

Separate Statement of Commissioner Gloria Tristani

January 29, 1997

Re: Billed Party Preference for InterLATA 0+ Calls, Second Report and Order and Order on Reconsideration

The Commission continues to receive thousands of complaints every year about high rates charged by Operator Service Providers (OSPs). Today's Order greatly simplifies the way payphone users can learn the OSP's rates for a 0+ call prior to placing the call. I hope that our action today will eliminate the "sticker shock" often experienced by consumers when they use OSPs to place long distance calls.

However, we should be clear about what today's Order does not do -- it does not automatically eliminate high OSP rates. It merely enables payphone users who dial 0+ for a long distance call to know the rate before making the call. If the rate quoted is too high, the caller can choose not to make the call using 0+ dialing.

Unfortunately, operator services from payphones are a rare example of competition leading to higher prices for consumers. When more OSPs compete for the right to serve a particular location, they must pay higher commissions to the location owner. OSPs often recover those higher commissions from consumers in the form of higher calling charges.

For that reason, we will continue to monitor OSP rates through tariff filings and through the complaint process. If the "bad actor" OSPs continue to generate a significant volume of complaints at the Commission, I would support more direct action to protect payphone users, such as capping the rates that OSPs can charge.

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