

KAREN L THURMAN
5TH DISTRICT, FLORIDA
WASHINGTON OFFICE
440 CANNON BUILDING
WASHINGTON, DC 20515
202/225-1002



COMMITTEE ON WAYS AND MEANS
SUBCOMMITTEE ON HEALTH

May 19, 2000

Congress of the United States
House of Representatives
Washington, DC 20515

Mr. William Kennard
Commissioner
Federal Communications Commission
445 12th St, SW
Washington, D.C. 20544

Re: **In the Matter of Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996.**

Dear Mr. Kennard:

I write to urge the Federal Communications Commission (FCC) to initiate a rulemaking to clarify the carrier responsible for payment of dial around compensation when more than one such carrier is involved in handling a call. The RBOC/GTE/SNET Payphone Coalition originally requested that the FCC clarify the per-call compensation requirement for dial around calls in 1998. At this time, no clarification has been made by the FCC.

Section 276(b)(1) of the Telecommunications Act, as amended, provides that "payphone service providers [be] fairly compensated for each and every...call..." Payphone providers have experienced difficulties and long delays in trying to collect the compensation despite this provision. Independent payphone providers bill over 1,100 different companies to collect the dial around compensation. Despite such efforts, independent payphone providers in Florida and across the country do not receive thirty to forty percent of the compensation due to them.

Congress' goals in Section 276 were to "promote competition among service providers" and "the widespread deployment" of payphone services. However, due to problems with identifying the appropriate long-distance carrier to bill and the associated problems with collecting dial around compensation, many independent payphone operators are under serious economic duress. In Florida, approximately 200 independent payphone operators were forced out of business and 7000 payphones were pulled within the last year. Florida tourists and residents, who are less likely to have telephone service in their homes, are deprived of a much-needed service. This is squarely in conflict with the stated Congressional goals of Section 276.

JME OFFICES:

☐ 2224 HIGHWAY 44 WEST
INVERNESS, FL 34453
352/344-3044

☐ 5700 S.W. 34TH ST., SUITE 425
GAINESVILLE, FL 32608
352/336-8614

☐ 6609 U.S. 12 SOUTH, SUITE H
NEW PORT RICHEY, FL 34652
727/849-4496

TOLL FREE
1-800-833-4352

Page Two

The FCC has not indicated when this proceeding will commence. I am not asking the FCC to adopt any particular position at this time, but rather to simply begin a rulemaking to determine who is required to pay the dial around compensation when more than one carrier is involved.

Thank you again for considering my request. If you have any questions or require additional information, please contact Amanda Newman of my staff at (202) 225-1002.

Sincerely,

A handwritten signature in black ink, appearing to read "Karen".

Karen L. Thurman
Member of Congress

KLT/an

cc: Sheryl Wilkerson, Director of Legislative and Intergovernmental Affairs, FCC

CHARLES T. CANADY
12TH DISTRICT, FLORIDA

COMMITTEE ON THE JUDICIARY
CHAIRMAN, SUBCOMMITTEE ON
THE CONSTITUTION

COMMITTEE ON AGRICULTURE

2432 RAYBURN BUILDING
WASHINGTON, DC 20515-0912
(202) 226-1252

FEDERAL BUILDING
124 SOUTH TENNESSEE AVENUE
SUITE 125
LAKELAND, FL 33801
(888) 688-2651

Congress of the United States

House of Representatives

Washington, DC 20515-0912

May 22, 2000

The Honorable William Kennard
Chairman
Federal Communications Commission
1919 M St NW
Washington, DC 20554

Dear Chairman Kennard:

I am writing to urge the Federal Communications Commission to clarify which carrier is responsible for payment of dial-around compensation to pay telephone owners when more than one such carrier is involved with handling a call. It is my understanding that the RBOC/GTE/SNET Payphone Coalition originally requested that the FCC clarify the per-call compensation requirement for dial-around calls in 1998.

I have spoken with several payphone providers in my district, and all have experienced problems with identifying the appropriate long-distance carrier to bill when collecting dial-around compensation. In 1999, approximately 200 independent payphone operators in Florida went out of business, and 7,000 payphones in Florida were removed. In many cases, these phones and providers would still be in operation if they were able to collect revenues owed from dial-around calls.

I would like to urge the FCC to consider this matter and take appropriate action to ensure that payphone operators are properly compensated for calls made on their phones. Thank you for your attention to this matter.

Sincerely yours,

Chas.

Charles T. Canady
Member of Congress

CTC:jp

COMMITTEES:
INTERNATIONAL RELATIONS
GOVERNMENT REFORM

CHAIR:
SUBCOMMITTEE ON
INTERNATIONAL ECONOMIC
POLICY AND TRADE

VICE CHAIR:
SUBCOMMITTEE ON
WESTERN HEMISPHERE



Congress of the United States
House of Representatives
ILEANA ROS-LEHTINEN
18TH DISTRICT, FLORIDA

PLEASE RESPOND TO:
 2160 RAYBURN BUILDING
WASHINGTON, DC 20515-0918
(202) 225-3931
FAX (202) 225-5620

DISTRICT OFFICE:
9210 SUNSET DRIVE
SUITE 100
MIAMI, FL 33173
(305) 275-1800
FAX (305) 275-1801

June 1, 2000

Mr. William E. Kennard
Chairman
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20544

Dear Chairman Kennard:

I have been contacted by representatives and members of the Florida Public Telecom Association and the American Public Communications Council regarding the implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996. They would like a rulemaking to be initiated to clarify the carrier responsible for payment of dial around compensation when more than one such carrier is involved in handling a call.

Your attention to this matter would be appreciated by independent payphone service providers, consistent with all applicable rules and regulations.

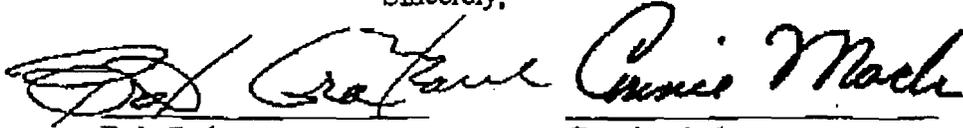
Sincerely,

Ileana Ros-Lehtinen
Member of Congress

IRL:en

Please inform us as to the Commission's plans regarding a resolution of this issue which is of vital interest to Florida's, as well as other state's, independent payphone service providers. Thank you.

Sincerely,

Handwritten signatures of Bob Graham and Connie Mack. The signature for Bob Graham is on the left, and the signature for Connie Mack is on the right. Both signatures are written in black ink and are positioned above their respective printed names.

Bob Graham
United States Senator

Connie Mack
United States Senator

RICHARD BURR
5TH DISTRICT, NORTH CAROLINA

COMMITTEE ON COMMERCE

SUBCOMMITTEES:
HEALTH AND THE ENVIRONMENT
ENERGY AND POWER
OVERSIGHT AND INVESTIGATIONS

COMMITTEE ON
INTERNATIONAL RELATIONS

SUBCOMMITTEES:
INTERNATIONAL ECONOMIC
POLICY AND TRADE
ASIA AND THE PACIFIC



Congress of the United States
House of Representatives
Washington, DC 20515-3305

June 5, 2000

WASHINGTON OFFICE:
1513 LONGWORTH HOB
WASHINGTON, DC 20515
(202) 225-2071
FAX (202) 225-2995

DC INFO LINE:
(202) 225-0320

E-MAIL: Richard.BurrNC05@mail.house.gov
WWW: <http://www.house.gov/burr>

DISTRICT OFFICE:
2000 WEST FIRST STREET
SUITE 508
PIEDMONT PLAZA TWO
WINSTON-SALEM, NC 27104
(336) 631-5175
FAX (336) 725-4493

The Honorable William E. Kennard
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Dear Chairman Kennard:

I am writing once again to inquire about the Commission's progress in implementing Section 276 of the Communications Act, as amended by the Telecommunications Act of 1996.

By letter dated September 7, 1999, I inquired as to the status of the Commission's efforts to implement the requirements of Section 276. In my letter, I noted that Section 276 of the Communications Act was added by Congress in the Telecommunications Act of 1996 to promote competition among payphone service providers and to promote the deployment of payphone services for the benefit of the general public. Specifically, I asked when final action by the Commission on the pending proceedings might reasonably be expected.

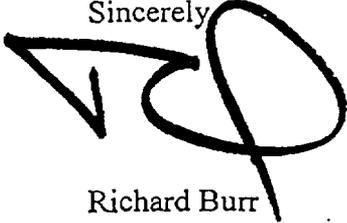
By letter dated September 22, 1999, I received a response from Jane E. Jackson, Chief, Competitive Pricing Division, Common Carrier Bureau. In her response, Ms. Jackson stated that final dispositions of the pending matters "are at least six months to a year from today."

It has now been approximately nine months from the date of Ms. Jackson's letter. In view of the time that has passed since my initial inquiry, and the time frame for final disposition of the pending Section 276 issues stated by Ms. Jackson, I would appreciate it if you would once again advise me at your earliest convenience of the status of the Commission's efforts to implement the requirements of Section 276 and when final action by the Commission on the pending proceedings may reasonably be expected.

In addition, I would like to express my concern regarding the lack of speed with which the Commission appears to be addressing Section 276 issues. While I do understand the Commission has issued a procedural order in the Wisconsin proceeding, I also understand that the initial deadlines established in that proceeding have been delayed on the Bureau's own motion. The implementation of Section 276 is of interest to me as it is critical that all citizens, especially low income citizens who predominantly utilize public payphones, continue to have access to basic telephone services.

If any questions should arise in connection with this request please do not hesitate to contact Peter Hans of my staff. Thank you.

Sincerely

A handwritten signature in black ink, appearing to be 'RB', written over the word 'Sincerely'.

Richard Burr
Member of Congress

cc: The Honorable Susan Ness
The Honorable Harold Furchgott-Roth
The Honorable Gloria Tristani
The Honorable Michael Powell

United States Senate

WASHINGTON, DC 20510

June 29, 2000

Chairman William Kennard
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20544

Dear Chairman Kennard:

We are writing to inquire as to the Federal Communications Commission's plans regarding clarification of which carrier is responsible for payment of dial around compensation when more than one such carrier is involved in handling a call. A request that the Commission initiate a rulemaking proceeding was filed by RBOC/GTE/SNET Payphone Coalition in 1998, and that request is supported by independent payphone service providers in Florida and nationwide.

Section 276(b)(1) of the Telecommunications Act, as amended, provides that "payphone service providers [be] fairly compensated for each and every...call...." Payphone providers, however, have experienced extreme difficulty and long delays trying to collect this compensation. Independent payphone providers in Florida and across the country still do not receive approximately thirty to forty percent of the compensation due to them.

Congress' goals in Section 276 were to "promote competition among service providers" and "the widespread deployment" of payphone services. However, in large part due to problems with identifying the appropriate long-distance carrier to bill and the associated problems with collecting dial around compensation, many independent payphone providers are under serious economic duress.

The payphone industry is particularly important in Florida. Tourists who visit our state often are dependent on the availability of payphones. Moreover, a disproportionately high percentage of Florida residents do not have a phone in their homes. For these residents, payphones are their lifeline.

Congress of the United States

Washington, DC 20515

June 29, 2000

William Kennard
Chairman
Federal Communications Commission
445 12th Street, S.W.
Suite 8-B291
Washington, D.C. 20544

Re: *In the Matter of Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996*

Dear William:

We are writing to respectfully request that the Federal Communications Commission consider initiation of a rule to clarify carrier responsible for payment of dial around compensation when more than one such carrier is involved in handling a call. We understand that a request that the Commission initiate such a proceeding was originally filed by RBOC/GTE/SNET Payphone Coalition in 1998, and that request is supported by independent payphone service providers in Florida and nationwide.

Section 276(b) (1) of the Telecommunications Act, as amended, provides that "payphone service providers [be] fairly compensated for each and every...call..." Despite this provision, payphone providers have experienced extreme difficulty and long delays trying to collect this compensation. It is our understanding that independent payphone providers in Florida and across the country still do not receive approximately thirty to forty percent of the compensation due to them.

Section 276 expresses the need to "promote competition among service providers" and "the widespread deployment" of payphone services. However, in large part due to problems with identifying the appropriate long-distance carrier to bill and the associated problems with collecting dial around compensation, many independent payphone providers are under serious economic duress. In 1999, approximately 200 independent payphone providers were forced out of business and 7,000 payphones were pulled from the market.

We would appreciate your review on this matter and respectfully request that you provide us with an update on the Commission's plans for adopting a rule to deal with this matter. Thank you for your consideration. With my regards and best wishes, I remain

Sincerely,



John L. Mica
Member of Congress

PRINTED ON RECYCLED PAPER

JLM:jjg

Congress of the United States
Washington, DC 20515

July 6, 2000

The Honorable William Kennard
Chairman
Federal Communications Commission
1919 M St NW
Washington, D.C. 20036-3521

Dear Chairman Kennard:

We are writing again to ask you to take prompt action regarding payphone line pricing in Wisconsin. We appreciate your immediate attention to this matter.

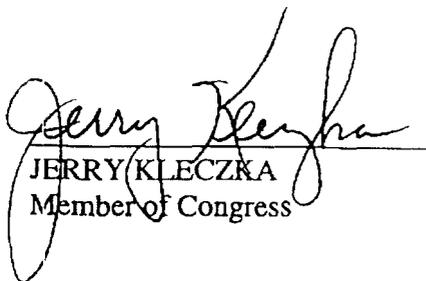
On March 2, the Federal Communications Commission (FCC) issued an order directing the four largest local exchange carriers (LECs) in Wisconsin to file cost-based payphone line rate tariffs with the FCC. As you know, this matter had been pending before the Commission for more than a year and a half before any action was taken.

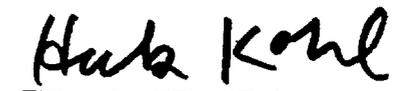
The March 2 order directed the four affected companies to file payphone line tariffs with the FCC by May 12, 2000. However, on April 12, the Common Carrier Bureau without explanation arbitrarily and unilaterally extended that deadline until August 12. We are concerned that this three-month extension, or any further extension the Bureau may order, will only delay further the resolution of this issue.

It is our understanding that the affected companies have formally protested the price guidelines in the March 2 order. We ask that the FCC act quickly to resolve any substantive issues raised by the protest, as well as any additional ones that may be raised by the affected LECs. We also request that you rescind the April 12 extension order since it constitutes a de facto stay of the March 2 order and will negatively impact independent payphone providers in Wisconsin.

Thank you in advance for your prompt attention to this matter.

Sincerely,

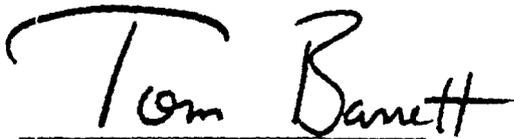

JERRY KLECZKA
Member of Congress

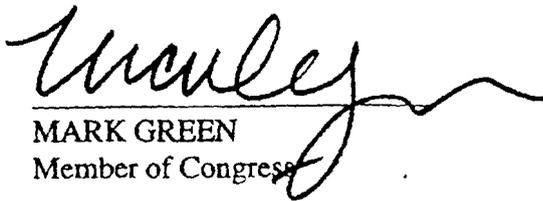

HERB KOHL
U.S. Senator

The Honorable William Kennard
July 6, 2000
Page 2

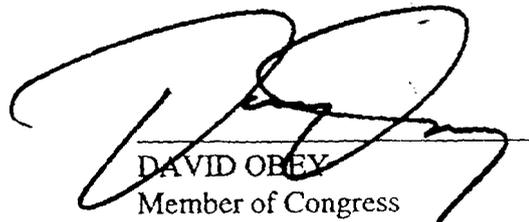

RUSSELL FEINGOLD
U.S. Senator

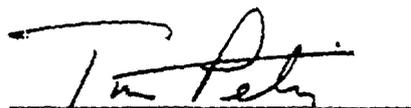

TAMMY BALDWIN
Member of Congress

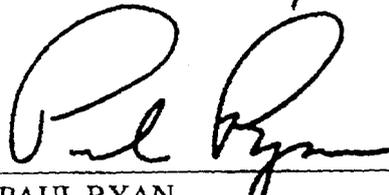

TOM BARRETT
Member of Congress


MARK GREEN
Member of Congress


RON KIND
Member of Congress


DAVID OBEY
Member of Congress


THOMAS PETRI
Member of Congress


PAUL RYAN
Member of Congress

Congress of the United States
House of Representatives
Washington, DC 20515

July 24, 2000

Mr. William Kennard
Commissioner
Federal Communications Commission
1919 M Street, N.W.
Washington, DC 20554

Dear Commissioner Kennard:

We are writing to urge the Federal Communications Commission (FCC) to take expeditious action on the payphone line rate requirements.

As you know, the widespread deployment of payphones and the promotion of fair competition in the payphone industry were important concerns of Congress in enacting Section 276 of the Communications Act as amended by the Telecommunications Act of 1996. In enacting Section 276, Congress recognized that payphones are an essential lifeline service for many low-income people, particularly those who are transient or have been disconnected from the local telephone network. Implementing the payphone line rate requirements as specified in Section 276 is critical to insuring the continued availability of this lifeline service.

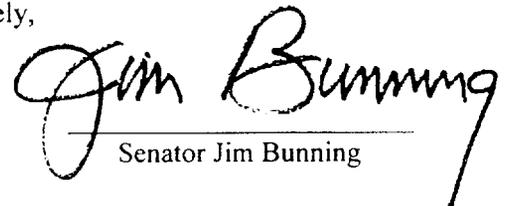
We encourage you to insure that the payphone line rate issue is resolved quickly. In addition, we would appreciate an update on this matter and the time frame in which action can be expected.

Thank you for your consideration of this request.

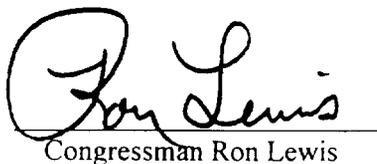
Sincerely,



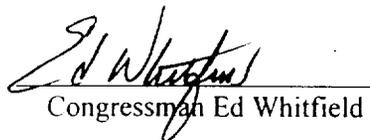
Senator Mitch McConnell



Senator Jim Bunning



Congressman Ron Lewis



Congressman Ed Whitfield



Congressman Ken Lucas

Senator Conrad Burns' Speech

Chairman, Senate Communications Subcommittee, Republican, Montana

FCC REGULATION OF PAY PHONES

Mr. BURNS, Mr. President, in the four years since the passage of the Telecommunications Act of 1996, dramatic changes have occurred in our telecommunications markets. We have seen competitive environments in such areas as wireless communication and long distance service. Advanced telecommunications services have great potential for deployment in the near term, if only the Federal Communications Commission would more aggressively promote them. All of this change is occurring in the context of an explosion of information technologies and the Internet.

Yet the '96 Act dealt with much more than the high tech changes we read so much about these days. The legislation was designed to transform the entire telecommunications industry under the leadership of the FCC, to the benefit of all consumers. And the Act was designed to ensure that all Americans could have access to the vast array of services the Act will stimulate.

Today I would like to briefly address one aspect of the '96 Act that is often overlooked in the glamour of "high-tech." Public payphones are a critical piece of this access. For millions of Americans, public payphones are the only access to the telecom network. And when the batteries or the signal for the wireless device fail, public payphones are a reliable source of inexpensive access, in an emergency or otherwise. Public payphones are emerging as public information portals, true on-ramps to the information highway, available to anyone at anytime.

In order to ensure that these instruments of public access would continue serving as gateways of last resort and continue evolving using new technologies, the issue of adequate compensation for payphone operators was addressed by the '96 Act. This requirement of the '96 Act was designed to promote fair competition and benefit consumers by eliminating distorting subsidies and artificial barriers. However, the law has not been successfully implemented, and I am calling on the FCC to act expeditiously to address this regulatory oversight. Payphones are an important segment of the telecommunications industry, especially in low income neighborhoods and in rural areas like those in my home state of Montana.

Local telephone companies operated payphones as a legal monopoly until 1984, when an FCC ruling mandated that competitors' payphones be inter-connected to local networks. Still, local telephone companies were able to subsidize their payphone service in competition with independent payphones. The '96 Act was designed to change all of this. It was designed to create a level playing field between all competitors and to encourage the wide-spread deployment of payphones. It did this by requiring local telephone companies to phase out subsidies; by mandating competitive safeguards to prevent discrimination by the ILECs and ensure fair treatment of competitors when they connect to local systems; and by assuring fair compensation for every call, including so-called "dial around" calls which bypass the payphones' traditional payment mechanism.

Yet the basic requirements of the '96 Act are not being implemented by the FCC to assure fair competition. Payphone operators are not being compensated for an estimated one-third of all dial-around calls, particularly when more than one carrier is involved on long distance connections. An industry proposal to remedy this situation has been pending at the FCC for more than a year without any action being taken. And the FCC also needs to bring to a hasty resolution the issue of the appropriate line rate structure for payphone providers. Today, there are about 2.3 million payphones nationwide. While all payphones are threatened by the gaps in dial-around payments, 600,000 of them are independently owned and are under particularly intense pressure; many small payphone operators now find themselves being forced to pull payphones or go out of business altogether. They are also in need of certainty regarding the rates they pay the telephone companies. This situation should not exist more than four years after the enactment of the 1996 legislation.

I hope the FCC will act quickly to assure adequate compensation for each call. I hope the FCC will take immediate steps to enforce the requirement for non-discriminatory and fair line rates. I hope the FCC will take those basic steps required by the 1996 law. Fair competition—and the resulting benefits to consumers envisioned by Congress—will not occur until these actions are taken. As Chairman of the Senate Communications Subcommittee, I will be carefully monitoring actions taken by the FCC on these important issues in the weeks and months ahead.

Small inset box containing a portion of the speech text, including the heading 'SENATOR CONRAD BURNS' SPEECH' and the start of the opening paragraph.

ARL LEVIN
MICHIGAN

United States Senate

WASHINGTON, DC 20510

July 31, 2000

The Honorable William E. Kennard
Chairman
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Dear Chairman Kennard:

The independent pay phone industry is seeking clarification on two issues addressed in the 1996 Telecommunications Act: payphone line rate requirements and carrier responsibility for payment of dial-around compensation where a resale carrier as well as an underlying carrier is involved in handling a dial-around call made from a payphone. I urge the Federal Communication Commission (FCC) to provide guidance on these two matters.

It clearly is in the public interest to retain adequate availability and access to pay phones both for safety and socioeconomic fairness reasons. Unfortunately, it has been brought to my attention that the number of pay phones across the country is being drastically reduced. Because of the lack of clarification regarding how to determine cost-based rates and the carrier responsible for payment of dial around compensation when more than one carrier is involved in handling a call, some pay phone companies are going out of business and removing pay phones from public spaces. In addition, because of the lack of adequate FCC guidance on hook up charges, there is a great disparity in those charges.

To help resolve these concerns, I hope the FCC will take prompt action on these two long-pending pay telephone matters. Clarification by your agency is urgently needed to introduce fairness and uniformity into the system.

Thank you for your prompt consideration of this request.

Sincerely,



Carl Levin

CL/amp

DIANNE FEINSTEIN
CALIFORNIA



COMMITTEE ON APPROPRIATIONS
COMMITTEE ON THE JUDICIARY
COMMITTEE ON RULES AND ADMINISTRATION

United States Senate
WASHINGTON, DC 20510-0504

August 9, 2000

William E. Kennard
Chairman
Federal Communications Commission
The Portals – 445 12th Street, S.W.
Suite 8-B201
Washington, DC 20544

RE: *In the Matter of Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996*

Dear Mr. Kennard:

I am writing to urge the Federal Communications Commission to take action quickly on two long-pending pay telephone matters: (1) carrier responsibility for payment of dial-around compensation where a resale carrier as well as an underlying carrier is involved in handling a dial-around call made from a payphone and (2) payphone line rate requirements.

As you know, the promotion of fair competition in the payphone industry and the widespread deployment of payphones were of paramount interest to Congress in enacting Section 276 of the Communications Act as amended by the Telecommunications Act of 1996. In enacting Section 276, Congress recognized the reality that payphones are an essential lifeline service for many low-income people, particularly those who are transient or have been disconnected from the local telephone network. Assuring the payment of dial around compensation and implementing the payphone line rate requirements as prescribed by Section 276 are critical to ensuring the continued availability of this lifeline service to the residents of California.

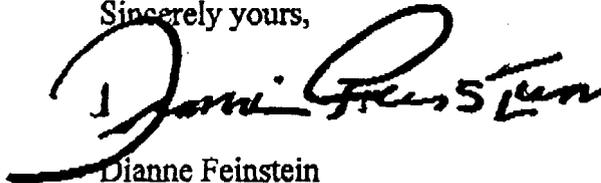
With over 1,200 providers, current rules make it almost impossible for small pay telephone companies to collect that portion of the collect or calling card charges to which they are entitled. In some cases, I am told that in some cases, it costs California pay telephone companies 60% to 70% of the charges incurred at some payphone locations. If this matter cannot be quickly resolved, a great deal of pay telephone service will be lost to the residents of California and every other state.

I strongly encourage you to ensure that the issue of carrier responsibility for dial

around compensation be resolved immediately, and that the payphone line rate issue, which I understand is pending with the Commission, also be resolved expeditiously. I would be most grateful if you would provide an update on these matters, and the time frames in which action can be expected.

Thank you for your attention to these important matters.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Dianne Feinstein". The signature is fluid and cursive, with a large initial "D" and "F".

Dianne Feinstein
United States Senator

cc: Larry Strickland
Common Carrier Bureau
Federal Communications Commission
The Portals - 445 12th Street, S.W.
Suite 5-C345
Washington, DC 20544

STEPHEN HORN
38TH DISTRICT, CALIFORNIA

WASHINGTON OFFICE:
2331 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-6676

DISTRICT OFFICE:
4010 WATSON PLAZA DRIVE
SUITE 160
LAKEWOOD, CA 90712
(562) 425-1336

Congress of the United States

House of Representatives

Washington, DC 20515-0538

September 8, 2000

COMMITTEE:
TRANSPORTATION AND
INFRASTRUCTURE
SUBCOMMITTEES:
GROUND TRANSPORTATION
WATER RESOURCES
AND ENVIRONMENT

COMMITTEE:
GOVERNMENT REFORM

SUBCOMMITTEES:
CHAIRMAN:
GOVERNMENT MANAGEMENT, INFORMATION,
AND TECHNOLOGY
DISTRICT OF COLUMBIA

The Honorable William E. Kennard
Chairman
Federal Communications Commission
445 12th Street Southwest, Ste 8-B201
Washington, D.C. 20024-2101

Dear Mr. Chairman:

It has recently come to my attention that despite widespread telecommunications reforms designed to ensure fair compensation, promote competition among payphone operators, and provide reasonable costs and widespread access to consumers, the payphone industry still faces several barriers that need to be resolved promptly by the FCC. I respectfully urge the Federal Communications Commission to take action on two important matters: (1) carrier responsibility for payment of "dial-around" compensation where a resale carrier as well as an underlying carrier is involved in handling a dial-around call made from a payphone and (2) payphone line rate requirements.

Today, a growing number of people are using new technologies to communicate with one another, and many believe that payphones are in the process of becoming obsolete. However, I strongly believe that payphones are invaluable in emergency situations, and in low-income and rural areas where wireless services are limited and costly. As you know, the Telecommunications Act of 1996 recognized the continued importance of encouraging widespread deployment of payphones. The Act required the FCC to promote the phasing out of subsidies, the fair treatment of competitors when they connect to local systems, and fair compensation for dial-around calls which bypass the payphones' traditional payment mechanism (i.e. calls placed at payphones using 800 numbers, calling cards or access codes). Unfortunately, some of these issues still remain unresolved and threaten the availability of this lifeline service.

With over 1,200 providers, current rules make it difficult for small pay telephone companies to collect the dial-around compensation that is owed to them. Payphone operators are not being compensated for an estimated one-third of all dial-around calls, particularly when more than one carrier is involved on long distance connections. As I understand it, an industry proposal to remedy the situation has been pending at the FCC for more than a year now. If this matter cannot be quickly resolved, a great deal of pay telephone services will be lost across our nation.

Page 2
September 8, 2000

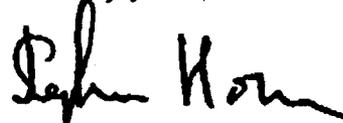
Furthermore, the FCC should act to ensure that state public utility commissions set cost-based payphone line rate requirements which accurately reflect the cost incurred by an incumbent local phone company for payphone line service. Presently, independent payphone providers in many states, such as California, must obtain these services at excessive rates from incumbent local phone companies while competing with the incumbents' own payphone operations.

I strongly encourage you and your colleagues to ensure that the issue of carrier responsibility for dial around compensation be resolved expeditiously, and that the payphone line rate issue, which I understand is ripe for FCC action, also be resolved immediately. I would be most grateful if you would provide an update on these matters, and the time frames in which action can be expected.

Thank you for your attention to these important matters.

With kindest regards,

Sincerely yours,

A handwritten signature in black ink, appearing to read "Stephen Horn". The signature is fluid and cursive, with the first name "Stephen" and the last name "Horn" clearly distinguishable.

STEPHEN HORN
U.S. Representative

SH:sv