Before the
Federal Communications Commission
Washington, D.C.

In the matter of	)	
	)	
Request to Update Default Compensation Rate	)	WC Docket No. 03-225
for Dial-Around Calls from Payphones	)	RM No. 10568

COMMENTS OF SAN DIEGO PAYPHONE OWNERS ASSOCIATION

The San Diego Payphone Owners Association ("SDPOA") hereby submits its comments in response to the Federal Communications Commission ("FCC" or "Commission") Order and Notice of Proposed Rulemaking ("Notice") released in this proceeding on October 31, 2003.[1]

SDPOA is a California non-profit mutual benefit corporation and represents the interests of its member payphone service providers ("PSPs"). SDPOA's members generally are engaged in providing public pay telephones and related services in and around metropolitan San Diego, California. SDPOA's members are thus eligible for per-call compensation for dial-around calls made from their payphones pursuant to Section 276 of the Telecommunications Act of 1996[2] and the Commission's regulations implementing that provision.[3]

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1 The Notice was published in the Federal Register on December 8, 2003. See 68 Fed. Reg. 68312 (2003). Accordingly, these comments are timely submitted within 30 days after such publication, as provided in the Notice and the Commission's Rules of Practice and Procedure.

2 47 U.S.C. § 276.

3 See 47 C.F.R. §64.1300.

SDPOA supports the proposals of the American Public Communications Council ("APCC") and the RBOC Payphone Coalition to increase the default compensation rate for dial-around calls from the current $.24 per call to between $.47 and $.53 per call. The current dial-around rate was established more than four years ago and was intended to apply for only three years. Accordingly, it is not only appropriate, but necessary, for the Commission to review the dial-around rate as soon as practical. This review should include both the cost basis for the default per-call compensation rate and the appropriate monthly call volume to use in determining the rate. The cost studies and the proposed monthly call volumes for marginal payphones presented by APCC and the RBOC Coalition are consistent with the recent experience of SDPOA's members.

SDPOA here offers comments on two particular portions of the Notice. First, Paragraph 33 of Notice solicits information about typical charges to consumers for dial-around calls and other coinless calls from payphones. To assess how much carriers are charging their customers for such calls, a PSP member of SDPOA at various times during 2001 and 2002 placed interstate and intrastate calls from his own payphones using credit cards. Attached to these comments are pages of the relevant telephone bills identifying the calls made and the charges incurred for them.[4] The following table summarizes those calls and charges:

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[4] SDPOA has redacted from the attached copies portions of the PSP's account number, the phone card number and the telephone number to which the calls were placed, in order to protect the privacy of the calling member and the recipients of the calls.

Carrier	Date	Call from	Call to	Rate	Duration (Minutes)	Charge
AT&T	2/11/2001	San Diego	Wetmore, TX	Day	3	$7.96
AT&T	2/11/2001	San Diego	Wetmore, TX	Day	2	$7.58
AT&T	2/11/2001	San Diego	Wetmore, TX	Day	1	$6.18
AT&T	3/7/2001	San Diego	214 Dir. Assistance	Day	1	$7.79
IOS	5/3/2002	La Jolla, CA	Cypress, CA	Day	3	$7.97
IOS	5/3/2002	La Jolla, CA	Cypress, CA	Day	1	$2.20
Legacy LD	5/8/2002	La Jolla, CA	La Jolla, CA	Day	7	$11.52
Legacy LD	5/14/2002	San Diego	Linda Vista, CA	Night	3	$7.96
AT&T	9/30/2002	San Diego	Wetmore, TX	Day	1	$6.18
AT&T	9/30/2002	San Diego	Wetmore, TX	Day	1	$6.69

SDPOA believes that these charges are reasonably representative of all interexchange carriers' charges for similar calls and that such charges today are at least equal to, and very likely greater than, those listed here.

The second focus of SDPOA's comments is Paragraph 28 of the Notice, which seeks comments regarding demand elasticity for dial-around calls. The Commission particularly inquires whether an increase in the default dial-around compensation rate would suppress demand for such calls.

SDPOA submits that demand elasticity for dial-around calls should not be a concern for the Commission in this proceeding. It is highly unlikely that the dial-around compensation ever enters into a consumer's decision of whether to place a dial-around call from a payphone. More importantly, for the IXCs to suggest that raising the dial-around compensation rate may depress demand presumes that they will pass through to consumers the entire increase in the dial-around rate. Nothing in the Telecommunications Act or the Commission's regulations requires that. In any event, if such a price increase would indeed depress demand, unless the carriers are suggesting that their current charges are only just sufficient to cover their fixed costs of completing such calls (which seems incredible on its face), it would be irrational for them to attempt to raise their

charges to end users. They instead should attempt to pass on only so much of the increased compensation to payphone owners as the market will bear. The charges for credit card calls shown in the table above illustrate pretty clearly that IXCs' margin on dial-around calls is probably very high. Therefore, even if they had to absorb all of a $.23 per call or more increase in the dial-around compensation rate, such calls almost certainly would remain profitable.

SDPOA therefore urges the Commission to complete its deliberations in this proceeding with reasonable dispatch and to increase the dial-around compensation rate consistent to an amount in the range proposed by APCC and the RBOC Coalition.

Respectfully submitted,

WRIGHT & TALISMAN, P.C.

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ATTACHMENT TO
COMMENTS OF
SAN DIEGO PAYPHONE OWNERS ASSOCIATION

WC DOCKET NO. 03-225

JANUARY 7, 2004

AT&T billing questions on this page: 1-800-222-0300

AT&T

AT&T Account Summary

Description	Page	Amount
Other AT&T Charges	11	22.37
Total Summary of AT&T Charges		**$22.37**

AT&T Monthly Charges

• Taxes and Surcharges

	Description	Amount
1.	Tax: Fed	.65
	Total AT&T Monthly Charges	$.65

AT&T Calls Charged to a Pacific Bell Calling Card

• Calling Card 858 792-

	Date	Time	Place and Number Called			Type	Rate	Minutes	Amount
2.	Feb 7	10:41am	WETMORE	TX	210 404-	Card	Day	3	7.96
	Called from		PAYPHONE	CA	619 237-9283				
3.	Feb 7	10:46am	WETMORE	TX	210 404-	Card	Day	1	6.18
	Called from		PAYPHONE	CA	619 237-9283				
4.	Feb 7	10:50am	WETMORE	TX	210 404-	Card	Day	2	7.58
	Called from		PAYPHONE	CA	619 237-9283				
	Total AT&T Calls Charged to a Pacific Bell Calling Card								$21.72

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AT&T

AT&T Account Summary

Description	Page	Amount
Other AT&T Charges	9	8.02
Total Summary of AT&T Charges		**$8.02**

AT&T Monthly Charges

• Taxes and Surcharges

	Description	Amount
1.	Tax: Fed	.23
	Total AT&T Monthly Charges	**$.23**

AT&T Calls Charged to a Pacific Bell Calling Card

• Calling Card 858 792-

	Date	Time	Place and Number Called		Type	Rate	Minutes	Amount
2.	Mar 7	7:58pm	DIR ASSIST	214 555-1212	Card	Day	1	7.79
	Called from		PAYPHONE CA	858 755-9854				
	Total AT&T Calls Charged to a Pacific Bell Calling Card							**$7.79**

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Account Number
858 792-

Statement Date
Jun 11, 2002

Questions about your bill? 1-888-507-0734

Total Current Charges (See detail below) **$21.04**

Monthly Charges

	Description	Amount
1.	CA High Cost Fund Surcharge - A: .06 B: .29	.35
2.	California Teleconnect Fund Surcharge	.06
3.	Universal Lifeline Telephone Service Surcharge	.28
4.	CA Relay Service and Communications Devices Funds	.09
5.	State Regulatory Fee	.02
6.	Tax: Fed: .61 911: .15 Local:	.76
	Total Monthly Charges	**$1.56**

Calling Card Calls

• Billed on Behalf of LEGACY LD INTL INC

	Date	Time	Place and Number Called	Type	Rate	Minutes	Amount
7.	May 8	8:05am	LA JOLLA CA 858 349-	Card	Day	7.0	11.52
	Called from		LA JOLLA CA 858 488-5167				
8.	May14	7:29am	LINDAVISTACA 858 560-	Card	Night	3.0	7.96
	Called from		SAN DIEGO CA 619 226-9727				
							19.48
	Total Calling Card Calls						**$19.48**

ILD Telecommunications Inc

Total Current Charges (See detail below) $10.99

Monthly Charges

	Description	Amount
1.	CA High Cost Fund Surcharge - A: .03 B: .15	.18
2.	California Teleconnect Fund Surcharge	.03
3.	Universal Lifeline Telephone Service Surcharge	.15
4.	CA Relay Service and Communications Devices Funds	.05
5.	State Regulatory Fee	.01
6.	Tax: Fed: .32 911: .08 Local:	.40
	Total Monthly Charges	**$.82**

Calling Card Calls

• Billed on Behalf of I O S

	Date	Time	Place and Number Called			Type	Rate	Minutes	Amount
7.	May 3	9:56am	CYPRESS	CA	714 715-	Card	Day	3.0	7.97
	Called from		LA JOLLA	CA	858 552-0539				
8.	May 3	10:04am	CYPRESS	CA	714 715-	Card	Day	1.0	2.20
	Called from		LA JOLLA	CA	858 457-9252				
									10.17
	Total Calling Card Calls								**$10.17**

AT&T billing questions on this page: 1-800-222-0300

AT&T

AT&T Account Summary

Description	Page	Amount
Other AT&T Charges	10	13.26
Total Summary of AT&T Charges		**$13.26**

AT&T Monthly Charges

•Taxes and Surcharges

	Description	Amount
1.	Tax: Fed	.39
	Total AT&T Monthly Charges	**$.39**

AT&T Calls Charged to a Pacific Bell Calling Card

•Calling Card 858 792-

	Date	Time	Place and Number Called			Type	Rate	Minutes	Amount
2.	Sep30	12:02pm	WETMORE	TX	210 404-	Card	Day	1	6.18
	Called from		PAYPHONE	CA	858 268-8952				
3.	Sep30	12:05pm	WETMORE	TX	210 404-	Card	Day	1	6.69
	Called from		PAYPHONE	CA	858 268-8952				
	Total AT&T Calls Charged to a Pacific Bell Calling Card								**$12.87**

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