November 30, 2000 - MK Communications submitted a Service Violation Correction Form to staff indicating that the apparent violations were being corrected.
- January 2, 2001 - Staff evaluated the same pay telephone stations a second time and discovered that the violations listed in Attachment A were still present.
- January 11, 2001 - Staff notified MK Communications via mail of the repeat violations.
- January 26, 2001 - MK Communications submitted a Service Violation Correction Form to staff indicating that the apparent violations were still being corrected.
- January 31, 2001 - MK Communications reported intrastate operating revenue of \$103,202.09 on its regulatory assessment fee return for the period January 01, 2000, through December 31, 2000.
- February 6, 2001 - Staff opened this docket to initiate show cause proceedings against MK Communications.
- March 20, 2001 - Staff received MK Communications first settlement offer. (Attachment B)
- March 28, 2001 - Staff received correspondence from MK Communications indicating that the problems contributing to the apparent violations have been corrected. (Attachment C)
- April 5, 2001 - Staff received MK Communications revised settlement offer. In its settlement offer, MK Communications included a statement in which the company waives the right to object to the administrative cancellation of its certificate in the event the settlement proposal is accepted by the Commission and the company ultimately fails to comply with the terms of its offer. (Attachment D)

The Florida Public Service Commission is vested with jurisdiction over these matters pursuant to Sections 364.285 and 364.3375, Florida Statutes. Accordingly, staff believes the following recommendations are appropriate.

**DISCUSSION OF ISSUES**

**ISSUE 1:** Should the Commission accept the settlement offer proposed by MK Communications, 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 offer to contribute \$100 to the State of Florida General Revenue Fund to resolve the apparent violations of Rule 25-24.515, Florida Administrative Code, Pay Telephone Service. The 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. If MK Communications fails to pay in accordance with the terms of the settlement offer, Certificate No. 7440 should be canceled. MK Communications has waived the right to object to the cancellation of its certificate. **(ELLIOTT/BUYS)**

**STAFF ANALYSIS:** Staff performed service evaluations of three pay telephone stations operated by MK Communications on November 8, 2000. Staff determined that 0- calls made at the pay telephone stations were not routed to an authorized telecommunications company. A dial tone was given when the "0" was pressed. Through written correspondence, staff notified MK Communications of the apparent violations. MK Communications subsequently submitted a Service Violation Correction Form to staff indicating that the violations cited in the aforementioned evaluations are being corrected. Specifically, the company stated that its system shows that the program for routing a 0- call is set up correctly, and that the company is checking with its provider.

Staff performed a second evaluation of the same three pay telephone stations on January 2, 2001. The same rule violations were still present. (Attachment A) On January, 26, 2001, MK Communications submitted a second Service Violation Correction Form to staff indicating that the company will check with its carrier to see if the 0- call routing problem could be on their provider's end. This is the same response that MK Communications submitted to staff two months earlier. The payphones were apparently still not in compliance with Rule 25-24.515(12), Florida Administrative Code, Pay Telephone Service. Consequently, staff opened this docket to initiate show cause proceedings.

On March 20, 2001, MK Communications proposed a settlement offer (Attachment B) in lieu of continuing with the show cause proceedings. Subsequently, on March 28, 2001, MK Communications submitted correspondence to staff explaining the circumstances contributing to the apparent rule violations and stated that it has been working to resolve the problem causing the rule violation. In its correspondence, MK Communications included a letter from Opticom Operator Services (Attachment C, page 10) that indicates the problem was corrected on March 23, 2001. On April 5, 2001, MK Communications submitted a revised settlement offer (Attachment D) in which it offered to make a voluntary contribution of \$100 to the State of Florida General Revenue Fund. In its settlement offer, MK Communications also included a waiver of objection to the administrative cancellation of the company's certificate in the event the settlement proposal is accepted and the company ultimately fails to comply with the terms of its offer.

Staff believes the three violations were isolated instances and not a systemic problem. MK Communications indicated that the problem has been corrected. Therefore, staff believes that the company's settlement offer is reasonable.

Based on the foregoing, staff recommends that the Commission accept the company's settlement offer to contribute \$100 to the State of Florida General Revenue Fund to resolve the apparent violations of Rule 25-24.515, Florida Administrative Code, Pay Telephone Service. The 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. If MK Communications fails to pay in accordance with the terms of the settlement offer, Certificate No. 7440 should be canceled. MK Communications has waived the right to object to the cancellation of its certificate.

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**ISSUE 2:** Should this docket be closed?

**RECOMMENDATION:** No. If staff's recommendation is approved, this docket should remain open pending the remittance of MK Communications' \$100 contribution. After receipt of the \$100 contribution, this docket may be closed administratively. If the company fails to make the contribution, this docket may be closed upon cancellation of the company's certificate. **(ELLIOTT)**

**STAFF ANALYSIS:** If staff's recommendation is approved, this docket should remain open pending the remittance of MK Communications' \$100 contribution. After receipt of the \$100 contribution, this docket may be closed administratively. If the company fails to make the contribution, this docket may be closed upon cancellation of the company's certificate.

<b>Rules Violations per Telephone Station</b>	
<b>Pay Telephone Station Number</b>	<b>Rule 25-24.515(12)</b>
3525955070	X
3525951903	X
3525957711	X

**Rule 25-24.515(12)** All 0- calls shall be routed to a telecommunications company that is authorized by the Commission to handle 0- calls. All other calls, including operator service calls, may be routed to the pay telephone provider's carrier of choice, unless the end user dials the appropriate access code for their carrier of choice, i.e., 950, 10XXX, 10XXXX, 101XXXX, and toll free access (e.g., 800, 877, and 888).

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DATE: May 3, 2001

**MK COMMUNICATIONS**  
**1510 S.W. 17<sup>TH</sup> STREET**  
**OCALA, FL 34474**  
**(352) 369-1600 PHONE**  
**(352) 369-1700 FAX**

2001 MAR 20 AM 10: 08

DIVISION OF  
COMPETITIVE SERVICES

Date: March 16, 2001  
To: State of Florida PSC, Dale Buys  
From: Mary Keck  
Subject: Docket No. 010179-TC – Settlement Offer

.....  
In reference to the above violation MK Communications is proposing a volunteer settlement offer of \$100.00 to resolve apparent rule violation.

We however do not admit to any wrong doing. Dan McCall, V.P. and myself have diligently been trying to resolve this issue along with our vendors and carriers to see where the problem lies. We've been assured the problem is not at our end of the programming. Letters from vendors and carriers verifying this can be supplied upon request. Obviously it is in our best interest to resolve this problem, as we are losing revenue.

I hope this settlement offer will be accepted so we can resolve this violation. We sincerely appreciate the guidance you and the other PSC staff have given us to help resolve this issue.

Sincerely,



Mary Keck  
President

2001 MAR 28 AM 10:03

DEPT. OF  
COMPETITIVE SERVICES

**MK COMMUNICATIONS**  
**1510 S.W. 17<sup>TH</sup> STREET**  
**OCALA, FL 34474**  
**(352) 369-1600 PHONE**  
**(352) 369-1700 FAX**

Date: March 23, 2001  
To: State of Florida PSC  
Attn: Dale Buys  
Subject: Docket No. 010179-TC - Settlement Offer

.....  
This letter is to be added to MK Communications, Inc. Settlement offer file. It is to substantiate why there was a time delay in correcting violation rule 25-24.515(12), F.A.C., and Pay Telephone Service;

11/30/00 responded to PSC Violation Form stating that North Atlantic (vendor) Technical Support Dept. assured us that our lines were programmed correctly, and the problem was not at our end.

I contacted Opticom (carrier) and was told that the problem had to be in our programming. There was no offer to check their switch, end of subject.

I then contacted Sprint just to be sure that the problem couldn't be at their end. It wasn't.

So at this point you can see why I felt helpless not having the correct support to find a solution to the problem.

I then referred back to North Atlantic Technical Support and asked them where do we go from here? North Atlantic assisted me several times with different reprogramming attempts for these three lines. We would wait a couple of days and physically go to the phones and try some test calls to no avail. These phones are also out of town and not in Ocala. North Atlantic finally decided we had no other alternative but to get Opticom involved again to resolve this issue.

I spoke to Holly at Opticom and she was able to assist us. The first change in the switch at Opticom along with our programming did not work. The next week we tried some different routing and it worked and the lines are now operating properly.

Attached our letters from carrier and vendor to substantiate the above testimony.



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Attachment C

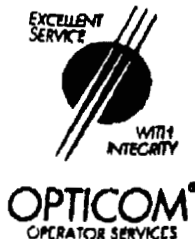
We are brand-new to this business and learning something new everyday. It is not our intention to ignore any violation of any type. During this violation we also incurred major billing problems with a carrier that took an **absorbent** amount of our time to resolve along with other daily tasks of the operation.

Again, I'd like to thank you for all the assistance that you have provided me to resolve this violation.

Sincerely,

A handwritten signature in cursive script that reads "Mary Keck".

Mary Keck  
President



To: Mary at MK Communications

fax:352-369-1700

March 26, 2001

Florida Public Service Commission

Re: MK Communications,  
Telephone numbers 352-595-1903, 352-595-7711, 352-595-5070

Please be advised that Opticom has been working with MK communications to resolve service problems with the above mentioned telephone numbers. The problem was corrected on March 23, 2001.

If you require any additional information, please contact Meg Miller at (800) 876-1300.

Respectfully,

A handwritten signature in cursive script that reads "Meg Miller".

OPTICOM

Legal & Regulatory Department

cc: file



To Whom It May Concern:

This letter is to inform you of a situation involving McCall Communications in regards to three of their payphones. I work in Technical Support for the company that sold them their phones. I have been in this industry for five years and have been factory-trained by Protel<sup>®</sup>, the manufacturer, on the software they are using to manage their phones.

When McCall first contacted me about the problem, we checked the software settings that control how the phones access the network. Although everything looked good, we re-loaded the phone's software and firmware thinking the phones had just lost their programming. This was not the case.

When that didn't work, the carrier was asked to change the phones' access from 1010XXX to 1-800 in their system. We made the appropriate changes in McCall's software, and the phones were loaded with this new access. This did not solve the problem either.

It is my opinion that this is a local carrier or line problem. I believe something is not set correctly at the local switch and is interfering with the phones' ability to access a carrier network. McCall has, at my suggestions, tried every way I can think of to program the phone with alternate settings, to no avail. There is nothing else that can be done in the software used by the phone. These settings are used by almost all of the other phones in their network and operate just fine.

My purpose in writing this letter is to state that in my opinion McCall Communications has done everything in its power to identify and correct this problem. I have worked with them constantly to try to fix this problem and nothing we can do seems to affect it. Should anyone need a more technical description of the solutions we have tried, feel free to contact me at (800) 442-2388 ext 318.

Thank you,

Steven West  
Technical Support

cc

**MK COMMUNICATIONS  
1510 S.W. 17<sup>TH</sup> STREET  
OCALA, FL 34474  
(352) 369-1600 PHONE  
(352) 369-1700 FAX**

Date: March 22, 2001  
To: State of Florida PSC, Dale Buys  
From: Mary Keck  
Subject: Docket No. 010179-TC – Settlement Offer

.....  
MK Communications, Inc. waives its right of objection to the administrative cancellation of its certificate in the event its offer is accepted by the Commission and we fail to comply with the terms we have offered.

Dan McCall, V.P. and myself have diligently been trying to resolve this issue along with our vendors and carriers to see where the problem lies. Opticom (carrier) and North Atlantic Technical Service Dept. (vendor) have come together and reprogrammed the systems at both ends to correct this rule violation. Opticom verified that these phones are now routed properly. Letters from vendor and carrier verifying this can be supplied upon request. Obviously it is in our best interest to resolve this problem, as we are losing revenue.

MK Communications, Inc. hereby respectfully tenders its settlement offer in lieu of proceeding with the initiation of show cause proceeding in Docket No. 010179-TC for the apparent rule violation of Rule 25-24.515 (12), F.A.C., and Pay Telephone Service.

In the spirit of settlement, and without conceding that any grounds exist that would justify the imposition of a penalty, MK Communications, Inc. voluntarily offers to contribute \$100.00 to the State of Florida General Revenue Fund.

Sincerely,



Mary Keck  
President

2001 APR -5 AM 10:58  
DIVISION OF  
COMPETITIVE SERVICES