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FLORIDA PUBLIC SERVICE COMMISSION
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M E M O R A N D U M

March 7, 1996

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

FROM: DIVISION OF COMMUNICATIONS (K. LEWIS) *KL*
DIVISION OF LEGAL SERVICES (PIERSON) *HP*

RE: DOCKET NO. 960285-TC - TELEPHONIX, INC. - INITIATION OF
SHOW CAUSE PROCEEDINGS FOR VIOLATION OF RULE 25-24.515,
F.A.C., PAY TELEPHONE SERVICE REQUIREMENTS.

AGENDA: 03/19/96 - REGULAR AGENDA - INTERESTED PERSONS MAY
PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: S:\PSC\CMU\WP\960285.RCM

CASE BACKGROUND

Telephonix, Inc. (Telephonix) received a certificate (No. 3253) to provide pay telephone service on January 8, 1993. According to the 1995 annual report filed by the company, it currently operates 171 pay telephones in Florida and earned \$12,629.88 in intrastate gross revenues. During recent service evaluations performed in Escambia county, Staff discovered numerous violations at pay telephones owned and operated by Telephonix. The violations were so numerous and of such a serious nature that staff believes the Commission should take action immediately to protect consumers and enforce the pay telephone service rules.

DOCUMENT NUMBER-DATE

02818 MAR-796

FPSC-RECORDS/REPORTING

ISSUE 1: Should Telephonix, Inc. be ordered to show cause why it should not be fined and/or have its certificate cancelled for repeated violations of Rule 25-24.515, Florida Administrative Code?

RECOMMENDATION: Yes, Telephonix, Inc. should be ordered to show cause why it should not be fined and/or have its certificate cancelled for repeated violations of Rule 25-24.515, Florida Administrative Code.

STAFF ANALYSIS: Staff evaluations conducted February 13 - 15, 1996, revealed violations at all thirty-nine of the pay telephones inspected. Each of the violations and the corresponding telephone numbers are detailed on page 1 of Attachment A. Page 2 of Attachment A is the key for the violation codes numbered 1-29. The number of violations of each rule and service requirement are as follows:

<u>VIOLATION</u>	<u>PAYPHONES</u>
Rule 25-24.515(1) Insufficient light to read instructions at night	4
Rule 25-24.515(2) Automatic coin return function not working Coins hung in slot or fell through	7 7
Rule 25-24.515(4) Coin free number for repairs/refunds did not work No direct free service to directory assistance	2 1
Rule 25-24.515(5) Legible/correct telephone number not displayed Correct address of pay telephone location not displayed Clear and accurate dialing instructions not displayed Certificated name of provider not displayed	19 16 3 1
Rule 25-24.515(7) 0+ local calls do not go to the LEC operator	20
Rule 24-24.515(11) Current directory not available	34
Rule 25-24.515(12) Enclosure inadequate or contained trash	1
Rule 25-24.515(13) Not accessible to physically handicapped	11

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Miscellaneous service problems not covered by Rule

Telephone was not in service	8
Wiring not properly terminated or in good condition	7
Transmission was inadequate/static or noise	3
0+interLATA calls could not be completed	1

Staff is extremely concerned that twenty of the thirty-nine pay telephones inspected were improperly routing 0+ local calls to Opticom rather than the local exchange company operator as required by Rule 25-24.515(7), Florida Administrative Code. Eleven of the pay telephones did not meet the requirements for access by physically handicapped persons as required by Rule 25-24.515(13), Florida Administrative Code.

In addition, few of the pay telephones had such basic information posted as the pay telephone number and street address. Only five of the thirty-nine pay telephones had a telephone directory available.

Staff has notified Telephonix of the apparent violations and requested a written response. Staff believes that a show cause order is warranted due to the serious nature of the violations and the fact that all thirty-nine of the pay telephones inspected had multiple violations. When it applied for a certificate to provide pay telephone service, a copy of the Commission's rules and requirements was provided to Telephonix. The applicant then signed a statement acknowledging receipt and understanding of the Commission's rules regarding the provision of pay telephone service. In addition, a person representing himself as an owner or officer of Telephonix then signed a separate statement agreeing to abide by all current and future Commission requirements regarding pay telephone service.

Especially troubling to staff is that the ability to route 0+ local calls to Opticom rather than the LEC operator had to be programmed into the pay telephones, and did not simply result from negligence or poor maintenance. Staff believes that ordering the company to show cause why it should not be fined and/or have its certificate cancelled for these apparent violation of the pay telephone service rules is appropriate under the circumstances. Fines and penalties paid by other pay telephone providers for similar violations have ranged from \$500 to \$60,000.

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ISSUE 2: Should this docket be closed?

RECOMMENDATION: No, this docket should remain open pending resolution of the show cause process.

STAFF ANALYSIS: If the Commission approves the staff recommendation on Issue 1, an order to show cause will be issued. Telephonix must respond, in writing, to the allegations set forth in the show cause order within 21 days of the issuance of the order. The response must contain specific allegations of facts and law.

Failure to respond to the order shall be deemed an admission of all facts contained in the show cause order pursuant to Rule 25-22.037(3), Florida Administrative Code and a waiver of the company's right to a hearing. Any penalties imposed in Issue 1 would then become due and must be paid within 30 days of the date the order becomes final.

NON-LEC PAY TELEPHONE EVALUATION ITEMS

ITEMS	DESCRIPTION
1	Telephone was not in service.
2	Telephone was not accessible to the physically handicapped.
3	Telephone number plate was not displayed.
4	Address of responsible party for refunds/repairs was not displayed.
5	Coin free number for repairs/refunds did not work properly.
6	Current directory was not available.
7	Extended Area Service and Local calls were not \$.25 or less.
8	Wiring not properly terminated or in poor condition.
9	Address of pay phone location was not displayed.
10	Instrument was not reasonably clean.
11	Enclosure was not adequate or free of trash.
12	Glass was chipped or broken.
13	Insufficient light to read instructions at night.
14	Name of provider (as it appears on certificate) was not displayed.
15	Local Telephone Company responsibility disclaimer not displayed.
16	Clear and accurate dialing instructions were not displayed.
17	Statement of services not available was not displayed.
18	Automatic coin return function did not operate properly.
19	Incoming calls could not be received/or bell did not ring loud enough
20	Direct coin free service to the local operator did not work.
21	Direct coin free service to local Directory Assistance did not work.
22	Access to all available interexchange carriers was not available.
23	Coin free service to 911 did not work.
24	911 center could not verify the street address of the pay phone.
25	Transmission was not adequate or contained noise.
26	Did not comply with 0+ interLATA Toll rate cap - AT&T + opr chg + \$.25
27	Combinations of nickels and dimes did not operate correctly.
28	Dial pad did not function after call was answered.
29	0 + area code + local number did not go to LEC operator as required.