

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 6012

Generic Investigation Into the Transition)
from Regulation to Competition for Public)
Telephone Services in Vermont)

Order entered: 12/04/97

PREHEARING CONFERENCE REPORT

AND NOTICE OF WORKSHOPS

I. Introduction

A prehearing conference to commence the Board's consideration of this docket was held on November 6, 1997. In addition to the Department of Public Service, represented by Leslie A. Cadwell, Special Counsel, the following local exchange companies were represented at the prehearing conference: New England Telephone and Telegraph Company d/b/a Bell Atlantic-Vermont ("Bell Atlantic") by Thomas Dailey, Esq.¹; and nine independent telephone companies, by Trevor Lewis, Esq.², including Shoreham Telephone Company, Topsham Telephone Company, Northfield Telephone Company, Perkinsville Telephone Company, Ludlow Telephone Company, Franklin Telephone Company, Northland Telephone, Waitsfield Telecom and Champlain Valley Telecom. Vermont Telephone Company was unable to attend the prehearing conference, but it indicated by letter that it wishes to actively participate in this docket.

The above local exchange companies were granted party status in this investigation. A motion filed by Thomas M. Dailey, Esq., to waive P.S.B. Rule 2.201(C) to allow Mr. Dailey to serve as counsel of record was granted.

1. Mr. Dailey indicated that Cecelia Roudiaz, Esq., who also attended the prehearing conference, would, in the near future, file an appearance as co-counsel and a request to waive Rule 2.201(C).

2. These companies will be represented in subsequent proceedings by William B. Piper, Esq., and Paul J. Phillips, Esq., who have entered their appearances in this investigation.

George Niden, Esq., of the New England Public Communications Counsel, also attended the prehearing conference. Mr. Niden indicated that his organization represents independent payphone companies who wish to participate in this docket, and that a formal entry of appearance would be filed on behalf of these companies in the near future. Subsequent to the prehearing conference, the Board received a "Motion to Intervene" by Paul C. Besozzi, Esq., from New England Public Communications Council, Inc. With the motion, Mr. Besozzi also filed a "Request for Waiver" of the requirement of Board Rule 2.201(c). Unless objections are received from any party within ten days from the date of this Report, both the "Motion to Intervene" and the "Request for Waiver" will be deemed approved.

II. Issues

Each of the three issues related to the transition to a less regulated payphone environment that were in the Board's Order of October 17, 1997, were discussed with the participants to determine how and when we should review each issue in this investigation. Generally, all of the participants agreed that it would be appropriate to first consider these transitional issues in non-contested, consensus building, workshop settings. Summarized below are the results of these discussions:

1. Review of Payphone Prices: all parties agreed that the goal of the workshop for this issue should be to try to develop consensus as to whether a price monitoring system is necessary, and, if so, how such a system should be established. Therefore, the parties should come to the workshop prepared to discuss the current status of the payphone market, the regulatory mechanisms that are currently in place to monitor the market, and any changes that they would recommend to ensure that the market is adequately monitored. The parties agreed to hold the workshop on this issue on January 16, 1998.
2. Review of the Need for Public Interest Payphones ("PIP"): the parties agreed that this issue should be reviewed with the participation of representatives of municipalities, public safety organizations, and consumer interest groups. Issues to be discussed at the workshop include: (1) what criteria should be used to determine the adequacy of payphone distribution in Vermont; (2) should we immediately begin the investigation of the current distribution of payphones to

determine if the public interest is adequately being met by the payphone industry; (3) does the industry have plans to significantly alter this distribution; and (4) if the current distribution is inadequate or if competition will significantly reduce the number of payphones, what criteria should be used and who should be responsible for deciding where PIPs should be located and funded. The parties also agreed that after a preliminary PIP proposal has been developed, public hearings should be held around the state to gather public comment. The specific dates and locations for these hearings should be decided at the workshop. Again, it was agreed that the workshop on this issue should be held on January 16, 1998.

3. Transition to Competition Issues: as a result of the discussions at the prehearing conference, three significant transitional issues emerged: (1) are there any barriers to entry that may exist for payphone providers resulting from the Board's current payphone rules as outlined in Dockets No. 4946 and 5566; (2) are there any inconsistencies between the Board's rules and the FCC's rules related to pricing and other issues; and (3) are there consumer protection issues for payphones such as full disclosure of pricing, terms and conditions of service, and accessibility to payphones by people with disabilities. It was agreed that the parties would provide short discussions of these issues to the Hearing Officer and all parties by December 23, 1997. The workshop on these transition issues will be held on January 15, 1998.

Notice of Workshops

A workshop on the "Transition to Competition Issues" as outlined above will be held on Thursday, January 15, 1998 at 9:30 A.M. at Conference Room #1 of Green Mountain Power Corporation, located on Green Mountain Drive, Montpelier, Vermont. The following day, January 16, 1998, another workshop will be held on the "Payphone Price" and "Need for Public Interest Payphone" issues at the same time and place. The Department of Public Service will consult with the parties to develop an agenda for each workshop day, and will forward the results to the Board and all parties by January 8, 1998.

DATED at Montpelier, Vermont, this 4th day of December, 1997.

s/ Peter B. Meyer
Peter B. Meyer
Hearing Officer

OFFICE OF THE CLERK

Filed: December 4, 1997

Attest: s/ Susan M. Hudson
Clerk of the Board

NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board of any technical errors, in order that any necessary corrections may be made.