

STATE OF NEW YORK

Public Service Commission

William M. Flynn, Chairman

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PSC Issues Show Cause Order to Phone Company Involved in Providing Access Lines for Companies Running "Chatlines"

Albany, NY – 10/20/04 – The New York State Public Service Commission today voted to issue a Show Cause Order to RNK Inc. (RNK) requiring it to explain why the Commission should not pursue a monetary penalty action in New York State Supreme Court for apparent violations of a Commission order requiring telecommunications companies operating in New York to assign blockable telephone numbers to those private entities operating "chat services" on the companies' local telephone network. The Commission's requirements allow families to block access, without charge, to "chatlines" from their residences. Chatlines are services that utilize advertised telephone numbers consumers can call to join in conversation with any number of generally anonymous callers.

In September 2004, the Commission's staff learned that a minor reportedly had been induced via a chatline to travel from her home to have inappropriate contact with an adult male in New York City. The chatline over which the alleged inducement occurred had been operating on RNK's local telephone network in the New York City metropolitan area. Upon investigation, staff learned that RNK had been supplying telephone numbers to a chatline provider on a number of its local telephone access lines that could not be blocked by parents or family members. In addition, staff determined that RNK also had failed to file the required tariff terms with the Commission that govern its offering of such services for chatline services.

"We expect all regulated utilities, without exception, to comply with the Commission's orders," Commission Chairman William M. Flynn said. "I understand and appreciate that RNK quickly remedied the chatline situation when we brought it to RNK's attention. But this kind of apparent violation should never have occurred in the first place, and carriers must be held accountable to our orders, especially when our requirements are designed specifically to provide parents the important ability to block calls to chatlines and thereby protect their children from potential harm by others. To emphasize our commitment to 'zero tolerance' in enforcing these critical consumer protections, I am taking the additional step as Chairman of directing the Secretary to the Commission to inform all telephone companies in this state that provide local service to chatline providers to report to the Commission promptly on the status of their compliance with our chatline blocking requirements."

Notices directing reports on compliance with chatline blocking requirements will be mailed to 788 telephone service providers operating in New York State. Responses to the Secretary to the Commission will be due no later than November 5, 2004.

RNK is certified by the Commission to offer local and long distance services in New York State. One of the services it can offer is to provide access lines to companies that provide information services to the public, including pay-per-call, weather, sports results, and chatlines. While the Commission has no jurisdiction over the content or information provided over these information lines, the Commission established clear consumer protections when lines are being provided specifically for multi-party chatting services. Since 1998, all local telephone companies such as RNK that have chatline services operating on their networks are required to provision the service so that residential customers have the capability to block access to chatline telephone numbers from their residences.

Under New York State Public Service Law, the alleged violations by RNK could subject the company to a civil penalty for failure to comply with the Commission's Chatline Blocking Orders. The Commission's Show Cause Order provides RNK the opportunity to explain any circumstances that might mitigate a Commission decision to seek a penalty action against it. RNK will have 21 days to respond to the Show Cause Order.

The Commission will issue a written Show Cause Order detailing the circumstances related to RNK Inc.'s blocking obligations and tariff filing requirements concerning chatline services (Case 04-C-1276). The Order can be obtained from the Commission's Web site at <http://www.dps.state.ny.us> by accessing the Commission Documents section of the homepage and referencing Case number 04-C-1276. Many libraries offer free Internet access. Commission orders can also be obtained from the Files Office, 14th floor, 3 Empire State Plaza, Albany, NY 12223 (518-474-2500).

How Parents Can Block Access to Chatlines

In New York State, chatline services cannot operate on lines that also serve regular residential or business phone numbers. Therefore, parents can block chatlines without fear of blocking access to friends, relatives, doctors, government agencies, regular business numbers and other normal telephone numbers. Customers can call their local telephone company and request that telephone calls placed from their residences to specific information services numbers – including pay-per-call numbers and chatlines – beginning with certain local prefixes (the first three numbers of a telephone number) be blocked. There is no charge for the blocking service. However, customers should understand that all information services numbers beginning with that prefix will then be blocked. New Yorkers also may call the Commission's tollfree consumer information line at 1-888-ASK-PSC1 (1-888-275-7721) from anywhere within the state and press voice prompt number five (#5 – "telephone service") to get information about telecommunications matters, including call blocking information.