

FLORIDA PUBLIC SERVICE COMMISSION
Capitol Circle Office Center • 2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

MEMORANDUM

April 4, 1996

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

FROM: DIVISION OF APPEALS (HELTON) *Walt* *DS*
DIVISION OF COMMUNICATIONS (GRISWOLD, MOSES) *DS*
DIVISION OF RESEARCH & REGULATORY REVIEW (HEWITT) *DS* *Paul*

RE: DOCKET NO. 960312-TP - PROPOSED AMENDMENTS TO RULE 25-24.630, F.A.C., RATE AND BILLING REQUIREMENTS FOR COMPANIES PROVIDING OPERATOR SERVICES

AGENDA: 4/16/96 - REGULAR AGENDA - RULE PROPOSAL - INTERESTED PERSONS MAY PARTICIPATE

RULE STATUS: PROPOSAL MAY BE DEFERRED

SPECIAL INSTRUCTIONS: I:\PSC\APP\WP\~~XXXXXXXXXX~~

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission propose the attached amendments to Rule 25-24.630, Florida Administrative Code?

RECOMMENDATION: Yes.

STAFF ANALYSIS: By Order No. 20489, In re: Review of the Requirements Appropriate for Alternative Operator Services and Public Telephones, 88 F.P.S.C. 12:347, 361-62 (1988), the Commission capped the rates of alternative operator service provider (AOS) calls at AT&T Communication's (ATT-C) time-of-day rate with applicable operator charges. This cap applied to all AOS calls except those placed from non-local exchange company pay telephone instruments (nonLEC PATs), which have their own rate caps.

The Commission found a rate cap necessary in order to protect the public since the AOS marketplace was not competitive. While the lack of competition in the AOS marketplace still necessitates a rate cap, it is no longer appropriate to tie the rate cap to ATT-C's time-of-day rate. The Commission recently found the interexchange carrier (IXC) market to be sufficiently competitive

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and, therefore, eliminated ATT-C's designation as the "major" or dominant IXC.

Instead of maintaining the link to ATT-C's rates, staff recommends the rate cap for AOS providers be codified in Rule 25-24.630(1)(a) as follows:

1. A \$.25 set use fee for completed toll calls placed from a pay telephone;
2. An operator charge of \$1.00 for any class of service, except \$2.50 for person-to-person calls; and
3. \$.25 per minute for any toll call.

Amending the rule to incorporate these rate caps will clearly set forth the Commission's approved maximum rate and should reduce the possibility of end users being overcharged. Moreover, it should enhance the Commission's enforcement of the rate cap.

In addition, it is not feasible to tie a rate cap to the tariff of any IXC or LEC since this would require going to rulemaking to amend the rule every time the tariff changed. Incorporating the above rate caps is consistent with the way in which the Commission codified rate caps for nonLEC PATs in Rule 25-24.516, Florida Administrative Code. Except for the \$2.50 AOS cap on person-to-person calls, the AOS caps are identical to the non-LEC PATs caps.

Economic impact: Staff has identified no substantial additional costs or significant adverse impacts that would result from the recommended rule amendments; therefore, no economic impact statement was prepared.

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ISSUE 2: If no requests for hearing or comments are filed, should the rule amendments as proposed be filed for adoption with the Secretary of State and the docket be closed?

RECOMMENDATION: Yes.

STAFF ANALYSIS: Unless comments or requests for hearing are filed, the rule as proposed may be filed with the Secretary of State without further Commission action. The docket may then be closed.

Attachments:
Recommended amendments to Rule 25-24.630
Economic impact statement memorandum

1
2 25-24.630 Rate and Billing Requirements for Companies
3 Providing Operator Services.

4 (1) Every company providing ~~An~~ operator services ~~provider~~
5 shall:

6 (a) ~~Charge~~ and bill ~~end users~~ ~~end users~~ no more than the
7 following Commission-approved rate for intrastate calls:¹⁷

- 8 1. A \$.25 set use fee for completed toll calls placed from
9 a pay telephone;
10 2. An operator charge of \$1.00 for any class of service,
11 except \$2.50 for person-to-person calls; and
12 3. \$.25 per minute for any toll call.

13 (b) ~~Have~~ current rate information readily available and
14 provide this information orally to ~~end users~~ ~~end users~~ upon request
15 prior to incurring any charges ~~connection~~;

16 (c) ~~Require~~ that its certificated name or the name of its
17 certificated billing agent appear on any telecommunications
18 company's bill for regulated charges;

19 (d) ~~Require~~ all calls ~~are~~ to be individually identified on
20 each bill from a telecommunications company to an ~~end user~~ ~~end user~~
21 ~~bill~~, including the date and start time of the call, call duration,
22 origin and destination (by city or exchange name and telephone
23 number), and type of call; ~~and~~

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CODING: Words underlined are additions; words in
~~struck through~~ type are deletions from existing law.

1
2 (e) Provide on the bill a toll-free number for customer
3 inquiries ~~on the bill~~ and maintain procedures adequate to allow the
4 company to promptly receive and respond to such inquiries; and

5 (f) Charge only for conversation time as rounded according
6 to company ~~tariffs~~ ~~tariffs~~.

7 (2) No company providing ~~An~~ operator services ~~provider~~ shall
8 ~~not~~:

9 (a) Bill or charge for uncompleted calls in areas where
10 answer supervision is available or knowingly bill or charge for
11 uncompleted calls in areas where answer supervision is not
12 available;

13 (b) Bill for any collect call that has not been
14 affirmatively accepted by a person receiving the call regardless of
15 whether the call was processed by a live or automated operator;

16 (c) Bill for calls in increments greater than one minute; or

17 (d) Bill or collect a surcharge levied by any entity, either
18 directly or through its billing agent, except Commission-approved
19 charges for pay telephone providers.

20 Specific Authority: 350.127(2), F.S.

21 Law Implemented: 364.01, 364.3376, F.S.

22 History: New 9/6/93, Amended.

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~~struck-through~~ type are deletions from existing law.

MEMORANDUM

March 1, 1996

TO: DIVISION OF APPEALS (HELTON)

FROM: DIVISION OF RESEARCH AND REGULATORY REVIEW (HEWITT) *CBH 1.0*

SUBJECT: ECONOMIC IMPACT STATEMENT FOR DOCKET NO. 950561-TL;
PROPOSED REVISIONS TO RULE 25-24.630, FAC, RATE AND BILLING
REQUIREMENTS FOR COMPANIES PROVIDING OPERATOR SERVICES

Currently, Rule 25-24.630, FAC, states that alternative operator services (AOS) providers shall charge and bill end users no more than the Commission-approved rate for intrastate calls. Current Commission policy associates the AOS rates with the approved rates of AT&T-C. The Commission recently found the interexchange carrier (IXC) market competitive and removed the designation of AT&T-C as a "major" IXC. Thus, there is no longer the definable connection between AOS rates and AT&T-C rates. Also, Commission policy must be codified in rule form.

The proposed rule amendments would cap most AOS charges at the present rate by placing those rates explicitly in the rule. The fees remaining the same would be: (1) the set use fee at \$0.25 and (2) an operator charge of either \$1.00 or \$2.50 (for a person-to-person call). A flat rate of \$0.25 per minute for any toll call, however, would not track AT&T-C's toll charges which vary by time of day and distance. Thus, a call through an AOS provider could cost \$2.25 for a four-minute toll call which is two or three cents a minute more than at present. This would be an insubstantial increase for an average call.

The statutes require an agency to prepare an economic impact statement if a rule revision results in any "substantial increase in costs" or "significant adverse effects" to the parties directly affected, including state and local governmental entities. Since the revisions should decrease Commission staff paperwork and enhance enforcement capabilities, and no substantial additional costs or adverse impacts have been identified, there is no need for preparation of an EIS for the proposed rule changes. Please keep my name on the CASR.

CBH:tf/e-memo96

cc: Mary Andrews Bane
Hurd Reeves