Crown Correctional Telephone, Inc.  :  
Application for a Certificate of Public Convenience and Necessity Authority to  :  19-0772
Operate as a Public Pay Telephone Service  : 
Provider throughout the State of Illinois  :

ORDER

By the Commission:

On July 23, 2019, Crown Correctional Telephone, Inc. ("Applicant" or "Crown") filed a verified Application for a Certificate of Service Authority to provide customer owned pay telephone service ("COPTS") at locations deemed "public" within the State of Illinois. Also on July 23, 2019, Applicant filed a Motion for Protective Order.

On November 14, 2019, Staff of the Commission ("Staff") filed a verified Answer to the Application. Pursuant to notice given in accordance with the law and the rules and regulations of the Commission, this matter came for hearing before a duly authorized Administrative Law Judge of the Commission at its offices in Chicago, Illinois on December 10, 2019. Applicant appeared and presented the testimony of William R. Bartula, President of Crown, in support of the Application. At the conclusion of the hearing, the record was marked “Heard and Taken.”

I. THE APPLICATION

The Application shows that Crown is a Texas corporation authorized to do business in the State of Illinois. The Application states that Crown seeks to provide secure public coin-operated pay phone services throughout the State of Illinois. The Application further states that it currently operates as a public pay telephone service provider in the following states: Alabama, Arizona, Colorado, Idaho, Montana, Missouri, North Dakota, New Jersey, Ohio, Oklahoma, Pennsylvania, Texas, West Virginia, and Wyoming. Applicant is currently seeking certification in the following states: South Carolina, Virginia, Minnesota, Arkansas, and North Carolina.

Crown states that operator services will be furnished by a third party and, therefore, it will not be issuing bills. The Application further states that customer inquiries will be accommodated by a toll-free-number displayed on or near each phone. Moreover, repair and refund information will be handled by a speed dial number for the end-user to contact a call center. Crown states that it leases the local dial tone required for each pay phone location from various access line providers. Applicant will not be providing its own repair service and has contracted with a third-party for repairs.
Applicant states that it plans to use telephones which meet the requirements set forth by the Federal Communications Commission. The telephones will provide the following features: (a) touch dialing; (b) access to “911” emergency service and “0” operator dialing without the use of a coin; (c) compliance with statutes and rules concerning use of pay stations by disabled persons; (d) ability to complete both local and long distance calls; (e) unlimited duration for local calls through the deposit of additional coins or otherwise; and (f) a message explaining the telephone’s general operations, dialing instruction for obtaining emergency assistance, owners name, method of reporting service problems and method of receiving credit for faulty calls.

II. STAFF’S POSITION

An Engineering Analyst in the Commission’s Telecom Engineering Department filed an Answer to the Application stating that he recommends the Commission grant the certificate sought by Applicant.

III. COMMISSION ANALYSIS AND CONCLUSION

The Commission has reviewed the Application and exhibits provided by the Applicant and finds that the Applicant sufficiently demonstrates compliance with the requirements of Part 771 of the Commission’s rules. 83 Ill. Adm. Code 771. Also, the Commission notes that Staff has reviewed the Application and recommends that the Applicant be granted the requested certificate of service authority. The Commission concludes, therefore, that the Applicant’s request for a Certificate of Service Authority to provide COPTS should be granted.

Applicant has requested that the Commission make certain declarations and grant certain waivers and modifications from the rules and regulations of the Commission. Specifically, Applicant seeks an exemption from Parts 710 and 735 of the Commission’s rules. A waiver of Part 710, governing the Uniform System of Accounts, should be granted pursuant to Section 13-402 in order to reduce the economic burdens of regulation on a telecommunications carrier which provides only competitive services. Further, Applicant should be granted a waiver of Part 735, governing credit, billing, deposits and termination of service, for the same reason.

The Applicant additionally seeks permission to keep its books and records at its principal place of business in Texas, rather than Illinois, pursuant to 83 Ill. Adm. Code 250, which governs maintaining books and records in Illinois. Applicant’s request should be granted, in accordance with Section 5-106 of the Public Utilities Act.

As noted above, Applicant filed a Motion for Protective Order seeking confidential treatment for the financial statements attached to its Application. The Commission agrees with Crown that public disclosure of the Applicant’s financial information should be avoided for a period of at least two years following issuance of this Order, due to the competitive harm such disclosure would likely cause Applicant.

IV. FINDINGS AND ORDERING PARAGRAPHS

The Commission, having reviewed the entire record and being fully advised in the premises, is of the opinion and finds that:
(1) Applicant, Crown Correctional Telephone, Inc., a Texas corporation authorized to conduct business in Illinois, is seeking a Certificate of Service Authority, and as such, seeks to become a telecommunications carrier within the meaning of Section 13-202 of the Public Utilities Act;

(2) the Commission has jurisdiction over the Applicant and the subject matter herein;

(3) Applicant possesses sufficient technical, financial, and managerial resources and abilities to provide the services by means of pay telephones owned or operated by it at public locations;

(4) a waiver should be granted to Applicant of Parts 710 and 735 of 83 Ill. Adm. Code; such waiver will reduce the economic burden of regulation and is not inconsistent with the Public Utilities Act or the purposes of Article XIII;

(5) Applicant should establish books of account such that revenues from its public pay telephones, subject to the public utility revenue tax, are segregated from the revenues derived from its private pay telephones;

(6) Section 7(1)(g) of the Illinois Freedom of Information Act (5 ILCS 140/1 et seq.) ("Illinois FOIA") exempts from disclosure:

Trade secrets and commercial or financial information obtained from a person or business where the trade secrets or commercial or financial information are furnished under a claim that they are proprietary, privileged or confidential, and that disclosure of the trade secrets or commercial or financial information would cause competitive harm to the person or business, and only insofar as the claim directly applies to the records requested; and

(7) the financial information provided by Applicant falls within the exemption stated in Finding (6) and should be exempt from public disclosure under Section 7(1)(g) of the Illinois FOIA for a period of two years from the date of this Order; and

(8) the Application of Crown Correctional Telephone, Inc. should be granted as set forth herein.

IT IS THEREFORE ORDERED by the Illinois Commerce Commission that Crown Correctional Telephone, Inc. be, and is hereby, granted a Certificate of Service Authority for the provision of intrastate pay telephone service at public locations.

IT IS FURTHER ORDERED that the Certificate of Service Authority hereinabove granted shall be the following:
CERTIFICATE OF SERVICE AUTHORITY

IT IS HEREBY CERTIFIED that Crown Correctional Telephone, Inc. is certificated to provide public pay telephone services throughout the State of Illinois.

IT IS FURTHER ORDERED that 83 Ill. Adm. Code 710 and 735 be, and are hereby, waived as set out in Finding (4) hereinabove.

IT IS FURTHER ORDERED that Applicant is granted its request for a waiver of 83 Ill. Adm. Code 250 in order to keep its books and records in the State of Texas.

IT IS FURTHER ORDERED that as a condition of this Certificate, Applicant be, and is hereby, directed to establish books of account such that revenues from its public pay telephones, subject to the public utility revenue tax, are segregated from the revenues derived from its private pay telephones.

IT IS FURTHER ORDERED by the Illinois Commerce Commission that the financial information provided by Crown Correctional Telephone, Inc. is afforded proprietary treatment and is exempt from public disclosure and will be accessible only by the Commission and the Commission Staff for a period of two years from the date of this Order.

IT IS FURTHER ORDERED that pursuant to Section 10-113(a) of the Public Utilities Act and 83 Ill. Adm. Code 200.880, any application for rehearing shall be filed within 30 days after service of the Order on the party.

IT IS FURTHER ORDERED that subject to the provisions of Section 10-113 of the Public Utilities Act and 83 Ill. Adm. Code 200.880, this Order is final; it is not subject to the Administrative Review Law.

By Order of the Commission this 8th day of January, 2020.

(SIGNED) CARRIE ZALEWSKI
Chairman