

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 5566

Generic Investigation Into)
the Regulation of Public)
Telephone and Alternative)
Operator Services in Vermont)

Order entered: 3/4/92

ORDER OPENING INVESTIGATION
AND NOTICE OF HEARING

Public Telephone Services

This Board last addressed the subject of competition in the public or semi-public telephone services market in Docket No. 4946, Petition of Burlington Telephone Company requesting the Board to find that the restriction of resale of wide area telephone service (WATS) in New England Telephone Company tariff P.S.B. VT. - 20, Section 10.2.1.A, is invalid, Order of 2/21/86. In that docket, the Board focused on customer-owned coin-operated telephones (COCOTs). Since that decision in Docket No. 4946 was issued, conditions in the public telephone industry have changed so dramatically that even the term that previously identified it -- customer-owned coin-operated telephones -- is not fully accurate today. Charge-a-phones, for example, are public telephones but they are not coin-operated.

In light of the changes that have occurred in the public telephone industry, it is appropriate to revisit existing regulatory policy with respect to this industry, and to make changes where we find that established policies are no longer suitable. We therefore open this generic investigation into the regulation of competitive public telephone services in Vermont. The scope of this investigation will be broad, and will include examination of the following: (1) consumer protection issues; (2) standards for issuing certificates of public good (CPGs); (3) rates, terms and conditions of service; (4) adequacy of service; (5) standards applied by other state and federal regulatory authorities; (6) enforcement mechanisms; and (7) other relevant issues. In addition, we will take steps to ensure that all providers of public pay telephone services comply with the policies that result from

this investigation, after its conclusion.¹

Alternative Operator Services

It has come to the Board's attention that several providers of telecommunications services in Vermont provide alternative operator services (AOS), although neither the Board nor any other regulatory authority in the State has any rules or regulations governing the provision of such services. We are concerned about a variety of consumer protection issues that may arise in connection with the provision of such services. For example, it appears that end users do not always have sufficient information about prices, or how to choose a specific provider, when they attempt to place operator-assisted calls. Consequently, the Board has decided to examine generically the issue of regulation of alternative operator services. Since such services are often used when the end user places a call from a public telephone (whether coin-operated or charge-a-call), we have decided to broaden the scope of this investigation to include examination of the appropriate regulatory structure for alternative operator services as well. The issues in the AOS component of the investigation will mirror those to be addressed in the pay telephone component, which are enumerated above at p. 2.

ORDER

WHEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Public Service Board of the State of Vermont that:

1. Pursuant to 30 V.S.A. §§201, 203 and 209, a generic investigation is instituted into the regulation of public telephone and alternative operator services.

1. We note that today we are also opening an investigation into the petition of Apollo Communications, Inc. (Apollo) for an amendment to its CPG to permit it to charge rates higher than those charged by the local exchange companies in their service territories, Docket No. 5567. We invite the comments of Apollo and the Department of Public Service upon coordinated schedules for these cases. Although a separate docket involving Apollo will be in progress at the same time as the generic investigation is in progress, Apollo, like all public telephone providers, will be bound by the decision in the generic investigation.

2. The purpose of this generic investigation is to devise an appropriate regulatory scheme for the provision of these services in Vermont.

3. Pursuant to 30 V.S.A. Section 8, Sharon Appel, Staff Attorney, is appointed to serve as Hearing Officer in this proceeding.

4. Pursuant to 30 V.S.A. Section 10(c), a prehearing conference will be held on Wednesday, March 18, 1992, commencing at 9:30 a.m. at the Public Service Board Conference Room, 89 Main Street, Third Floor of the City Center Building, Montpelier, Vermont.

5. The Clerk of the Board shall send copies of this Order to all certificated providers of operator and public pay telephone services in the State of Vermont and to all current applicants for certificates to provide such services.

DATED at Montpelier, Vermont, this 4th day of March, 1992.

s/Richard H. Cowart)
) PUBLIC SERVICE
s/Suzanne D. Rude)
) BOARD
s/Leonard U. Wilson)
) OF VERMONT

OFFICE OF THE CLERK

FILED: March 4, 1992

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