



John E. Benedict
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April 16, 2004

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, SW
Room TWB-204
Washington, DC 20554

Re: **Notice of Ex Parte Communication**

Implementation of the Pay Telephone Reclassification and Compensation
Provisions of the Telecommunications Act of 1996
CC Docket No. 96-128

Dear Ms. Dortch:

Yesterday, Dick Juhnke and I met on behalf of Sprint Corporation with Bill Dever, Darryl Cooper, and Denise Coca of the Competition Policy Division and Jeff Carlisle of the Wireline Competition Bureau about the above-captioned docket. The subject matter of Sprint's presentation is set out in the attached presentation. In addition, Sprint answered questions from Commission staff about implementation of the new payphone compensation rules.

Pursuant to the requirements of Section 1.1206 of the Commission's rules, we are filing an electronic copy of this notice for addition to the docket.

Sincerely,

A handwritten signature in black ink, appearing to read "John E. Benedict".

John E. Benedict

Attachment

cc: Jeffrey Carlisle
Bill Dever
Darryl Cooper
Denise Coca

Payphone Compensation
Petitions for Reconsideration/Clarification

CC Docket No. 96-128



April 15, 2004

New Rules

- Every SB carrier responsible for its own calls
 - One carrier no longer guarantor of another
 - FS-IXC no longer collection agent for PSPs
- Ensures reliable information for PSPs
 - SB carriers independently audited
 - SB carriers certify data
 - Extensive reporting, identification, and record-keeping requirements
- Effective July 1, 2004

RBOC/APCC Petitions

- Deny RBOC request to re-impose the vacated rules
 - Old rules based on faulty assumptions
 - Old rules unlawful, unfair, worked poorly
- Deny APCC request for indirect return to the vacated rules
 - APCC/RBOC misread new rules to argue FS-IXC remains guarantor
 - §276 doesn't guarantee recovery
 - Reiterate FS-IXC is not guarantor or collection agent

Other APCC Demands

- Non-completed calls
 - Carriers don't track non-billable calls
 - Unreasonable to modify systems to track, record, report
 - Would vastly increase costs for minimal benefit
- Duration
 - Not reliable indicator of call completion
 - Impractical to use; records never match exactly
 - Verification data (incl time/date) already available on request
- Record-keeping
 - Would increase requirement by 50%
 - Storage/retrieval not cost-free
- "Completed call" definition
 - Improper for recon

Other APCC Demands

- Audit, certification, reporting, and record-keeping requirements are more than sufficient
 - New rules requirements already expensive
 - LD revenues are declining
- Additional demands costly, not cost justifiable
 - Coinless payphone calls: $<1/7^{\text{th}}$ of 1% of Sprint ntwk
 - Multiply costs across all IXCs, SBRs, LECs
 - SBR nonpayment exaggerated

AT&T Petition

- Confirm §64.1310(a)(4)(i) requires a carrier to track/report only calls it itself completes
 - Rule is misrepresented as requiring “completing carriers” to report *all* calls dialed, including those completed by *other* carriers.
 - Clearly not intended by the rules:
 - “Completing carrier” by definition completes only its own calls -- §64.1300(a)
 - SBR calls are to be reported separately -- §64.1310(c)

AT&T Petition

- Reconsider or clarify ¶48
 - Allow SBRs to engage FS-IXC without all PSPs' approval, if based on 100% of answer supervision
 - Would give SBR option to overcompensate PSP where audit and direct payment/reporting can't be cost-justified
 - APCC/RBOC like this approach, but pretend FS-IXC remains guarantor anyway
 - If these arrangements are to be promoted, confirm FS-IXC is *conduit*, not guarantor

Sprint Petition

- New rules insist CFO must to certify quarterly data
 - Rules should allow a *corporate officer* to sign
- CFO-only is unreasonable for large carriers
 - Sprint's CFO oversees accounting/reporting for \$26bn revenues
 - CFO has no direct connection to payphone issues
 - No added benefit by requiring CFO only
- All commenters but one approve