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June 24, 2011

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W., TW-A325
Washington, DC 20554

Re: CC Dkt. No 96-128, WCB Dkt. No. 03-109 and CC Dkt. No 96-45

Dear Ms. Dortch:

On June 22, Mr. James Kelly, President of KELLEE Communications Group and Chairman of the American Public Communications Council ("APCC"), Mr. Randy Nichols, President of the APCC, and I met with Margaret McCarthy of Commissioner Copps' office to discuss pending petitions by payphone services providers ("PSPs) regarding refunds of overcharges imposed on PSPs by the Bell Operating Companies and the status of pending petitions filed by APCC requesting that payphone lines be provided Lifeline support from the Universal Service Fund ("USF"). With respect to the former, we emphasized the need for prompt action, noting that the petitions have been pending for several years. We also inquired as to the status of the petitions.

With regard to the USF petitions, we discussed and affirmed the points made in the petitions: that in light of the financial plight of PSPs, there is a need for prompt Commission action before there is further erosion in the base of installed payphones;[1] that erosion continues as about another 50,000 payphones have been removed in the last two quarters for which data is available; that although PSPs do not object to Lifeline support for mobile services, in many situations payphones can more efficiently and at a lower cost deliver services to a larger number of users than mobile services; that the current policies of providing Lifeline support for mobile services without providing comparable Lifeline support for payphone lines service violate principles of competitive neutrality and have the perverse effect of eroding the payphone base;[2] that "needs based" programs, as opposed to Lifeline support for all payphones, were not sufficient and that the Joint Board had invited a request for Lifeline support for payphones if

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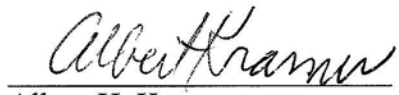
[1] *See Emergency Petition for Interim Relief to Prevent the Disappearance of Payphones,* CC Dkt. No. 96-45, WCB Dkt. No. 03-109, at 2-6, 9 (filed December 6, 2010) ("*Emergency Petition"),* and *Petition for Rulemaking to Provide Lifeline Support to Payphone Line Service,* CC Dkt. No. 96-45, WCB Dkt. No. 03-109, at 2-6, 8-11 (filed December 6, 2010) (*"Lifeline Support Petition").*

[2] *Emergency Petition* at 4-5; *Lifeline Support Petition* at19-23.

needs based programs proved inadequate;[3] that while the Commission has traditionally thought of Lifeline support as providing an individual line to an individual subscriber or household, the Commission should recognize that it will not reach all low income consumers through its current programs and that, particularly in light of the effects of some current programs in eroding payphone deployment, the Commission should also think in terms of providing Lifeline support to payphones as a means of providing at least a form of commonly available access for low income consumers; and that in relative terms as compared to even a new service like the Lifeline support for mobile, Lifeline support for payphones had a very modest cost of about $50,000,000.00.[4] We also estimated that currently the payphone industry is about a $100,000,000.00 a year industry.

Please feel free to contact me with any questions.

Sincerely,



Albert H. Kramer
Attorney for American Public Communications Council

AHK/rw
cc: **(Via E-Mail)**
Ms. Margaret McCarthy

[3] *Lifeline Support Petition* at 17-19, 26-27, 30.

[4] *Emergency Petition* at 5-6; *Lifeline Support Petition* at 28-29.