

VOTE SHEET

DATE: March 19, 1996

RE: DOCKET NO. ~~88888-PI~~ - Establishment of appropriate regulatory policy for interexchange companies which issue prepaid debit cards.

Issue 1: Recommendation that the Commission require interexchange companies that provide prepaid debit cards (PDCs) to post a surety bond. The Commission should allow companies to apply for an exemption from the bond requirement, with the exemption depending on the company proving that it has the financial means to assure continued operation and to meet its obligations to its customers. Such a showing should include satisfying the five-part criteria described in the primary analysis portion of staff's memorandum dated March 7, 1996.

1. The company should have independently prepared financial statements.
2. The company should have at least 3 years (36 months) of financial information.
3. The company should have a current ratio (current assets to current liabilities) of at least .80.
4. The company should have a common equity ratio of at least 50%.
5. The company should be profitable.

DENIED

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

[Handwritten Signature]

[Handwritten Signature]

Susan J. Clark

[Handwritten Signature]

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REMARKS/DISSENTING COMMENTS:

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PSC/RAR33 (5/90)

DOCUMENT NUMBER: DATE

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FPC-REG-05/P/REPORTING

Alternative Recommendation: The Commission should not require any providers of PDCs to post a surety bond.

APPROVED

Issue 2: Recommendation that the appropriate amount for the surety bond is \$10,000. The bond should be posted for as long as the company provides PDCs in Florida or until it meets the criteria in Issue 1 for securing an exemption from this requirement.

The Commissioners took no action on this issue.

Issue 3: Recommendation that each currently certificated interexchange company that is providing prepaid debit card service and desires an exemption from the surety bond requirement should file the requisite data to satisfy the five-part criteria in Issue 1 within 60 days of the order resulting from this docket. Those currently certificated interexchange companies that are providing prepaid debit card services, and choose not to file for an exemption from the surety bond requirement, should secure a surety bond per the Commission's decision in Issue 2, within 60 days of the order resulting from this docket.

The Commissioners took no action on this issue.

Alternative Recommendation: Each interexchange company that has been certificated and has offered prepaid debit cards for a minimum of 36 consecutive months should not be required to post a surety bond. Certificated interexchange companies that have offered prepaid debit card service for less than 36 consecutive months should be required to post a surety bond in accordance with the Commission's decision in Issue 2.

Issue 4: Recommendation that no additional regulations should be imposed on interchange companies that provide prepaid debit cards.

The Commission took no action on this issue, but directed staff to develop a policy on this matter.

Alternative Recommendation: Interchange companies that provide prepaid debit cards should be bound by the following additional regulations:

1. A prepaid debit card should have the expiration date printed on the face of the card.
2. A prepaid debit card should have a clearly defined procedure for the refund of unused service.
3. The Commission should establish a program of retailer education by July 1, 1996, including the provision of signs, to advise customers to contact the Commission with complaints about poor service regarding prepaid debit cards. Further, the Commission should establish a retailers' hotline by July 1, 1996 to enable the retailer to establish that a provider of prepaid debit cards is certificated by the Commission prior to offering such cards in their stores.
4. Each prepaid debit card should include a toll-free Customer Service Number in order to report trouble with the calling card, and this Customer Service Number should be included in the tariff of each IXC offering such cards.

Issue 5: Recommendation that, if no person whose substantial interests are affected files a protest within 21 days of the issuance date of the order from this recommendation, this docket should be closed.

MODIFIED

The order will be issued as final agency action and the docket will remain open.