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STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 10th
day of February, 1998.

In the Matter of the Application of)
T-NETIX, Inc. for a Certificate of)
Service Authority to Provide)
Intrastate Interexchange) Case No. TA-98-269
Telecommunications Services on a)
Resold Basis within the State of)
Missouri and to Classify the Company)
and its Services as Competitive.)

ORDER APPROVING INTEREXCHANGE CERTIFICATE OF SERVICE AUTHORITY AND
ORDER APPROVING TARIFF

T-NETIX, Inc. (T-NETIX) applied to the Public Service Commission on December 29, 1997, for a certificate of service authority to provide intrastate interexchange telecommunications services in Missouri under § 392.440, RSMo 1994¹. T-NETIX asked the Commission to classify it as a competitive company and waive certain statutes and rules as authorized by §§ 392.361 and 392.420. Applicant is a Colorado corporation, with its principal office located at 67 Inverness Drive East, Suite 100, Englewood, Colorado 80112.

The Commission issued a Notice of Applications and Opportunity to Intervene on January 6, 1998, directing parties wishing to intervene to file their requests by January 21. The requirement for a hearing is met when the opportunity for hearing has been provided and no proper party has requested the opportunity to present evidence. State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Service Commission, 776 S.W.2d 494, 496 (Mo.App. 1989). Since no one has asked permission to intervene

¹All statutory references are to the Revised Statutes of Missouri 1994 unless otherwise indicated.

or requested a hearing, the Commission may grant the relief requested based on the verified application.

T-NETIX filed a proposed tariff in conjunction with its application and filed substitute sheets on February 2. The tariff's effective date is February 13. T-NETIX's tariff describes the rates, rules, and regulations it intends to use, identifies T-NETIX as a competitive company, and lists the waivers requested. T-NETIX intends to provide interexchange telecommunications services including operator services.

In its Memorandum filed on February 4, the Staff of the Commission stated that Applicant's proposed services are similar to existing IXC offerings. Staff recommended that the Commission grant Applicant a certificate of service authority, competitive status, and waiver of the statutes and rules listed in the Notice. Staff also indicated that Applicant plans to provide only prison payphone services at this time, thus Applicant requested "a waiver of statutes and Commission rules regarding operator services which would prohibit blocking of calls to other long distance carriers and/or emergency operators, prohibit limited call duration or require posting of information on or near telephones." Staff stated that there are no specific statutes or Commission rules which specifically address operator services or call duration, only "standard" operator service language required of other interexchange (IXC) carriers. Staff indicated that Applicant included some but not all of the standard operator service language. Specifically, Applicant did not include the language addressing calling card verification, emergency calls directed to the local exchange carrier (LEC), the blocking of access to other IXCs, and the posting of information near the phone. Staff concluded that the operator service language included in

(the tariff is appropriate for companies serving prison payphones. Staff ultimately recommended that the Commission approve the proposed tariff to become effective on February 13.

The Commission initially notes that at the time of filing its application, T-NETIX also filed a motion for approval of its certificate and tariffs in less than thirty days. As good cause, T-NETIX stated that it was asked by St. Louis Inmate Facilities for the City of St. Louis to begin providing service to correctional facilities no later than mid-January of 1998. The Commission finds that its procedure for the certification of interexchange providers is already an expedited process, in that it permits a shorter than normal intervention period, and the concurrent filing of a 45-day tariff with the application. The Commission finds that it could not have accommodated Applicant's request without providing less than adequate notice to interested persons or entities. The Commission also finds that Applicant has not demonstrated sufficient good cause under the circumstances.

(With regard to the requested "waiver" of statutes and Commission rules regarding operator services, the Commission finds that the omission in T-NETIX's tariff of "standard" operator service language is appropriate under the circumstances. The verified application explains that "[c]orrectional facilities subscribing to inmate collect-only service frequently request these features based on the public interest and unique safety concerns." The Commission also notes that it has previously permitted omission of the same standard operator service language for prison payphone service. See In Re MCI Telecommunications Corporation's Customer-Specific Operator Services Tariff for State of Missouri Prison Pay Phones, Case No. TR-89-264, Order, issued June 29, 1989. However, the Commission stresses that its approval of T-NETIX's tariff, which does not

contain all of the standard operator service language, is conditioned upon T-NETIX providing operator services to correctional facilities. To the extent T-NETIX chooses in the future to provide operator services to subscribers other than correctional facilities, T-NETIX will be required to include the standard operator service language in an additional tariff filing designed to apply to the new situation.

The Commission finds that competition in the intrastate interexchange telecommunications market is in the public interest and Applicant should be granted a certificate of service authority. The Commission finds that the services Applicant proposes to offer are competitive and Applicant should be classified as a competitive company. The Commission finds that waiving the statutes and Commission rules set out in Ordered Paragraph 2 is reasonable and not detrimental to the public interest.

The Commission finds that T-NETIX's proposed tariff details the services, equipment, and pricing it proposes to offer, and is similar to tariffs approved for other Missouri certificated interexchange carriers offering prison payphone services. The Commission finds that the proposed tariff filed on December 29 shall be approved as amended to become effective on February 13.

IT IS THEREFORE ORDERED:

1. That T-NETIX, Inc. is granted a certificate of service authority to provide intrastate interexchange telecommunications services in the state of Missouri, subject to all applicable statutes and Commission rules except as specified in this order.

2. That T-NETIX, Inc. is classified as a competitive telecommunications company. Application of the following statutes and regulatory rules shall be waived:

Statutes

- 392.240(1) - ratemaking
- 392.270 - valuation of property (ratemaking)
- 392.280 - depreciation accounts
- 392.290 - issuance of securities
- 392.310 - stock and debt issuance
- 392.320 - stock dividend payment
- 392.340 - reorganization(s)
- 392.330, RSMo Supp. 1996 - issuance of securities, debts and notes

Commission Rules

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|------------------------|-------------------------------|
| 4 CSR 240-10.020 | - depreciation fund income |
| 4 CSR 240-30.010(2)(C) | - rate schedules |
| 4 CSR 240-30.040 | - Uniform System of Accounts |
| 4 CSR 240-32.030(1)(B) | - exchange boundary maps |
| 4 CSR 240-32.030(1)(C) | - record keeping |
| 4 CSR 240-32.030(2) | - in-state record keeping |
| 4 CSR 240-32.050(3) | - local office record keeping |
| 4 CSR 240-32.050(4) | - telephone directories |
| 4 CSR 240-32.050(5) | - call intercept |
| 4 CSR 240-32.050(6) | - telephone number changes |
| 4 CSR 240-32.070(4) | - public coin telephone |
| 4 CSR 240-33.030 | - minimum charges rule |
| 4 CSR 240-33.040(5) | - financing fees |

3. That the tariff filed by T-NETIX, Inc. on December 29, 1997, is approved as amended to become effective on February 13, 1998. The tariff approved is:

P.S.C. Mo. No. 1

4. That this order shall become effective on February 13, 1998.

5. That this case shall be closed on February 21, 1998.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read "Dale Hardy Roberts". The signature is written in a cursive, slightly slanted style.

**Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge**

(S E A L)

Lumpe, Ch., Crumpton,
Murray, and Drainer,
CC., Concur.

Bensavage, Regulatory Law Judge