PIPER & MARBURY
L.L.P.
1200 NINETEENTH STREET, N.W.
WASHINGTON, D.C. 20036-2430
202-861-3900
FAX: 202-223-2085

BALTIMORE
NEW YORK
PHILADELPHIA
EASTON
LONDON

WRITER'S DIRECT NUMBER
202-861-6477
rlowe@pipermar.com

DOCKET FILE COPY ORIGINAL

June 12, 1996

VIA HAND DELIVERY

JUN 1 2 1996

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W.
Room 222
Washington, D.C. 20554

Re: Ameritech Transmittal No. 953, Tariff F.C.C. No. 2; Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996 (CC Docket No. 96-128) - Ex Parte Presentations

Dear Mr. Caton:

Pursuant to Section 1.1206 of the Commission's Rules, this letter is to advise you that Joseph Pence, Kevin Keathley and Ann Cassidy, of One Call Communications, Inc. d/b/a Opticom, and I met today with James Schlichting, Judith Nitsche, Frank Hopwood, David Sieradzki, and Michael Carowitz to discuss One Call's views on the above-referenced tariff transmittal. We also provided these individuals with a copy of the attached materials for demonstrative purposes.

One Call's primary purpose for the meeting was to demonstrate the practical implications of the pay telephone "use fee" originally introduced in Ameritech Transmittal No. 953 filed on March 5, 1996; in particular, the financial impact of the use fee. One Call informed the Commission that the 25 second timing surrogate used by Ameritech to determine call completion in the absence of a wink back would result in billing for uncompleted calls.

In addition, the meeting covered some issues raised by the Commission in its *Notice of Proposed Rulemaking* In the Matter of the Implementation of the Pay

Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996 (CC Docket No. 96-128) as they relate to the above-referenced matter. A list of these issues can also be found in the attached materials.

In accordance with the Commission's Rules, I hereby submit one original and three copies of this letter for inclusion in the above-referenced docket.

Sincerely,

Randall B. Lowe

RBL/vas
Enclosures

cc: Michael Carowitz
Frank Hopwood
Judith Nitche
James Schlichting
David Sieradzki

## Opticom May 1996

| | Calls | % of Total |
|---|---|---|
| Calls Offered | 3,803,240 | 100.00% |
| "Completed" Calls | 1,938,893 | 50.98% |
| Incomplete Calls | 1,864,347 | 49.02% |
| | | |
| Incomplete Calls >25 seconds | 1,373,460 | |
| | | |
| Percent Call Tracking surrogate returns FALSE completion 1,373,460/1,864,347 | 73.67% | |

[redacted]

[redacted]

## Other Issues of Set Use Fee and Per Call Compensation:

### Pre-Subscription vs Dial Around

The LECs are inserting themselves into the revenue stream between the carrier and the property owner without any negotiation with the property. If they are allowed to profit from this, it should be done only to the extent that they negotiate it with the location provider.

### CCL Savings Gone Before Ever Received

As part of the Set Use Fee tariff, Ameritech reduced its CCL charge. This took effect in May 1996. In June of 1996, Ameritech raised its CCL rates in all states except where they have serious competition (IL).

| | May 1996 | June 1996 | |
|---|---|---|---|
| Old Rate | 0.005460 | 0.004250 | |
| New Rate | 0.004250 | 0.005086 | -Regional Rate in Indiana |
| Inc/Dec | (0.001210) | 0.000836 | |

### Party who Terminates Must Track the Compensation

Since the proposed surrogate does not function, the party who handles and completes the call is the only one who can possibly track the call. Those wanting payphone compensation must deliver all ANIs to carriers for calculation. In the recent NPRM (FCC 96-254) Paragraph 31 the commission incorrectly lumps AT&T, Sprint, Ameritech, and SWB into the same category as being able to track the calls for which they are required to pay. Two of them pay, two of them collect. There is a big difference here, especially in terms of accuracy (see graphs).

### Subscriber 800 Fraud Issue Unsolvable

Although the IXCs providing tracking of payphone compensation solves the issue of billing for calls that are incomplete (as a set use fee would result), it does not solve the auto-dialer scenario discussed in Paragraph 23 of the NPRM. Even if the call is complete, it does not preclude it from being fraud. Opticom estimates that no less than $20,000 a month could be realized per phone utilizing this technique. It is our opinion that this issue is not solvable by any technology. The only possible solution for ensuring compensation without the ability to defraud is if the caller (Cost Causer) is required to deposit a coin as opposed to a carrier pays solution