

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

September 26, 1996

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

FROM: DIVISION OF COMMUNICATIONS (MOSES) *RM*
DIVISION OF LEGAL SERVICES (BROWN) *NCP*

RE: DOCKET NO. 961040-TC - BELL SOUTH TELECOMMUNICATIONS INC.
- PETITION FOR EXEMPTION FROM RULE 25-24.515(7), F.A.C.
TO PERMIT PROVISION OF 0+ LOCAL AND 0+ INTRALATA CALLS
FROM PAY TELEPHONES LOCATED IN CONFINEMENT FACILITIES.

AGENDA: 10/08/96 - REGULAR AGENDA - PROPOSED AGENCY ACTION -
INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: I:\PSC\CMU\WP\961040.RCM

CASE BACKGROUND

BellSouth Telecommunications, Inc. (BellSouth) holds pay telephone certificate no. 4287, with an effective regulation date of October 12, 1995.

On September 4, 1996, BellSouth filed a Petition for a waiver of those rules and policies currently prohibiting it from providing 0+ local and 0+ intraLATA calls from store-and-forward pay telephones located in confinement facilities (Attachment A). BellSouth operates pay telephones in confinement facilities in its own local exchange service territory but does not presently operate any pay telephones in confinement facilities outside its local exchange service territory.

DOCUMENT NUMBER-DATE

10313 SEP 26 86

FPSC-RECORDS/REPORTING

DOCKET NO. 961040-TL
DATE: September 26, 1996

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission grant BellSouth's Petition for exemption from Rule 25-24.515(7), and Rule 25-24.620(2)(c) and (d) Florida Administrative Code, and the policies contained in Orders Nos. 95-0918, 95-0203, and 24101 to permit it to handle and bill 0+ local and 0+ intralata calls from pay telephones located in confinement facilities at no more than the rates charged by the serving local exchange company for the same call?

RECOMMENDATION: Yes.

STAFF ANALYSIS: The Commission has already issued Order No. PSC-96-0884-POF-TP implementing 1+intraLATA competition via presubscription for non-LEC pay telephone providers and call aggregators. The Commission has also granted exemptions to allow five other pay telephone providers to handle 0+local and intraLATA traffic in confinement facilities (951198-TC, 951546-TP, 9960407-TC, 960570-TC and 960603-TC). Three small rate-of-return regulated LECs (Quincy Telephone Company, Alltel Florida, Inc., and Indiantown Telephone System, Inc.) filed protests to the Orders granting those exemptions and all five dockets have been scheduled for hearing.

There seems to be no compelling reason to continue the prohibition against pay telephone providers in confinement facilities handling local and intraLATA calls on a collect basis since Florida Statutes have been amended to permit competition for local telephone service and the Commission has been instructed to encourage such competition. Section 364.01(4)(e), Florida Statutes instructs the Commission to "Encourage all providers of telecommunications services to introduce new or experimental telecommunications services free of unnecessary regulatory restraints." Section 364.01(4)(f), Florida Statutes instructs the Commission to "Eliminate any rules and/or regulations which will delay or impair the transition to competition."

Allowing BellSouth to handle local and intraLATA 0+ calls from confinement facilities will facilitate competition as the company will be able to more effectively compete for those sites where the traffic is predominately local and intraLATA. BellSouth is capable of providing 0+ local and 0+ intraLATA service immediately as the technology is already in place within the pay telephone. Staff believes BellSouth's petition to handle 0+ local and intraLATA calls from confinement facilities should be granted.

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ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes, this docket should be closed unless a person whose substantial interests are affected by the Commission's decision files a protest within 21 days of the issuance of the Proposed Agency Action. A protest filed by a local exchange company shall be applicable only to that local exchange company's territory and shall not prevent BellSouth from carrying this traffic in a non-protesting LEC's territory.

STAFF ANALYSIS: This docket should be closed unless a person whose substantial interests are affected by the Commission's decision files a protest within 21 days of the issuance of the Proposed Agency Action.

As stated in the staff analysis of issue 1, the Commission has approved similar requests from five other pay telephone providers. Those decisions were protested by three of the rate of return regulated LECs. Staff does not believe BellSouth should be prohibited from carrying this traffic in a LEC's territory if that LEC does not protest the Commission's action. Accordingly, a protest filed by a local exchange company shall be applicable only to that local exchange company's territory and shall not prevent BellSouth from carrying this traffic in a non-protesting LEC's territory.