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FEDERAL COMMUNICATIONS COMMISSION

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**Ex Parte Filing**

November 15, 2001

**VIA OVERNIGHT MAIL AND ELECTRONIC FILING**

Magalie Roman Salas, Secretary  
Federal Communications Commission  
Portals II  
Room TW-A-325  
445 12<sup>th</sup> St., S.W.  
Washington, D.C. 20554

**Re: Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996  
CC Docket No. 96-128, File No. NSD-L-99-34**

Dear Secretary Salas:

On November 14, 2001, Carl Wolf Billek and Michael Glassner of IDT Corporation met with Commission Staff listed below to discuss the status of the above-mentioned proceeding.

At the meetings, we discussed IDT's interest in the Commission clarifying its *Second Order on Reconsideration* ("Second Order") to state that switch-based reseller providers of coinless calling services ("resellers") have the right to "come forward," in a manner that provides sufficient notice to payphone service providers ("PSPs") and sufficient indemnification to facilities-based toll origination service providers, to remit per-call compensation directly to payphone service providers.

IDT also discussed comments filed in this proceeding by American Public Communications Council and the RBOC Payphone Coalition which detail the past failures of facilities-based toll origination service providers to meet their obligations to PSPs to report reseller customers and contact information and to pass through reseller compensation paid directly to the providers.

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Finally, IDT argued that the toll origination service providers' past failures, combined with their present inability to meet the Commission's tracking rules and their grossly inaccurate interpretation of the *Second Order*, compel the Commission to seek reasonable and fair alternatives to the per-call compensation scheme contemplated in the *Second Order*.

One such alternative is as follows. Resellers and/or toll origination service providers could make available, in a forum and format accessible and acceptable to PSPs, the reseller's contact information, as well as a list of all its ANIs used for coinless calls. The most logical forum is one or more of the third party clearinghouses presently used by the industry to remit per-call compensation. Accompanying this list would be a sworn statement by an Officer of the reseller affirmatively accepting the obligation to remit per-call compensation for all completed calls originating from a payphone using any ANI listed and indemnifying the reseller's toll origination service provider of liability in the event the reseller customer underpays or fails to pay per-call compensation for the listed ANIs. At the end of each quarter, resellers would list, in the same forum, their completed, compensable calls, by payphone ANI. Similarly, toll origination service providers would list, per reseller customer, all calls sent to the reseller customer's switch. An independent third party clearinghouse could match the completed reseller calls to the individual owners of the payphone ANI and transfer the compensation remitted by the reseller. Where a PSP doubts the accuracy of a reseller's compensation, it can compare the reseller's completed calls to the total number of calls sent to its switch. If this comparison fails to assuage the PSPs concerns, it will have sufficient contact information to contact the reseller and resolve any disputes in an appropriate manner.

Such an alternative is consistent with the *Second Order* and the Commission's payphone compensation rules in general. Moreover, it should be acceptable to all interested parties. It should be acceptable to toll origination service providers since it places negligible administrative burden or cost upon them and relieves them of any concerns of liability for their reseller customers. It should also be acceptable to PSPs, as it strengthens and clarifies their relationship with resellers, eliminating any possible discrepancy as to the responsible party. Additionally, such an alternative should be acceptable to resellers, as it permits them to avoid the unreasonable terms they have been subjected to by their toll origination service providers in the wake of the *Second Order*. Finally, this alternative should be acceptable to the FCC because it permits the Commission to deny the radical proposals made by AT&T, Worldcom and Global Crossing, and realize the goals of the *Second Order*, namely, to verify and secure accurate per-call compensation for PSPs.

IDT is available to discuss these matters further upon the Commission's request.

Sincerely,

A handwritten signature in cursive script that reads "Carl Wolf Billek".

Carl Wolf Billek  
IDT Corporation  
(973) 438-4854

c: Jeffrey Carlisle, Senior Deputy Bureau Chief, Common Carrier Bureau  
Diane Griffin Harmon, Assistant Bureau Chief, Common Carrier Bureau  
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