

April 4, 2017

BY ELECTRONIC FILING

Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Re: 2016 Biennial Review of Telecommunications Regulations
Wireline Competition Bureau -- WC Docket No. 16-132

Dear Ms. Dortch:

On Monday, April 3, 2017 Pat Rupich and Mike Bishop of Cincinnati Bell Any Distance Inc. ("CBAD") and I met via conference call with Dan Kahn, Michele Berlove, and Terri Natoli of the Wireline Competition Bureau concerning the recommendation offered in the above-captioned proceeding that the annual Payphone Call Tracking System Audit requirement, 47 C.F.R. §64.1320, be repealed.

As noted in its Reply Comments in this proceeding, CBAD reiterated that due to the rapid decline in the number of payphones nationwide, the cost of performing the annual audit is out of proportion to the amount of compensation due to payphone owners. For small long-distance providers like CBAD, the cost of the audit vastly exceeds the amount of payphone dial-around compensation due to payphone owners. While the cost of the audit has remained relatively fixed over the last ten years, the number of payphones has declined precipitously. Regardless of the number of payphone calls, the system audit process remains essentially the same. Currently, the cost of CBAD's annual audit is more than 5 times the amount of dial-around compensation that it owes to payphone owners for the year. In addition to the cost for the independent auditor, completing carriers must devote internal resources to work with the auditors to complete the audit plan. These expenses are an unnecessary burden on small carriers.

The current payphone compensation process has been in place for more than a decade and the independent third-party auditors have consistently found that CBAD is appropriately compensating payphone providers for all compensable calls. The compensation process is well established and works smoothly. Furthermore, most long distance providers use a clearinghouse, such as the National Payphone Clearinghouse ("NPC"), to process quarterly payments and the NPC has an effective investigation and dispute resolution process in place to address any disparities between completing carrier and payphone provider data that arise. Moreover, the

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NPC would notify its clients if it noticed any irregularities in the quarterly data they provide to the NPC. As Sprint observed in its Recommendation in this proceeding, and CBAD indicated in its Reply Comments, eliminating the audit requirement would not relieve completing carriers of the obligation to ensure that they are compensating payphone providers for all compensable calls, and the annual officer certification would remain as an assurance that carriers are doing so in accordance with the rules.

CBAD explained the need for prompt action on this recommendation before its independent audit contract expires at the end of 2017.

Please direct any questions on this matter to me.

Very truly yours,



Karen Brinkmann

Counsel to Cincinnati Bell Any Distance Inc.

cc: Jay Schwarz
Kris Monteith
Daniel Kahn
Michele Berlove
Terri Natoli