

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 5566

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

Order entered: 6/12/92

PROCEDURAL ORDER RE: INTERVENTION AND ISSUES
AND NOTICE OF STATUS CONFERENCE

I. Motions to Intervene

On April 3, 1992, a letter requesting permission to intervene was sent to the Board by a Mr. Michael Bradford, apparently on behalf of Pay Phones Plus (PPP), although the letter was written on stationery of Hospitality Communications Group. The letter did not contain sufficient information about PPP to determine the nature of its interest in this proceeding and, therefore, in a Procedural Order issued on April 29, 1992, its motion was denied. The Order, however, granted PPP until May 5, 1992, to file an amended motion.

On May 5, PPP filed an amended motion to intervene. The motion states that PPP is the COCOT (customer owned, coin operated telephone) division of Hospitality Communications Group, that it supplies semi-public and public pay and charge-a-call stations to businesses, that it is a sole proprietorship and that it is registered and authorized to do business in Vermont. No objections to the motion have been filed. The motion is hereby granted.

On June 1, 1992, RCI Long Distance of New England, Inc., d/b/a Long Distance North (LDN), filed a motion to intervene. LDN states, in its motion, that it has a "substantial interest in the outcome of this proceeding, as the outcome may significantly affect LDN's future business plans in Vermont relating to the provision of operator services." LDN further states that it is filing its motion to intervene after the April 16, 1992, deadline has elapsed because its business interest in the subject matter of this docket has arisen since the initiation of the proceeding. If no party objects to LDN's motion to intervene by June 22, it will be automatically granted.

II. Issues

In addition to those issues that have already been identified in the Order Opening Investigation, entered March 4, 1992, the parties should also address in their prefiled testimony the issues raised in Attachment A to this Order. Attachment A is a detailed list of issues covering numerous aspects of the pay phone and operator service provider industries. It includes many of the issues raised by the parties in their issue statements. In the briefs that will be filed in this docket after the technical hearing, I will expect all of the issues in Attachment A, as well as the issues identified in the Order Opening Investigation issued March 4, 1992, to be fully addressed.

III. Notice of Status Conference

Pursuant to 30 V.S.A. §10(c), a status conference will be held at 9:30 a.m. on July 1, 1992, at the Public Service Board Conference Room, 89 Main Street, 3rd Floor, Montpelier, Vermont. Parties should be prepared to discuss a schedule for proceeding that will include discovery, prefiled testimony and a technical hearing.

DATED at Montpelier, Vermont, this 12th day of June, 1992.

s/Sharon Appel
Sharon Appel, Esq.
Hearing Officer

OFFICE OF THE CLERK

FILED: June 12, 1992

ATTEST: s/Cynthia G. Buska
Assistant Clerk of the Board

DOCKET NO. 5566:
ISSUES TO BE ADDRESSED

CUSTOMER OWNED COIN-OPERATED TELEPHONES (COCOTs)/
CUSTOMER OWNED PAY TELEPHONES (COPTs)

I. SPECIFIC REGULATORY ISSUES

1. Certification or Registration

- a. Which should be required, and what information about each company should the Board require to be filed?
- b. Should certification/registration be required on a per company or per phone basis?
- c. Should all operators of pay phones, or only operators of COPTs/COCOTs, be subject to certification/registration?

2. Posting of Notice Information

Should the Board require the pay phone operator to post on the phone information regarding the following: name, address and telephone number of the owner of the instrument; dialing instructions for emergency calls; dialing instructions for all other calls; rate information and/or instructions on how to obtain rate information; telephone number for reporting service problems or for obtaining refunds; location of the telephone (street address); restrictions and limitation of the phone (incoming only, limits on call durations, use of certain coin denominations, etc.); the operator service provider (OSP) to which the phone is presubscribed?

3. Coin-Free Access to Services

- a. Should free access to emergency service (911 or operator) be provided?
- b. Should free access to the following be required?
 - 0- calls billed collect, third party, etc.
 - 0+ calls billed to credit/calling card etc.
 - Directory assistance (411)
 - 800 number calls
 - Feature Group B Access (950-XXXX)
 - Feature Group D Access (10XXX)
 - access to IXC's or OSP's other than the presubscribed carrier (i.e., via 800, 950-XXXX and 10XXX access)

4. Access to Multiple Interexchange Carriers (IXCs) and OSPs

- a. Should end users be able to access the multiple IXC and OSP of their choice? If so, via "1-800" and "950-XXXX" access codes, or "10XXX"? What are the potential problems associated with requiring these services?
- b. What is OLS (Original Line Screening), SCOCs (Selective Class of Call Screening), and TNS (Terminating Number Screening)? How may

COCOT owners take advantage of these services and who should bear the costs?

5. Compensation by LECs for Local Toll, 0+ and 0- Calls and IntraLATA Competition

How should intraLATA calls from pay phones be carried: by OSPs that the COCOT provider has preselected and that remit a surcharge to the COCOT provider; by store and forward technology that converts 0+ calls to 1+ calls?

6. Rate Caps

- a. Should the Board place rate caps on any of the following: local calls, directory assistance, operator surcharge and message toll service (MTS) intrastate intraLATA toll calls?
- b. If so, what should the rates be, and what method of capping should be employed? (e.g., no more than \$.10)
- c. If rate caps are required, should time limits be required as well?
- d. Does posting rates or making rate quotes readily available to end users serve as a substitute for rate caps?
- e. Should the Board require that pay phones allow incoming calls?

7. Pricing of COCOT Lines

- a. How should COCOT lines be priced: measured service or flat rate service?
- b. Should the Board be involved in regulating prices charged by the LECs for optional features and functions provided by the LEC, e.g.: screening functions on the COCOT access line; various types of call processing.

8. Smart Phone Technology

- a. Define.
- b. Should the Board regulate any applications of smart phone technology? If so, as within the COCOT or OSP category?

9. Services in Confinement Facilities

- a. Does the Board have jurisdiction to regulate telecommunications services provided to inmates of confinement facilities?
- b. If so, should pay phone rules apply?

10. Operator Service Providers (OSPs)

- a. Should smart phones be classified as providing pay phone service or OSP service?
- b. Should pay phone providers be required to use a state-certificated OSP?

- c. Should pay phone providers be held responsible for compliance with operator service requirements such as the posting of notice and access to rate information?

11. Reporting Requirements

Should the Board require pay phone operators to file periodic reports (e.g., semi-annually, annually) regarding quality of service, changes in service locations, consumer complaints, etc.?

12. Other Issues

- a. Multi-coin (nickels, dimes and quarters) capability: should Board require?
- b. Dial-tone first capability: should Board require?
- c. Performance standards (e.g., how quickly must damaged phones be repaired): should Board require and, if so, what should they be?
- d. Restrictions on COCOT instruments regarding private branch exchange (PBX) stations or foreign exchange lines: are there and should there be any?
- e. Location and lighting requirements (including how to ensure that COPTs are widely distributed across the state, even in sparsely populated areas): should Board set rules?
- f. Provision of telephone directories: should Board require?
- g. Accessibility by physically handicapped end users and hearing aid compatibility: should Board require?
 - h. Rapidly changing technology: how can regulation keep current with it?
- i. Non-coin operated phones: are they COPTs and, therefore, subject to state regulation? Are they smart phones?
- j. Coin-operated vs. non-coin operated pay phones: should Board require that providers offer one or the other?
- k. Touch-tone phones: should Board require touch-tone phones and, if so, coin-operated touch-tone phones?
- l. Should there be a distinction made between COPTs located in public places (e.g., airports) and those located in semi-public locations (e.g., businesses, restaurants) with the former subject to rate and service regulation, and the latter unregulated?
- m. Does competition in the pay phone market benefit consumers? How?

II. ISSUES RAISED BY THE PARTIES

1. (DPS) How can the Board encourage/ensure availability of pay phones that provide quality service at affordable rates?
2. (DPS) Does pay phone competition lead to cream skimming (i.e., placing phones in high traffic areas where LEC phones may already exist) thereby displacing or adding to existing availability? If so, why? To what extent have COPTs been placed in the State?
3. (DPS) Should CPGs be required for non-coin phones with limited public access?
4. (DPS) Should LECs be required to provide Directory Assistance without charge to COPTs?
5. (DPS) Should a measured business line continue to be required for all COPT service?
6. (DPS) Should existing consumer protection requirements (see Docket No. 4946, Order of 2/21/86 at 58-60) be retained? Should the requirements be expanded to ensure that consumers are made aware of the IXC to which the phone is presubscribed?
7. (DPS) Should the Board develop an enforcement program other than responding to consumer complaints?
8. (Apollo) Do LECs subsidize their pay telephone operations? If so, does this subsidization, together with the existing requirement that COPT owners cap their prices at the price charged by NET, preclude true competition from developing?
9. (Apollo) Are/should all LECs, or only COCOTs, be required to provide service at the level of quality provided by NET?
10. (NET) What does NET mean by its statement in its issue statement that: "NET" and/or its customers should not be expected to fund solutions to the issues which may be brought by other parties in this investigation"?
11. (GTE) Should COCOT providers be required to route all 0- and 0+ intraLATA local and toll calls to LEC operators?
12. (GTE) Should access to IXCs be provided via 800, 950, or 10XXX basis without charge to end user?
13. (GTE) Should COCOT/COPT providers be required to validate collect, calling card and third number billed calls through a billing validation database? How does such a database work?
14. (GTE) What kind of posting requirements should exist?
15. (GTE) Should pay phone rates for LEC and COCOT phones be the same, or is proper signage and rate quotes sufficient to ameliorate customer confusion?
16. (GTE) Should COCOT pay phones be required to maintain level of service equal to that of LECs? Should repair be made within 24 hours of discovery or reporting of the trouble? Should COCOTs be required to make reasonable attempts to ensure that all stations are clean and free of obstruction?
17. (GTE) Should the Board adopt requirements of the Americans With Disabilities Act (ADA) and subsequent FCC rulings with respect to access for persons with disabilities?

OPERATOR SERVICE PROVIDERS (OSPs)/
ALTERNATIVE OPERATOR SERVICES (OSPs)

I. MISCELLANEOUS ISSUES

1. Define "level playing field."
2. Are OSP services in Vermont competitive? If so, should they be exempt from regulation? If they are not competitive, should they be regulated?
3. Assuming that OSPs will be regulated, what form of regulation is appropriate?
4. Is it in the public interest, and if so how, to allow companies to operate in Vermont that only provide operator services? If so, should companies that provide other services in addition to operator services be subject to the same requirements?
5. Should all providers of operator services, including LECs, be subject to the same regulatory requirements? Why?

II. FROM THE PARTIES' ISSUE STATEMENTS

1. (DPS) Should the Board adopt, as applicable to intrastate OSP service, the requirements outlined in the Telephone Operator Services Consumer Information Act (TOSCIA), and the rules and regulations that the FCC has promulgated as a result of TOSCIA?
2. (DPS) Should the Board continue to require OSPs to obtain CPGs under the existing regulatory structure? If so, should companies be required to obtain a Foreign Corporation Certificate before they apply for a CPG?
3. (DPS) Should the financial information required by the Board be current? Should the Board include a requirement in CPGs that the holder file Annual Reports and pay the Gross Revenues Tax, as required by 30 V.S.A. §22?
4. (DPS) Should double branding be required after TOSCIA's sunset date for this requirement? Are TOSCIA's requirements regarding double branding adequate?
5. (DPS) TOSCIA requires that notice at aggregator locations direct consumers to file complaints with the FCC. Should the Board require that, for intrastate calls, notice direct consumers to the DPS and Board?
6. (DPS) Should the Board adopt the requirement set forth in 47 C.F.R. §64.706 concerning routing of emergency calls and that emergency calls should be handled without charge?
7. (DPS) Should Board cap charges for OSP services at 10% above the rates charged for those services by NET, in all locations? in aggregator locations only? (FP) Can a 10% cap, or any rate cap, be set without detailed exploration of the cost of providing operator-assisted services? Should such cost studies be done in this investigation?
8. (DPS) TOSCIA requires that OSPs in aggregator locations provide free access to other intrastate IXCs of the caller's choice. Should the Board require OSPs in all locations to provide free access? (FP) Would such a requirement require massive replacement

of embedded telephone equipment and, if so, would that render the requirement unjust or inappropriate?

9. (DPS) Should the Board require quality of service standards or, alternatively, a requirement that all OSPs meet whatever requirements are imposed on NET (either through a new VTA or another mechanism)?
10. (DPS) Are the notice requirements outlined in TOSCIA adequate?
11. (DPS) What requirements regarding billing and collection services should be adopted?
12. (DPS) What form of enforcement program, if any, should the Board adopt, other than responding to specific complaints?
13. (GTE) Where OSPs do not subscribe to the rating function of an LEC, they may rate their own calls and the rates charged by the OSP may not be known by the LEC. In these circumstances, should the LEC be required to monitor whether rates applied conform with tariffs or contracts approved by the Board?
14. (FP) Have Congress and the FCC "occupied the field" in regulating operator-assisted services, such that the Board may not impose any state requirement inconsistent with federal requirements? If so, can the Board impose on OSPs requirements that are more stringent than those imposed by TOSCIA, e.g., require that OSPs in all locations, not just aggregator, provide free access to the OSP of the caller's choice?
15. (FP) Should this investigation be dismissed if no party shows a compelling need for regulation?