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June 29, 2012

Via Electronic Submission

Ms. Marlene Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

RE: Payphone Reclassification and Compensation Provisions of the Telecommunications Act of 1996, CC Docket 96-128

Dear Ms. Dortch:

Pursuant to the Commission Report and Order, CC Docket 96-128 released October 3, 2003, AT&T Inc. ("AT&T"), on behalf of its Incumbent Local Exchange Companies, submits the attached 2012 AT&T ILEC Payphone Per Call Compensation Audit Report which was completed by the Engel Consulting Group.

As required by Section 64.1320(e) of the Order, AT&T provides the name, address and phone number of the person responsible for handling the Completing Carrier's payphone compensation and for resolving disputes with payphone service providers over compensation.

Diann Thiem
AT&T Wholesale Compliance
722 N. Broadway
Milwaukee, WI 53202
866-556-5055

If you have any questions, please contact the undersigned at 202-457-3012

Sincerely,

Celia Nogales

Celia Nogales
Assistant Vice President-Federal Regulatory

Attachment

Engel

Independent Accountant's Report

We have examined management's assertions, included in the accompanying "*FCC Audit Assertions 2011 – AT&T Payphone Per Call Compensation (PCC) Operations*," that AT&T, the Incumbent Local Exchange Carrier (ILEC) as represented by AT&T Wholesale Compliance, remains in compliance with the payphone call tracking system audit criteria pursuant to sections 64.1310 (a), 64.1310 (c), 64.1310 (g), and 64.1320 of Appendix C - Final Rules of the FCC's Report and Order of October 3, 2003 (FCC 03-235/CC Docket No. 96-128) in the matter of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996 which provides that each Completing Carrier engages an independent third-party to perform an audit of the AT&T call tracking system that supports the payphone compensation payments. The order requires each Completing Carrier to establish its own call tracking system and to have a third party attest that the system accurately tracks payphone calls to completion.

AT&T Management is responsible for compliance with those requirements. Our responsibility is to express an opinion on management's assertions about AT&T's compliance based on our examination.

Our examination was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about AT&T's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on AT&T's compliance with specified requirements.

In our opinion, management's assertions that AT&T has complied with the aforementioned requirements as of June 29, 2012 are fairly stated in all material respects.

Theodore Frey Sr, CPA

Engel Consulting Group
June 29, 2012

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AT&T ILEC
Payphone Per Call Compensation
2012 FCC Audit Report and Attestation

June 29, 2012

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1.0 Introduction

AT&T engaged the services of the Engel Consulting Group to perform the annual system audit and attestation of the Payphone Per Call Compensation (PCC) processes and procedures to validate that no material changes have occurred since the filing of the June 30, 2011 PCC System Audit Report. The audit includes an attestation of AT&T's continued compliance with the Federal Communications Commission (FCC) criteria to establish a call tracking system to compensate Payphone Service Providers (PSPs) for IntraLATA 8YY calls completed by AT&T.

This examination is in accordance with the provisions set forth in Appendix C – Final Rules of FCC 03-235/CC Docket No. 96-128 dated October 3, 2003, which obligates Completing Carriers to engage an independent third-party auditor to verify on an annual basis that no material changes have occurred concerning the Completing Carrier's compliance with the prior year's System Audit Report and the FCC audit criteria.

2.0 Executive Summary

To fulfill the audit requirements and criteria for a Per Call Compensation system specified in §64.1310 and §64.1320 of FCC 03-235/CC Docket No. 96-128, the Engel Consulting Group was engaged by AT&T to audit the processes and procedures for payment of PCC to PSPs for IntraLATA 8YY calls where AT&T is the Completing Carrier. AT&T Management has asserted that no substantive operational or procedural changes to its PCC practices and procedures have occurred since the June 30, 2011 audit and that the payphone compensation processes remain in compliance with the aforementioned criteria.

The 2012 PCC audit plan mapped a specific validation test with each of the AT&T assertions of compliance with the FCC criteria. The validation consisted of communications with AT&T Management responsible for Payphone Compensation, reviewing process documentation and correspondence, inspecting control reports and files, and examining compensation files and reports. In addition, sample disputes were traced through the dispute tracking and resolution process to validate that the dispute management process continues to meet the requirements outlined by the FCC. The quarterly CFO statements of PCC accuracy were also examined for compliance with the reporting criteria.

To validate that the PCC processes continue to operate properly, the Audit Team conducted an end-to-end test where call detail for a sample of payphone ANIs was independently processed and traced through the systems to PSP payment and quarterly reporting. Since AT&T contracts with the National Payphone Clearinghouse (NPC) for PCC payment and report processing for its Southeast Region, the end-to-end test compared the compensable file created by the audit team with the compensable records sent to the NPC. No deficiencies were noted in both cases.

Based upon the data and procedures examined and tested during the audit process, the audit team concludes that the AT&T Management Assertions of Compliance with the FCC criteria specified in §64.1320 of the Final Rules are fairly stated and the Audit Team attests that the AT&T PCC call tracking system remains in compliance with the stated criteria.

3.0 Background

The FCC in its Order in Docket No. 96-128 dated October 3, 2003, In the Matter of *The Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996,* adopted new rules placing liability for compensating PSPs on the Completing Carriers for calls originating from payphones and completing on their networks. To ensure that the PSPs are fairly compensated, the Order also imposed new audit, certification, and reporting requirements requiring each Completing Carrier to establish its own call tracking system and to engage a third party to attest that the system accurately tracks calls to completion.

AT&T engaged the services of Engel Consulting in 2004 to conduct the initial attestation engagement, and the first System Audit Report on the AT&T PCC tracking system was filed with the FCC on June 30, 2004. In addition, Engel was engaged to conduct the subsequent Audits per Appendix C – Final Rules of the FCC Order, where, on an annual basis, the Completing Carrier is obligated to engage an independent third-party auditor to:

1) *Verify that no material changes have occurred concerning the Completing Carrier's compliance with the criteria of the prior year's System Audit Report; or*
2) *If a material change has occurred concerning the Completing Carrier's compliance with the prior year's System Audit Report, verify that the material changes do not affect compliance with the audit criteria.*

An initial System Audit Report was also filed with the FCC by Independent Auditors engaged by the former BellSouth (AT&T Southeast Region) in 2004 followed by subsequent Audits for 2005 and 2006. The Audits of the AT&T PCC processes and procedures conducted by Engel in 2007 through 2011 included the processes in place within the Southeast Region.

4.0 Audit Approach and Test Plan

The objective of this audit was to validate through testing and other means deemed appropriate that AT&T remains in compliance with the audit requirements and call tracking system criteria specified in §64.1310 and §64.1320 of FCC 03-235/CC Docket No. 96-128 and that any material changes occurring after June 30, 2011 do not affect compliance with the aforementioned criteria. AT&T Management in its *FCC Audit Assertions 2012 AT&T Payphone Per Call Compensation (PCC) Operations* (Appendix A) has stated "no material changes have been made to any documentation, policies, procedures, processes or data formats audited subsequent to the FCC PCC Audits concluded on June 30, 2011."

The test plan for the audit as of June 29, 2012 was designed to validate AT&T's continued compliance with the FCC criteria outlined in the Final Rules of FCC 03-245/CC 96-128 and that the call tracking system continues to meet the requirements in FCC Orders 03-235/CC 96-128, FCC 04-182/WC 03-225, and FCC 04-251/CC 96-128. Following the American Institute of Certified Public Accountants (AICPA) Standards for attestation engagements, Engel utilized an approach which 1) examined process documentation, compensation files, quarterly reports, control reports, and correspondence, 2) inspected CDR details and the application of the compensation business rules, and 3) met with AT&T Management accountable for critical deliverables in the compensation process.

The test to validate that the end-to-end process continues to meet the compliance criteria was conducted by tracing a sample of payphone Call Detail Records (CDRs) through the entire process through to PSP

payment and quarterly reporting (For the Southeast Region, the CDRs were traced to the compensable records sent to the NPC). This was accomplished by independently processing a sample of call detail records extracted from the front-end of the AT&T systems for a sample of unique ANIs, applying the AT&T business rules for compensation, creating a compensable file, and comparing the results with the actual compensation paid and the quarterly reports. In the case of the AT&T Southeast Region, the results were compared with the compensable records sent to the National Payphone Clearinghouse (NPC). Any differences were then investigated and analyzed.

5.0 Validation Tests and Results

5.1 Assertion #1: Payphone Call Tracking

Management Assertion	Validation Test	Test Results
AT&T has procedures in place to accurately track payphone calls to completion	1. Met with AT&T Management to determine if there were any changes to the call tracking procedures 2. Examined process documentation to validate that the procedures for identifying and tracking completed payphone calls are outlined 3. Traced sample of payphone CDRs to observe call completion indicators on the initial record through to appearance on the compensation file or report	No deficiencies or exceptions were noted

AT&T Management confirmed that the procedures for identifying and tracking completed payphone calls has remained the same as the procedures the Audit Team reviewed in the 2011 audit. Examination of the process documentation, *PSP PCC Subscriber Toll Free Processing Rules AT&T 22-State* confirmed that AT&T continues to identify payphone ANIs by the payphone Universal Class of Service Codes (USOCs) and that payphone calls are considered completed if the Attempt (not "off-hook") Indicator is '0' on the Call Detail Records (CDRs). The process documentation is under version control and was updated on 6/1/2012 to reflect the 4Q2011 Exclusion List in Appendix M.

A sample of CDRs from payphone ANIs was traced through the process from call origination to appearance on the compensation files and quarterly reports or, in the case of the Southeast Region, on the records sent to the NPC. Only IntraLATA 8YY CDRs with Attempt Indicator = 0 appeared on the compensation files, quarterly reports, and NPC records.

5.2 Assertion #2: Dispute Resolution Contact

Management Assertion	Validation Test	Test Results
AT&T has assigned a specific person or persons responsibility for tracking, compensating, and resolving disputes concerning payphone completed calls	1. Met with AT&T Management to determine if there were any changes to the dispute resolution contact information 2. Examined dispute process documentation to validate the existence of the contact information	No deficiencies or exceptions were noted

AT&T Management asserted that there have been no changes to the contact information for PCC Dispute Resolution. Examining the process documentation, *FCC Per Call Compensation (PCC) Dispute Resolution Process,* confirmed that PCC disputes for all Regions continue to be sent via email to PCCDISPUTE@att.com or via the Hotline (866) 556-5055. The contact information is also posted on the AT&T website, https://primeaccess.att.com. Since AT&T contracts with the NPC for both the PSP payment and quarterly reporting for the Southeast Region, those disputes go to the NPC for resolution and that process is described on the NPC website, https://www.npc.cc/.

5.3 Assertion #3: Data Monitoring Procedures

Management Assertion	Validation Test	Test Results
AT&T has effective data monitoring procedures in place	1. Met with AT&T Management to determine if there were any changes to the procedures 2. Examined process documentation to validate the procedures are outlined 3. Inspected control reports to verify the results of the data monitoring	No deficiencies or exceptions were noted

Extensive controls have been established at multiple levels and in all phases of the PCC processes. The controls range from the system controls that monitor the accuracy of the transactions flowing through the AT&T operational systems to the specialized PCC controls which monitor the data hand-offs at critical points in the PCC processes. These controls, which are described and explained in the *PSP PCC Subscriber Toll Free Processing Rules AT&T 22-State* documentation, include: volume tracking, deviation and variance reports, duplicate / missing file identification, data validation edits, process logs, and fraud detection. Data alerts continue to be used to identify and resolve service order, compensation processing, and quarterly reporting issues. Service Order Analysis Reports that track the status of pending and completed service orders continue to be used to ensure the integrity of the call tracking system.

The Audit Team examined several examples of the control reports which are used to monitor and track trends in the PCC processes as well as to identify issues requiring further investigation and analysis. Samples of the Summary Reports for the Daily Alerts generated by the Production Team which provide information for the past 90 days on the volume, impact, and variance of the specific alerts were inspected along with reports notifying AT&T Management of new payphone service providers. The Audit Team also examined the Service Order Analysis Reports for the December 2011 reporting period which provide for each Region the Service Order Number, Telephone Number, state, and Class of Service for all Service Orders. Reports of new payphone ANIs added through the service order process were reviewed along with ANI Connect and Disconnect statistics reported by state. Quarterly reports from IT confirming which reports were sent to which provider and in which format were examined along with examples of the control process for payments including reminder emails that a bill or check feed was awaiting approval and an approval authorization to IT for bill or check feed processing.

5.4 Assertion #4: Protocols for Change Control

Management Assertion	Validation Test	Test Results
AT&T adheres to established protocols to ensure that any software, personnel, or network changes do not adversely affect its payphone	1. Met with AT&T Management to determine if there were any changes to the process for managing changes 2. Examined documentation to determine how changes are handled	No deficiencies or exceptions were noted

call tracking ability	3. Reviewed examples of reports, status updates, and notification information	

System Change Requests are tracked and monitored via the Interconnection Compliance Support Project Management Tracking Database tool (ICS PMTD) which is used to keep all parties aware and up-to-date on all active projects and IT work initiatives. IT also provides regular status reports on specific projects including milestone status and completion tracking. Samples of the monthly summary and detail reports on the status of the active projects from the PMTD assigned to the Wholesale Compliance Team were examined along with examples of the notification received when the status of a work item changes. The summary report provides the PMTD #, title of the initiative, status detail including the latest updates, and scope of the initiative. The Audit Team was able to trace the status of a work request submitted by the Wholesale Compliance Team from initiation through the various stages of testing to completion.

The Wholesale Compliance Team holds weekly meetings with the IT Support Staff during the quarterly PCC payment and reports process using the FCC Reports Timeline which provides a detailed list of the IT tasks necessary to complete all of the PCC work items and deliverables for any given quarter. The Audit Team was provided the FCC Reports Timeline for the 4Q2011 (dated 4Q2011-022212) reporting period and was able to examine the scheduled tasks, due dates, completion dates, point person along with a comments section for each of the work items.

5.5 Assertion #5: Compensable File Creation

Management Assertion	Validation Test	Test Results
AT&T has created compensable payphone call files by matching call detail records against payphone identifiers	1. Met with AT&T Management to determine if there were any changes to the creating the compensable files used to pay compensation or to send to the NPC 2. Examined process documentation to verify the procedures for matching call detail with the payphone identifiers are outlined 3. Traced a sample of call detail records through the process to observe consistency with the payphone identifiers and call completion indicators 4. Examined the NPC SuperFile submission file analysis reports to determine any deficiencies in the compensable files sent by the Southeast Region 5. Examined control reports to determine the procedures to ensure the accurate creation of the compensable file	No deficiencies or exceptions were noted

The process for creating compensable payphone call files remains the same as the process audited in 2011. As stated in the *PCC Subscriber Toll Free Processing Rules AT&T 22-State* documentation, the Payphone ANIs are first identified by the Class of Service USOCs specifically reserved for payphones. The second step of the process is to capture all of the call detail for the Payphone ANIs which is done on a daily basis. The last step is to run the compensation edits and rules against the call detail which is done monthly.

To trace the call detail records through the process to determine consistency with the payphone identifiers and call completion indicators, the Audit Team was provided a sample of payphone call detail records from

the start of the process. Using the AT&T business rules for compensation, a compensable file was created which was then compared with the records on the compensation files and quarterly reports from the end of the process and, in the case of the Southeast Region, with the compensable records sent to the NPC. The CDRs on the compensable file created by the Audit Team included completed IntraLATA 8YY calls where AT&T was the Completing Carrier and these matched the CDRs of the compensable records determined by AT&T.

For the Southeast Region, as outlined in the PCC processing documentation, AT&T gathers call detail on a monthly basis for 8YY calls originating from payphones. The compensable calls are then compiled into a file sent to the NPC on a quarterly basis. The NPC has prescribed the format of the compensable file and sends a control report to AT&T each quarter specifying receipt of the file and acceptance of the counts of the ANIS, records, and messages by compensation type. AT&T sends back confirmation that the record counts match. The NPC SuperFile submission file analysis reports and AT&T's confirmation of the analysis for 4Q2011 were inspected by the Audit Team as part of this examination. In addition, the Audit Team examined the NPC Superfile Flow created by AT&T which outlines the details on creating the Superfile along with the NPC's compensable file specifications and record layout. All documentation was in order and there were no discrepancies or exceptions observed.

5.6 Assertion #6: FCC Reports

Management Assertion	Validation Test	Test Results
AT&T has procedures in place that incorporate payphone call data into required FCC reports	1. Met with AT&T Management to determine if there were any changes to the process for creating reports 2. Examined documentation for the reports process to verify the controls that ensure the call data is accurately reflected in the reports 3. Examined samples of control reports for the Quarterly Reports process 4. Traced a sample of compensable calls from the call detail at the front-end of the process to their appearance on the quarterly reports 5. Examined the NPC SOC 1 Type II report to verify that no exceptions were noted in their controls for providing the quarterly reports on behalf of AT&T	No deficiencies or exceptions were noted

Examination of the *FCC Per Call Compensation (PCC) Quarterly Report Processing Rules AT&T 22-State* confirmed that the process for incorporating the payphone call data into the quarterly reports remains the same as what was audited in 2011. Controls continue to exist to reconcile the data from the payment files with the reports to ensure the accuracy and completeness of the data. Samples of the quarterly reports along with the readme files were examined by the Audit Team and were found to be in compliance with the report requirements specified by the FCC. In addition to providing information on the paid calls, AT&T also provides as an extra service to PSPs a count of the number of calls not paid for each ANI with a status code of "F" for calls completed by Facilities-Based CLECs and "E" for calls to an Exception Number such as for Teletypewriter (TTY) services. A special report detailing potentially compensable calls originated in AT&T territory, but passed to a CLEC for termination is provided on a quarterly basis as a courtesy to Facilities-Based CLECs.

Production Control reports are provided each quarter to the AT&T Management Team to track the status of the quarterly reports from the time the reports are sent from the mainframe to the PSPs. Exception reports are provided which list those conditions where there is no established account, where there is no report and no email, where there is a report but no email, and where a PSP has requested a report but there is no report to send. These reports are reviewed by the AT&T Management Team for any anomalies or defects. The control and exception reports for 4Q2011 was examined by the Audit Team and found to be in order.

As part of the end-to-end test, the calls which were determined to be compensable by the Audit Team were compared with the calls appearing not only on the payment files but also on the quarterly reports. The counts on the compensable file created by the Audit Team matched the counts of compensable calls on the quarterly reports with no discrepancies.

Since the Southeast Region contracts with the NPC for both processing PCC payments and providing the quarterly reports, the end-to-end test compared the calls determined to be compensable by the Audit Team with the compensable calls sent to the NPC. No discrepancies were found.

The Audit Team also examined the NPC SOC Type II report for the period 4/1/11 – 3/31/12 to ensure that adequate controls are in place for the NPC to meet the compensation and quarterly reporting commitments on behalf of the Southeast Region of AT&T. No deficiencies were noted in the opinion rendered by the independent auditor.

5.7 Assertion #7: Dispute Resolution Procedures and Controls

Management Assertion	Validation Test	Test Results
AT&T has implemented procedures and controls needed to resolve disputes	1. Met with AT&T Management to determine if there were any changes to the process for managing and resolving disputes 2. Examined dispute process documentation to verify the procedures and controls are outlined 3. Traced sample disputes through the process from PSP initiation through resolution	No deficiencies or exceptions were noted

The guidelines and procedures for dispute initiation and resolution continue to be maintained in the *FCC Per Call Compensation (PCC) Dispute Resolution Process* documentation. All disputes continue to be logged and tracked electronically and documentation is readily available to the Wholesale Compliance Compensation team. In addition to containing information about the dispute process and how a PSP should initiate a dispute, the AT&T documentation also provides examples of the types of disputes that might arise and the process for resolution.

To assist in resolving disputes, payphone data including call detail records continues to be retained for a minimum of 27 months per the data retention policy stated in the *PSP Per Call Compensation Subscriber Toll-Free Processing Rules AT&T 22-State* documentation. This policy complies with the FCC data retention requirements.

AT&T continues to maintain a tracking log for disputes that come in through the Hotline and those that come in via email at PCCDISPUTE@att.com. Each log entry contains the date of the dispute, the account name, the dispute type, a description of the dispute, who was assigned to resolve, and the date of resolution.

The Audit Team was able to trace a sample of disputes through the process from initiation by the PSPs through to resolution. All disputes were responded to in a timely manner and logged and tracked appropriately per the documentation.

5.8 Assertion #8: Compensation Critical Controls and Procedures

Management Assertion	Validation Test	Test Results
AT&T has implemented critical controls and procedures to verify payphone compensation errors are insubstantial	1. Met with AT&T Management to determine if there were changes to the controls around the compensation process 2. Examined the documentation to validate the processes for error management and control 3. Reviewed samples of errors and traced through to resolution	No deficiencies or exceptions were noted

AT&T has established extensive controls of the PCC process to provide reasonable assurance that the payphone call tracking system is compensating PSPs accurately and completely. Daily controls are in place to track call volumes and provide deviation and variance reports which are then investigated to determine the cause of the volume fluctuations and resolve any issues. Controls to identify and resolve data anomalies and errors at different points in the process are well documented.

The Audit Team noted that there were no changes to the document entitled, *PSP Per Call Compensation Error Correction AT&T 22-State*, which describes the key controls and error reports and outlines the investigation and resolution process for each. Controls for identifying and resolving discrepancies within the service order process resulting in late posting or other anomalies which might impact compensation processing remain well documented. Accounting controls remain in place for PCC payment processing which specify authorization and approval levels as well as procedures for identifying checks which have been rejected by the system, have not been cashed or have been returned. The Audit Team was able to trace the payment processing controls through the process, examining first the notification of the check approval request at both authorization levels; a reminder notification that a payment was pending approval; the check approval itself with approver, approval type, and date/time stamp; the notification that the check had been sent to billing.

5.9 Assertion #9: Compensable Call Business Rules

Management Assertion	Validation Test	Test Results
AT&T has implemented adequate and effective business rules to identify and pay correctly on compensable payphone calls	1. Met with AT&T Management to determine if there were any changes to the business rules for identifying and paying on compensable calls 2. Examined process documentation to verify the existence of the business rules 3. Traced a sample of CDRs through the process and applied the compensable call business rules to validate the process is working correctly	No deficiencies or exceptions were noted

The specific business rules for determining compensable calls are outlined in the *PSP Per Call Compensation Subscriber Toll-Free Processing Rules AT&T 22-State* documentation. In addition, the

process for determining whether an 8YY call is completed by a Facilities-Based CLEC which would exempt the call from compensation by AT&T and place responsibility for compensation on the CLEC is detailed and includes a description of the process and a corresponding flow chart.

The payphone compensation business rules remain unchanged since the 2011 audit and specify that compensable calls must be AT&T IntraLATA Toll Free (8YY) calls that are Completed (Attempt Indicator = 0) and contain a CIC (Carrier Identification Code) of "0000," "9000," or "5233." Certain Exclusions apply including: 1) Test Lines, 2) Polling Numbers, 3) TTY/TDD Numbers, and 4) Calls terminated to Facilities-Based CLECs. In the Southeast Region, payment is allowed on some low volume calls to Facilities-Based CLECs that otherwise would have been paid by the completing carrier.

To validate that the business rules continue to be applied correctly, the Audit Team identified a sample of payphone ANIs, requested call detail for the 4Q2011 reporting period, determined the compensable calls using the AT&T business rules, and compared the results with the AT&T compensation files or, in the case of the Southeast Region, with the compensable records sent to the NPC. In all cases, the compensable calls determined by the Audit Team matched the compensable calls determined by AT&T.

5.10 Assertion #10: CFO Statement of Accuracy

Management Assertion	Validation Test	Test Results
AT&T has implemented and continues to post after the close of each quarter, the chief financial officer's sworn statement of accuracy, based on 100% of call completed calls, to the website mentioned in the letter	1. Examined the quarterly CFO statements of PCC accuracy as posted on the website	No deficiencies or exceptions were noted

The Audit Team reviewed the CFO sworn statements of PCC accuracy made for the reporting periods for 2Q2011 (dated 9/7/2011), 3Q2011 (dated 12/7/2011), 4Q2011 (dated 3/12/2011), and 1Q2012 (dated 6/14/2011). Soft copies of the quarterly statements were provided and the Audit Team confirmed they were also posted on the AT&T website, https://primeaccess.att.com. All documents were in order and no issues were uncovered during this examination.

5.11 End-to-End Testing Results

A sample of ANIs from a random number of PSPs from two of the AT&T ILEC Regions from the 4Q2011 processing cycle was selected for the end-to-end test. This test was designed to trace call detail records from the beginning of the process at the call recording at the switch to the end of the process as a call on the compensation files and quarterly reports or, in the case of the Southeast Region, as a compensable call on the file sent to the NPC. Using the business rules to determine compensation as outlined in AT&T's process documentation, the Audit Team independently processed the selected CDRs for the sampled ANIs and created a compensable call file which was then compared with the calls appearing on the compensation files and quarterly reports or the compensable call file sent to the NPC. In all cases, the records on the Audit Team's compensable file matched the records on the compensation files and quarterly reports and, in the case of the Southeast Region, on the compensable call file sent to the NPC.

6.0 Audit Conclusions and Findings

Based on the results of the detailed examination of the PCC processing, reports generation, error management, and dispute resolution documentation as well as the end-to-end testing of the AT&T overall PCC processes and procedures, the Audit Team concludes that AT&T and the call tracking system for PCC remains in compliance with the FCC audit requirements and criteria specified in §64.1310 and §64.1320 of the Final Rules of FCC 03-235/CC Docket No. 96-128 and that AT&T's assertions of compliance with the aforementioned requirements and criteria are fairly stated in all material respects as of June 29, 2012.

6.1 Contact Information

Please direct any questions regarding this audit to the AT&T Wholesale Compliance Compensation Team:

- Email (PCCDISPUTE@att.com)
- Hotline (866-556-5055)

7.0 Appendix

Appendix	Document
A	FCC Audit Assertions 2012, AT&T Payphone Per Call Compensation (PCC) Operations

AT&T Wholesale Compliance

FCC 03-235/CC 96-128, FCC 04-182/WC 03-225 & FCC 04-251/CC 96-128

FCC Audit Assertions 2012
AT&T Payphone Per Call Compensation (PCC) Operations

Introduction

The FCC's Report and Order of October 3, 2003 (FCC 03-235/CC Docket No. 96-128) in the Matter of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996, provides that Completing Carriers perform an independent third-party audit of the AT&T call tracking system that supports the payphone compensation payments. The order requires each switch-based reseller ("SBR") to establish its own call tracking system and to have a third party attest that the system accurately tracks calls to completion.

2012 AUDIT – GENERAL ASSERTIONS

2012-1. No material changes have been made to any documentation, policies, procedures, processes or data formats audited subsequent to the FCC PCC Audits concluded on June 30, 2011. Audit Assertions (FCC Order (FCC 03-235/CC Docket No. 96-128) APPENDIX C – FINAL RULES, Section 64.1320 Payphone Call Tracking System Audits), #1 through #9, apply to and support PCC operations associated with the mandated business processes in place subsequent to June 30, 2011.

2012-2. Therefore, AT&T asserts that all AT&T PCC areas audited in prior years remain in compliance to date and are included in the scope of the 2012 audit.

2012-3. All corporate standards and controls asserted previously audited are still in place in 2012.

AT&T GENERAL 2012 ASSERTIONS AS AUDITED

The following were found to be in compliance by the Independent Auditor as filed (Audit Report, APPENDIX A) with the FCC on June 30, 2004, June 30, 2005, June 30, 2006, June 29, 2007, June 30, 2008, June 30, 2009, June 30, 2010 and June 30, 2011. These assertions continue to apply and remain in compliance in 2012.

1. The AMA/EMR /EMI records are correct.

2. The quarterly report is limited to 8YY access numbers dialed from payphones in AT&T territory and call volumes related to completed 8YY access calls by 8YY number.

3. AT&T accurately pays PSPs per call compensation.

4. Quarterly ANI verification reports and processes are outside the scope of this audit.

5. This audit does not represent processes relative to the LEC's long distance operations ATTLD.

6. The AT&T Wholesale Compliance data retention standard of retaining all payphone data for a minimum of 27 months is adhered to relative to ANI identification, call detail records, and payment of PCC.

7. The AT&T Wholesale Compliance AMA "conversion" to call detail results in a standardized record across all AT&T Regions.

FCC Order (FCC 03-235/CC Docket No. 96-128) APPENDIX C – FINAL RULES, Section 64.1320 Payphone Call Tracking System Audits

The following were found to be in compliance by the Independent Auditor as filed (Audit Report, APPENDIX A) with the FCC on June 30, 2011 . These assertions continue to apply and AT&T remains in compliance.

1. AT&T has procedures in place to accurately track payphone calls to completion.

No substantive change.

2. AT&T has assigned a specific person or person's responsibility for tracking, compensating, and resolving disputes concerning payphone completed calls.

No substantive change.

3. AT&T has effective data monitoring procedures in place.

No substantive change.

4. AT&T adheres to established protocols to ensure that any software, personnel, or network changes do not adversely affect its payphone call tracking ability.

No substantive change.

5. Critical areas identified in AT&T Continuity Plan. AT&T has created compensable payphone call files by matching call detail records against payphone identifiers.

No substantive change.

6. AT&T has procedures in place that incorporate payphone call data into required FCC reports.

No substantive change.

7. AT&T has implemented procedures and controls needed to resolve disputes.

No substantive change.

8. AT&T has implemented critical controls and procedures to verify payphone compensation errors are insubstantial.

No substantive change.

9. AT&T has implemented adequate and effective business rules to identify and pay correctly on compensable payphone calls.

No substantive change.

10. AT&T has implemented and continues to post after the close of each quarter, the chief financial officer's sworn statement of accuracy, based on 100% of all completed calls, to the website that is mentioned in said letter.

No substantive change.

AT&T Management asserts that AT&T Wholesale Compliance has business and technical processes and personnel in place to maintain ongoing compliance in accordance with (FCC Order (FCC 03-235/CC Docket No. 96-128) APPENDIX C – FINAL RULES, Section 64.1320 Payphone Call Tracking System Audits), Items 1 through 9, as noted below:

FCC Order Verbiage – Previously Audited

FCC Order (FCC 03-235/CC Docket No. 96-128) APPENDIX C – FINAL RULES, Section 64.1320 Payphone Call Tracking System Audits., Paragraph (d)(1):

"(d) Consistent with standards established by the American Institute of Certified Public Accountants for attestation engagements, the System Audit Report shall consist of: (1) the Completing Carrier's representation concerning its compliance; and (2) the independent Auditor's opinion concerning the Completing Carrier's representation of compliance. The Completing Carrier's representation must disclose (i) its criteria for identifying calls originating from payphones; (ii) its criteria for identifying compensable payphone calls; (iii) its criteria for identifying incomplete or otherwise noncompensable calls; (iv) its criteria used to determine the identities of the payphone service providers to which the completing carrier owes compensation; (v) the identity of any clearinghouses the Completing Carrier uses; and (vi) the types of information that the Completing Carrier needs from the payphone service providers in order to compensate them."

AT&T, as the Completing Carrier, represents that it will disclose the following as required in Paragraph (d) above:

(i) its criteria for identifying calls originating from payphones;

(ii) its criteria for identifying compensable payphone calls;

(iii) its criteria for identifying incomplete or otherwise noncompensable calls;

(iv) its criteria used to determine the identities of the payphone service providers to which the completing carrier owes compensation;

(v) the identity of any clearinghouses the Completing Carrier uses; and

(vi) the types of information that the Completing Carrier needs from the payphone service providers in order to compensate them.

AT&T Management asserts that Paragraph (d), (i) through (vi), remain in compliance