

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

DEREGULATION OF LOCAL)	ADMINISTRATIVE
EXCHANGE COMPANIES PAYPHONE)	CASE NO. 361
SERVICE)	

O R D E R

The Commission, on its own motion, reopens this case to require payphone service providers (“PSPs”) to eliminate set use fees.

47 U.S.C. § 276(b)(1)(A) required the Federal Communications Commission (“FCC”) to establish a per call compensation plan to ensure that all PSPs were fairly compensated for each and every completed intrastate and interstate call using their payphones. Through a series of decisions in CC Docket Nos. 96-128 and 91-35, the FCC established a “carrier pays” system for compensation of these calls.¹ The Act also stated that to the extent that any state requirements are inconsistent with the FCC’s regulations, the FCC’s regulations on such matters shall preempt any state requirements.²

A use fee is an assessment against the user of the paystation. It is clearly a “caller-pays” fee and is therefore inconsistent with the FCC’s system. Also, through the

¹ CC Docket Nos. 96-128 and 91-35, Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996.

² 47 U.S.C. § 276(b)(1)(B) and (C).

FCC's system, PSPs are compensated for all completed interstate and intrastate calls made from their payphones. Therefore, the Kentucky set use fee allows PSPs to recover twice for usage of their payphones.³

The Commission, having been otherwise sufficiently advised, HEREBY ORDERS that within 30 days of the date of this Order, all payphone service providers shall file tariffs reflecting the deletion of set use fees.

Done at Frankfort, Kentucky, this 8th day of May, 2000.

By the Commission

ATTEST:


Executive Director

³ A review of PSP tariffs indicates that at least four providers collect a set use fee. They are Coin Phone Management Company, Communication Central, Inc., North American IntelCom, Inc., and Teleleasing Enterprises, Inc. of Jacksonville, Illinois.