

**PROJECT NO. 31957**

|                                      |          |                                  |
|--------------------------------------|----------|----------------------------------|
| <b>RULEMAKING TO MODIFY</b>          | <b>§</b> | <b>PUBLIC UTILITY COMMISSION</b> |
| <b>PAYPHONE RULES AND TO ADDRESS</b> | <b>§</b> |                                  |
| <b>ACCESS LINE CHARGES TO COMPLY</b> | <b>§</b> | <b>OF TEXAS</b>                  |
| <b>WITH PURA</b>                     | <b>§</b> |                                  |
| <b>SECTION 55.1735</b>               | <b>§</b> |                                  |

**PROPOSAL FOR PUBLICATION OF AMENDMENTS TO §26.345 AND §26.346  
AS APPROVED AT THE JULY 20, 2006, OPEN MEETING**

The Public Utility Commission of Texas (commission) proposes amendments to §26.345, relating to Posting Requirements for Pay Telephone Service Providers and §26.346, relating to Rates and Charges for Pay Telephone Service. The proposed amendments will: (1) add a sentence to §26.346(a) so that it is consistent with §55.1735 of the Public Utility Regulatory Act (PURA), regarding charges for pay phone access lines; (2) replace “pay telephone service” with the acronym “PTS” in §26.346(b)(1); (3) replace the rate table under §26.346(b)(1)(F) with a new rate table that provides for a single blended per minute rate calculated by averaging all of the mileage band rates; (4) add a new paragraph (3) to §26.346(b) to make the rule consistent with PURA §§58.051, 58.151 and 58.152, regarding electing companies; and (5) add language to §26.345(a)(3) requiring a pay telephone service provider to notify the commission of changes to payphone placards within 30 days. Project Number 31957 is assigned to these proposed amendments.

Harry Deckard, Attorney, Legal Division and Stephen Mendoza, Network Analyst, Infrastructure Reliability Division, have determined that for each year of the first five-year period the proposed amendments are in effect there will be no fiscal implications for state or local government as a result of enforcing or administering the proposed amendments.

Mr. Deckard and Mr. Mendoza have determined that for each year of the first five years the proposed amendments are in effect the public will benefit because it will receive customer refunds for money lost due to failed pay telephone service calls more efficiently. There will be no adverse economic effect on small businesses or micro-businesses as a result of enforcing these amendments. There will be no direct economic costs to persons who are required to comply with the proposed amendments; however, there may be economic costs to telecommunications companies that must comply with the proposed amendments. However, it is believed that the benefits accruing from implementation of the proposed amendments will outweigh those costs.

Mr. Deckard and Mr. Mendoza have also determined that for each year of the first five years the proposed amendments are in effect there should be no effect on a local economy. Therefore no local employment impact statement is required under Administrative Procedure Act, Texas Government Code §2001.022.

Comments on the proposed amendments may be submitted to the Filing Clerk, Public Utility Commission of Texas, 1701 North Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326, within 30 days after publication. Sixteen copies of comments to the proposed amendments are required to be filed pursuant to §22.71(c) of this title. Comments should be organized in a manner consistent with the organization of the proposed amendments. The commission invites specific comments regarding costs associated with, and benefits gained by, implementing the proposed amendments. The commission will consider the costs and benefits in deciding whether to adopt the amendments. All comments should refer to Project Number 31957.

These amendments are proposed under the Public Utility Regulatory Act, Texas Utilities Code Annotated §14.002 (Vernon 1998, Supplement 2005) (PURA), which authorizes the Public Utility Commission to make and enforce rules reasonably required in the exercise of its powers and jurisdiction. Section 55.1735 grant(s) the commission the authority to cap the charge or surcharge a local exchange company may impose for an access line used to provide pay telephone service in an exchange so it does not exceed the charge or surcharge the company imposes for an access line used for regular business purposes in that exchange.

Cross Reference to Statutes: Public Utility Regulatory Act, §§14.002, 55.1735, 55.1759, 58.051, 58.151 and, 58.152.

**§26.345. Posting Requirements for Pay Telephone Service Providers.**

(a) The pay telephone service (PTS) provider must attach to each instrument a card that provides:

(1)-(2) (No change.)

(3) notice stating the name, address, and ten digit telephone number for the pay telephone owner or agent providing the set, and providing the name and toll-free telephone number of the owner or agent responsible for refunds and repairs; the PTS provider shall maintain current information on the placard at all times and shall notify the commission in writing of any changes to the business telephone number of the pay telephone owner, or changes of the physical address from which the pay telephone owner operates, within thirty calendar days of such change; and

(4)-(5) (No change.)

(b)-(f) (No change.)

**§26.346. Rates and Charges for Pay Telephone Service Providers.**

(a) **Rate structure.** Certificated telecommunications utility (CTU) rates for wholesale service must be designed on a flat access line and/or a local message usage rate basis. Multi-element measured rates are prohibited. In areas without measuring capabilities, the CTU may use a flat rate usage surrogate instead of a per call message rate. Measurement capabilities are defined as the capability in place to measure and bill pay telephone usage without incurring unreasonable expense. The charge or surcharge a CTU imposes for an access line used to provide pay telephone service (PTS) in an exchange may not exceed the amount of the charge or surcharge the CTU imposes for an access line used for regular business purposes in that exchange.

**(b) Charges.**

(1) A ~~PTS pay telephone service (PTS)~~ provider must:

(A)-(E) (No change.)

(F) charge no more than these rate caps for intrastate long distance and operator- assisted calls at Texas pay phones:

| <b>Distance</b>      | <b>Per Minute</b> |
|----------------------|-------------------|
| <u>All distances</u> | <u>\$0.3456</u>   |

| <b>Mileage</b>                       | <b>1st Min.</b> | <b>Add'l Min.</b> |
|--------------------------------------|-----------------|-------------------|
| 0—10                                 | .2975           | .2625             |
| 11—22                                | .3150           | .2975             |
| 23—55                                | .3325           | .3150             |
| 56—124                               | .3675           | .3500             |
| 125—292                              | .4025           | .3850             |
| 293—Over                             | .4200           | .4025             |
| <b>Operator Service Charges:</b>     |                 |                   |
| Customer-Dialed Calling Card Station |                 | \$2.50            |
| Operator-Dialed Station              |                 | \$3.75            |
| Person To Person                     |                 | \$4.50            |
| Long Distance Access Fee             |                 | \$1.00            |

(2) The requirements of paragraph (1)(A) through (C) of this subsection do not apply to pay telephones accessible to inmates of confinement facilities.

(3) The requirements of paragraph (1)(B) and (D) through (F) of this subsection do not apply to electing local exchange companies.

This agency hereby certifies that the proposal has been reviewed by legal counsel and found to be within the agency's legal authority to adopt.

**ISSUED IN AUSTIN, TEXAS ON THE 20<sup>TH</sup> DAY OF JULY 2006 BY THE  
PUBLIC UTILITY COMMISSION OF TEXAS  
ADRIANA A. GONZALES**

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