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April 10, 1998

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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20541

Ms. Magalie Roman Salas
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

**NOTICE OF
EX PARTE PRESENTATION**

Re: **CC Docket No. 96-128**

Dear Ms. Salas:

On April 9, 1998, the undersigned; Thomas Keane, Chairman of the American Public Communications Council ("APCC"); Bruce Renard, General Counsel of Peoples Telephone Company; and James Kelly, Chairman and CEO of KELLE Communications Group, Inc. met with Chairman William E. Kennard and Tom Power, Legal Advisor to Chairman Kennard, to discuss developments in the above-referenced docket.

Specifically discussed was the need for prompt resolution of pending matters in the above-referenced docket and the current financial state of the payphone industry. In addition, market responses to the FCC's order and the enclosed news release were discussed. We also distributed material previously given to the Chairman by Bell Atlantic.

Very truly yours,



Albert H. Kramer

AHK/lw

Enclosure

cc: Chairman William E. Kennard
Tom Power

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NEWS

FOR IMMEDIATE RELEASE

January 12, 1998

Contact: Paul Savary 703.739.8561
NATSO, Inc.
1199 N. Fairfax Street, Suite 801, Alexandria, VA 22314

Jacqueline Biddle 703.838.1950
Truckload Carriers Association
2200 Mill Road, Alexandria, VA 22314

Pay phone 800-Number Fees

Trucking Industry Explores Market-Driven Solutions

ALEXANDRIA, VA -- Motor carriers are seeing their 800-number costs increase as much as 150 percent as a result of the Federal Communications Commission's (FCC) decision to set a 28.4-cents-per-call compensation rate on 800-number calls made from pay telephones. Seeking to find innovative business solutions to address this untenable situation, the Truckload Carriers Association (TCA) and NATSO, Inc. (representing America's travel plazas and truckstops) are sending a request for proposal (RFP) to members of the telecommunications industry next week.

Several long distance companies announced six to seven percent rate increases to toll-free numbers in mid-1997 to cover the compensation to pay phone providers. In addition to the rate increase, these same long distance companies have chosen to impose a charge of 28.4 cents per call or more to the customer.

"While we believe pay phone operators should be compensated fairly for use of their phones, our information indicates that the FCC compensation rate of 28.4 cents per call overstates the costs," said TCA President Lana Batts. "We also believe that some long distance companies have taken advantage of the situation to double and even triple dip to recoup the costs they pass on to pay phone providers."

"NATSO wholeheartedly supports TCA's appeal to long distance companies for more competitive 800-number rates," said NATSO President W. Dewey Clower. "We believe the goal of fairly compensating pay phone providers can be accomplished without long distance providers double charging trucking companies and other users of 800 numbers."

Working with the telecommunications industry, the two groups hope to find market solutions to this unnecessary burden on the trucking industry.

- MORE -

Market-Driven Solutions, page two

TCA and NATSO know the following about the market:

- There are more than 14,000 pay phones at NATSO member truckstops across the country.
- These phones have the second highest average usage of all pay phones after airport pay phones. Only seven percent of the pay phones in truckstops are owned by truckstop operators. The majority are owned by the Baby Bell companies or independent pay phone providers.
- The typical pay phone costs \$2,000-\$3,000 each. The majority of the pay phones in truckstops are the off-the-shelf "Princess" phones found at restaurant tables and cost \$150 plus associated costs.
- A large percentage of the incoming 800-number pay phone calls to trucking companies are made from truckstops.
- Twenty percent of TCA members generate more than nine million 800-number calls per month at 2.5 minutes per call.

To determine their continued strategies, representatives from TCA and NATSO will attend the other's annual meeting. NATSO will meet February 4-8 in Nashville, TN, and TCA will meet March 15-19 in Kona, HI.

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NATSO, Inc. (formerly the National Association of Truckstop Operators) is the professional and legislative representative of America's \$35 billion travel plaza and truckstop industry. NATSO was founded in 1960 by truckstop operators as a means of managing credit information on their mutual customers. Today NATSO acts as the voice of and source of information on the diverse travel plaza and truckstop industry; conducts an annual convention and trade show attended by over 2,000 industry leaders; represents the industry in Washington on legislative and regulatory matters; and supports efforts to generally improve the business climate in which its members operate.

Based in Alexandria, VA, the Truckload Carriers Association is a national trade association representing the North American truckload segment of the motor carrier industry - an over \$34 billion industry with more than 340,000 trucks. TCA tailors its products and services to address the needs of its nearly 1,000 members who include dry van, refrigerated, flatbed, intermodal containers, and dump-trailer truckload carriers. The Truckload Carriers Association is a national, independent organization affiliated with the American Trucking Associations, Inc.