

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 17th
day of December, 1998.

In the Matter of Davel Communications)
Group, Inc. And Peoples Telephone) Case No. TM-99-205
Company, Inc. For Approval of Merger)
and Transfer of Control.)

ORDER DIRECTING STAFF TO FILE REPORT

On November 6, 1998, Davel Communications Group, Inc. (Old Davel) and Peoples Telephone Company, Inc. (Peoples) filed an application with the Commission requesting an order approving the merger of the companies and transfer of control from Peoples to Old Davel. The applicants also filed a Motion for Expedited Consideration of Application on November 12 requesting the Commission expedite its order granting approval of the merger and transfer of control to be effective no later than December 10.

In its application for approval of merger and transfer of control, the applicants stated that Old Davel is an Illinois corporation located at 1429 Massaro Boulevard, Tampa, Florida 33619. Further, the application stated that Old Davel is the owner of two wholly-owned subsidiaries, Telaleasing Enterprises, Inc. (TEI) and Communications Central of Georgia (CCG)¹. TEI is an Illinois corporation which provides pay telephone service at various locations in 36 states and the District of Columbia. CCG is a Georgia corporation which provides pay telephone service at least in Missouri. Both subsidiaries are headquartered at the

¹ The Application also refers to "CCI", Communications Central, Inc. CCI appears to be another wholly owned subsidiary of Old Davel that provides pay phone service in states other than Missouri.

same address as Old Davel in Tampa, Florida. TEI received authority to provide private pay telephone service in Missouri on December 13, 1988, by order of the Commission in Case No. TA-89-82. The application stated that TEI also received authority to provide competitive intrastate interexchange telecommunications service in Missouri on May 11, 1994, in Case No. TA-94-256. TEI presently operates approximately 173 pay telephones in Missouri. The applicants stated that CCG received authority to provide private pay telephone service in Missouri on December 29, 1994, by order of the Commission in Case No. TA-94-347. CCG presently operates approximately 106 pay telephones in Missouri.

The applicants stated that Peoples is a New York corporation with its principal address at 2300 Northwest 89th Place, Miami, Florida 33172. The applicants also stated that Peoples received authority to provide pay telephone service in Missouri on May 22, 1990, by order of the Commission in Case No. TA-90-234. The applicants stated that Peoples provides pay telephone service at various locations in 39 states and the District of Columbia. Peoples currently operates approximately 87 pay telephones in Missouri.

The application stated that none of the applicants have pending or final decisions or judgments against them from the Missouri Public Service Commission or any other state or federal agency involving service to customers or rate charges, except as listed on Exhibit A attached to the application and incorporated by reference. Exhibit A lists one pending Louisiana State proceeding against TEI and Communications Central, Inc. (CCI) alleging violations of payphone regulations and four pending dockets in a Louisiana State proceeding against Peoples for alleged violations of payphone regulations. The applicant also disclosed

five closed proceedings against TEI and Peoples. The one closed docket against TEI was a Florida rate complaint which was settled. The four closed dockets against Peoples included two rate complaints, one each in Louisiana and Minnesota, and two violations of payphone regulations, one each in Michigan and North Carolina. These four items are shown only as closed dockets with no reference to resolution.

On December 10, the Staff of the Commission (Staff) filed its memorandum recommending that the request for approval of merger and transfer of control filed by Old Davel and Peoples be approved. Staff confirmed that none of the companies involved have pending or final decisions or judgments against them from any state or federal agency involving service to customers or rate charges, except as listed on Exhibit A attached to the Application. No specific information regarding the complaints listed on Exhibit A was provided.

The Commission has reviewed its file including the application and Staff's recommendation. The Commission is concerned about the past and current complaints listed on Exhibit A attached to the application. The Commission will direct Staff to review the complaints listed on Exhibit A, and any other complaints regarding any of the applicant companies, or subsidiary companies identified in this application, and file a report with the Commission regarding the nature and disposition of the complaints. The Commission will also order Old Davel and Peoples to cooperate by providing Staff with copies of the closed and pending complaints and other related information that would aid in Staff's review and report to the Commission regarding the complaints.

IT IS THEREFORE ORDERED:

1. That the Staff of the Commission shall review the closed and pending complaints and file a report regarding the nature and resolution of the complaints with the Commission no later than January 6, 1999.

2. That Davel Communications Group, Inc. and Peoples Telephone Company, Inc. shall provide to the Staff of the Commission copies of the complaints and any detailed information regarding those complaints no later than December 28, 1998.

3. That this order shall be effective December 28, 1998.

BY THE COMMISSION



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

(S E A L)

Lumpe, Ch., Crumpton, Murray,
Schemenauer and Drainer, CC., concur.

Register, Regulatory Law Judge

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COMM. FOR REG. JUDGES