

96-128

**RECEIVED**

**From:** David Cotton [dsc@ttmi.net]  
**Sent:** Monday, August 14, 2006 5:02 PM  
**To:** KJMWEB  
**Subject:** Dial Around Compensation

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AUG 29 2006Federal Communications Commission  
Office of the Secretary

Chairman Martin:

Many of the members of the Southern Public Communications Association, [www.southernpublic.org](http://www.southernpublic.org), are expressing the same concerns that are voiced in the letter below. It was sent to you by email because of frustration with his recent Dial Around Compensation payment. I want you to know that I am just as frustrated with a system that is not enforced and designed to fail. Please help us before there are no payphones. This is the only universal service for the poor and homeless! If you recall, payphones are the number one source of communications in the face of disasters such as 911 and hurricanes Katrina and Rita.

My hope is that other payphone providers, who are not happy with the FCC's compensation program, will let you know at: [kjmweb@fcc.gov](mailto:kjmweb@fcc.gov) and forward this to other pay phone providers that they know, as well.

David Cotton

**SPCA**

29292 Highway 191, Ste. B  
 Many, La. 71449  
 Business Line: 318-256-0097  
 Fax Line: 318-256-0905  
 Toll Free: 866-305-0836

August 9, 2006

Honorable Kevin J. Martin

Chairman

Federal Communications Commission  
 445 12th Street, SW  
 Washington, DC 20554

Dear Chairman Martin:

My name is Jack Garrett and I am president of Arizona Coin Telephone, Inc., a small payphone provider in Phoenix Arizona. I started this business with my partner in 1993 with 1 phone and by the late 1990's had built the business to about 150 phones. Sadly, that number has dropped to 84 and is continuing to decline each month as our revenues decrease.

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8/18/2006

The main reason our revenue is declining is because the carriers are not paying dial around compensation for many of the 800 calls originating from our payphones. Our quarterly dial around payment for the 1<sup>st</sup> quarter of 2006 was down almost **50%** from the previous quarter. We asked our local exchange carrier for a complete list of all 800 calls made from our phones for that quarter. Removing almost 7,000 calls under 45 seconds, some of which were probably completed calls, and calls to 800 numbers that are not eligible for dial around compensation, we should have received payment for 22,785 calls. We actually received payment for 16,354 calls; the difference, 6,431 calls at .494 cents per call, is over \$3,176. This amount is significant to us.

Our dial around revenue **per phone** is now lower than it was before the amount per call was doubled in September of 2004. I'm sure you can imagine what your personal situation would be like if your income was reduced by 50% or if the FCC's budget was reduced by this amount. You could not continue to operate and neither can we.

The most serious problem we face in our industry is collecting the dial around compensation for 800 calls mandated by Congress. The method of collection that the FCC has established is just not working. A system forcing small individual payphone companies to chase large well financed carriers, along with hundreds of smaller carriers, to collect the amounts owed to them doesn't make sense and is designed to fail. The payments vary widely from quarter to quarter; we have phones that have been averaging over 1,200 dial around calls per quarter for over a year that are now being compensated at a rate of less than 400 calls.

I don't know of anyone in our industry that doesn't believe that the carriers are under paying payphone providers by substantial amounts. Of all of the carriers we deal with, the ones that show the most variation from quarter to quarter are Qwest and AT&T. We strongly feel that they are seriously underpaying all payphone providers.

The purpose of my letter is to request that you ask two industry representative carriers, Qwest and AT&T, to provide the FCC with the total number of 800 calls that they have billed their customers a pay telephone surcharge on for the past 2 quarters and the number of calls that they have paid compensation to payphone providers during that same period. For Qwest, please request this data for both Qwest the ILEC (U.S. West) and Qwest LD. A substantial difference between these numbers will confirm the problem I am describing.

I know that these carriers will not open their books to our national association, APCC; but, perhaps they will provide it to the FCC if you formally request that they do so. We know that these carriers have this information and can make it available if they choose to do it. After all, they are collecting revenue on every 800 call that goes over their networks and they must account for this revenue.

Thank you for your cooperation and I look forward to your response.

Very truly yours,

Jack Garrett

President

Arizona Coin Telephone, Inc.

8/18/2006

955 Eveningstar

Tempe, Arizona 85283

480-838-0122

jackgarrett@cox.net

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**From:** Thomas Twiss [ttwiss@netwalk.com]  
**Sent:** Thursday, August 10, 2006 7:01 PM  
**To:** Tom Bade; KJMWEB; Richard Griffin  
**Subject:** Dial Around frustration

AUG 29 2006

Federal Communications Commission  
Office of the Secretary

Chairman Martin:

I am a payphone provider and President of the Payphone Association of Ohio and I as well as the other members of our association ditto the message sent by Mr. Garrett. No matter the size of our companies, we should not have to grovel to collect money the FCC has determined we are owed. When I was a kid and I would see the FCC warnings on TV and they meant something to me. The rules weren't to be broken and if they were I knew someone would pay a price for breaking them. Please make an effort to enforce the rules, no matter the side they are on. Thank You

Respectfully

Thomas Twiss  
 President Payphone Association of Ohio  
 P.O. Box 351  
 New Albany, Ohio 43054  
 1-800-511-7790

----- Original Message -----

**From:** Tom Bade  
**To:** kjmweb@fcc.gov ; Richard Griffin  
**Sent:** Thursday, August 10, 2006 6:28 PM  
**Subject:** Re: TPA Membership Update

Chairman Martin:

A friend of mine recently sent the letter below by email to you because of his frustration with his recent Dial Around Compensation payment. I want you to know that I am just as frustrated with a system that is not enforced and designed to fail. Please help us before there are no payphones. This is the only universal service for the poor and homeless!

My hope is that other providers, who are not happy with the FCC's compensation program, they will let you know at: kjmweb@fcc.gov and forward this to other pay phone providers that they know, as well.

Tom Bade

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Office of the Secretary

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Washington, DC 20554

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The main reason our revenue is declining is because the carriers are not paying dial around compensation for many of the 800 calls originating from our payphones. Our quarterly dial around payment for the 1<sup>st</sup> quarter of 2006 was down almost **50%** from the previous quarter. We asked our local exchange carrier for a complete list of all 800 calls made from our phones for that quarter. Removing almost 7,000 calls under 45 seconds, some of which were probably completed calls, and calls to 800 numbers that are not eligible for dial around compensation, we should have received payment for 22,785 calls. We actually received payment for 16,354 calls; the difference, 6,431 calls at .494 cents per call, is over \$3,176. This amount is significant to us.

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The most serious problem we face in our industry is collecting the dial around compensation for 800 calls mandated by Congress. The method of collection that the FCC has established is just not working. A system forcing small individual payphone companies to chase large well financed carriers, along with hundreds of smaller carriers, to collect the amounts owed to them doesn't make sense and is designed to fail. The payments vary widely from quarter to quarter; we have phones that have been averaging over 1,200 dial around calls per quarter for over a year that are now being compensated at a rate of less than 400 calls.

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Thank you for your cooperation and I look forward to your response.

Very truly yours,

Jack Garrett

President

Arizona Coin Telephone, Inc.

955 Eveningstar

Tempe, Arizona 85283

480-838-0122

jackgarrett@cox.net

8/18/2006

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-----Original Message-----

**From:** Chas Sumer [mailto:telnatinc@yahoo.com]

AUG 29 2006

**Sent:** Monday, August 14, 2006 3:20 PM

**To:** KJMWEB

DOCKET FILE COPY ORIGINAL Federal Communications Commission  
Office of the Secretary

**Subject:** Fair compensation

I am the president of the Texas Payphone Association and have been a payphone provider in the State of Texas for fourteen years. I have been through every configuration of the dial-around compensation program and this by far is the worst. Don't get me wrong, the idea is good, but when the payers do everything legal and illegal to not pay what is due, the system fails. Couple that with no policing or punishment and the payers are having a field day at our expense.

When the rate doubled to \$.494 per call, my calls paid were cut in half, almost exactly! When I have CDR that shows 10,000 calls over 90 seconds and are paid on less than 1000 calls, something is wrong. And then the next quarter comes along and it's like those 9000 unpaid calls just disappeared. Maybe over the next few quarters a few of them will be paid but for the most part they are gone, uncompensated and never to be heard from again. And this goes on and on, quarter after quarter.

Payphones are a critical part of the telecommunications infrastructure of this country. Payphone providers are having to pull phones and subsequently going out of business, leaving the people that depend on payphones stranded with no way to communicate, no way to call the doctor or their children's school or even 911!

Something has got to be done, the problem is critical!

All these carriers should have to post a bond and the compensation payments should be made a regulatory fee. Just some thoughts in hopes that something changes before I'm out of business.

Thank you,  
Chas Sumer

"Hang up, Pull over, USE a payphone!"

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866-458-4774 toll free  
Telnatinc@yahoo.com

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