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FCC Mail Room

May 29, 2013

Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

RE: CC Docket No. 96-128 (Payphone Compensation System Audit Report)

Dear Secretary Dortch:

PNG Telecommunications, Inc. d/b/a PowerNet Global Communications (“PNG”) hereby respectfully submit the payphone compensation system audit report conducted by an independent third-party auditor for year 2011 and 2012.

In accordance with 47 C.F.R. § 64.1320 (e):

Completing Carrier:	PNG Telecommunications, Inc. d/b/a PowerNet Global Communications
Point of Contact for Completing Carrier’s Payphone Compensation:	Andy Starling, Senior Director of Finance
Address:	100 Commercial Drive Fairfield OH 45014
Phone Number:	(513) 942-7900 x. 14735
Point of Contact for Resolving Disputes with Service Providers Over Compensation:	Same as Above

If you should have any further questions, please do not hesitate to contact me.

Very Truly Yours,

Jules Coffman
Corporate Paralegal
JCoffman@PNGmail.com

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**PNG TELECOMMUNICATIONS, INC.
DBA POWERNET GLOBAL COMMUNICATIONS**

Payphone Compensation System Audit Report

July 1, 2011



CLARK SCHAEFER HACKETT
STRENGTH IN NUMBERS

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the Federal Communications Commission's
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INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Directors of
PNG Telecommunications, Inc.
DBA PowerNet Global Communications:

We have examined management's assertion, included in the accompanying "Report of Management on Compliance with the Federal Communications Commission's (the "FCC") Payphone Compensation Rules". In our report dated August 20, 2004, PNG Telecommunications, Inc. d/b/a PowerNet Global Communications (the "Company") had designed and developed systems and procedures to be operational on July 1, 2004 to meet the payphone call tracking system requirements set forth in Appendix C of the FCC's Report and Order 03-235 (the "Order"). As of July 1, 2011, material changes concerning the Company's compliance with the criteria of the prior year's System Audit Report, if any, have been included in this report. Management is responsible for compliance with those requirements. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Company'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 of the Company's compliance with specified requirements.

In our opinion, management's assertion that the Company complied with the aforementioned requirements as of July 1, 2011 is fairly stated, in all material respects.

The report is intended solely for the information and use of management, the Federal Communications Commission, the facilities-based carriers, the payphone compensation clearinghouse engaged by the Company, and the payphone service providers' compensated under the FCC Order and is not intended to be and should not be used by anyone other than the specified parties.

Clark Schaefer Hackett & Co.

Cincinnati, Ohio
February 26, 2013

one east fourth street, ste. 1200
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**REPORT OF MANAGEMENT ON COMPLIANCE WITH THE FEDERAL COMMUNICATIONS
COMMISSION'S PAYPHONE COMPENSATION RULES**

Management of PNG Telecommunications, Inc. d/b/a PowerNet Global Communications ("PNG") is responsible for complying with the requirements set forth in 47 C.F.R. § 64.1300 *et. seq.* (the "Payphone Compensation Rules").

Management has performed an evaluation of PNG's compliance with the requirements of the Payphone Compensation Rules. Based on this evaluation, the management of PNG makes the following assertions concerning PNG's compliance with the requirements of the Payphone Compensation Rules:

- (1) PNG has developed a system to identify and track coinless access code or subscriber toll-free payphone calls to completion.
 - a. All coinless access code, subscriber toll-free and non-commissioned 0+ calls originated from payphones are routed to a PNG switch in Cincinnati. The switch generates Call Detail Records ("CDR") for each call coming into the switch. CDR from the switch is downloaded daily to PNG's reporting server managed by PNG's Product Network Solutions ("PNS") Department.
 - b. Each coinless access code, subscriber toll-free and non-commissioned 0+ call originated from a payphone and routed to the PNG switch will have a corresponding CDR. The switch will generate such CDR for both completed and incomplete calls. Each CDR will contain information describing the call including the information required by Payphone Compensation Rules. CDR from the switch is downloaded every 15 minutes to PNG's reporting server managed by PNG's PNS Department. The process used for CDR generation, storage and reporting is generally the same as PNG uses to generate billing records and other standard reports used in its business. Changes to the switch platform software that would affect payphone call tracking would also affect the generation, collection and tracking of CDR in PNG's business. Such changes are subject to review by PNG's PNS Department before installation of the switches.
 - c. PNG has engaged Billing Concepts, Inc. ("BCI"), a national payphone compensation third-party clearinghouse, to assist PNG in the process of determining and paying appropriate compensation to Payphone Service Providers ("PSPs"). Within 45 days after the end of each calendar quarter, BCI will send PNG a file containing all known ANI's assigned to payphones (the "Known Payphone File"). It is the responsibility of each PSP to ensure that its ANI's are reported to BCI. BCI has received a Type II SAS 70 report by an independent third party auditor and, according to that auditor's report, BCI's procedures for validating the accuracy of reported ANI's are in compliance with the Payphone Compensation Rules.
 - d. PNG maintains a database, CMS_RPT, which has current call information for the Cincinnati Switch for five months in a single table, CALL.
 - e. The CALL tables from the CMS_RPT database are copied to a new database every month. This new database is stored on a back-up drive and archived on DVD. Backups are maintained for well over 18 months and the DVDs are retained for unlimited time. The DVDs are stored in the PNG vault.

- f. Once the Known Payphone List is available from BCI, the previous quarter's CDR is pulled from the CALL tables in CMS_RPT databases. All records in the call records are compared against the ANI's in the Known Payphone File to determine if it is a payphone originated call. Once the call has been determined to be a payphone originated call, it is considered for inclusion in the BCI Payphone Compensation File.
 - g. Once it is determined that the call originated from a payphone, the CDR is examined to see if the call completed or not. Calls are considered completed when the CALLDIRECTION field is 'O' (Outbound) and the COMPLETION STATUS is 'OUTCOM' (Outbound Complete). If the call completed, it is included in the BCI Payphone Compensation file. In addition, for internal purposes, all payphone calls are included in the Carrier Services file(s) whether completed or not.
 - h. Once the process is complete, the BCI Payphone Compensation File is uploaded to BCI's FTP site.
- (2) PNG has designated persons, responsible for tracking, compensating, and resolving disputes concerning completed payphone calls or has contracted with BCI, a third-party clearinghouse to perform these procedures.
 - (3) PNG has developed data monitoring procedures to track completed payphone records from call origination through the payphone compensation process.
 - (4) PNG has established internal protocols to ensure that any software, personnel and network changes do not adversely affect PNG's ability to track payphone call records.
 - (5) PNG creates a quarterly compensable payphone call file by applying logic that matches call detail records against payphone identifiers to call data to identify and select compensable payphone records.
 - (6) PNG has developed procedures to provide a compensable payphone call file to BCI for purposes of creating the following required quarterly reports:
 - a. Completing Carrier Reports
 - (i) A list of toll-free and access numbers dialed from each of the payphone service provider's payphones and the ANI for each payphone;
 - (ii) The volume of calls for each number identified in (i) above that were completed by PNG;
 - (iii) The name, address, and phone number of the person or persons responsible for handling PNG's payphone compensation; and
 - (iv) The CIC of all facilities-based long distance carriers that routed calls to PNG, categorized according to the list of toll-free and access code numbers identified in (i) above.
 - b. Intermediate Carrier Reports – Intermediate carrier reports are not created by PNG. PNG is not an Intermediate Carrier according to 47 C.F.R. 64.1310(b) because PNG does not switch payphone calls to other facilities-based long distance carriers.

- (7) PNG has developed and implemented procedures and controls internally or through BCI to identify, respond to, and resolve disputes.
- (8) PNG has developed and implemented controls around the payphone tracking process to ensure the number of payphone records that error-out of the process are insubstantial.
- (9) PNG has developed a process and business rules that accurately identify:
 - a. Payphone originated calls – see Assertion (1) above for the criteria used by PNG for identifying payphone traffic.
 - b. Completed payphone calls that are compensable to the payphone service providers – compensable payphone calls are determined by matching the ANI list in the Known Payphone File received by BCI to the population of payphone records extracted from switches.
 - c. Payphone calls that are incomplete or otherwise non-compensable – records that do not meet the criteria stated in “b” above are identified as incomplete or non-compensable.
 - d. The PSPs to which PNG owes compensation - the identities of the PSPs are determined by the reliance on an ANI list provided by BCI. The ANI list provides the information required for identifying the PSPs for which PNG is responsible for compensating. The ANI information is the only information needed from the PSP (via BCI) in order to compensate them.

PNG Telecommunications, Inc.
d/b/a PowerNet Global Communications

Bernie Stevens, CEO

DESIGNATED CONTACT PERSONS FOR DIAL AROUND COMPENSATION

Billing Concepts, Inc.
Payphone DAC Contact:

Ms. Peggy Gaitan
7411 John Smith Drive, Suite 200
San Antonio, Texas 78229-4898
(210) 949-7109

PNG Telecommunications, Inc. d/b/a PowerNet Global Communications
Payphone DAC Contact:

Mr. Bernie Stevens
100 Commercial Drive
Fairfield, Ohio 45014
(513) 942-7900



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Payphone Compensation System Audit Report

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Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Company'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 of the Company's compliance with specified requirements.

In our opinion, management's assertion that the Company complied with the aforementioned requirements as of July 1, 2012 is fairly stated, in all material respects.

The report is intended solely for the information and use of management, the Federal Communications Commission, the facilities-based carriers, the payphone compensation clearinghouse engaged by the Company, and the payphone service providers' compensated under the FCC Order and is not intended to be and should not be used by anyone other than these specified parties.

Clark Schaefer Hackett & Co.

Cincinnati, Ohio
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Management has performed an evaluation of PNG's compliance with the requirements of the Payphone Compensation Rules. Based on this evaluation, the management of PNG makes the following assertions concerning PNG's compliance with the requirements of the Payphone Compensation Rules:

- (1) PNG has developed a system to identify and track coinless access code or subscriber toll-free payphone calls to completion.
 - a. All coinless access code, subscriber toll-free and non-commissioned 0+ calls originated from payphones are routed to a PNG switch in Cincinnati. The switch generates Call Detail Records ("CDR") for each call coming into the switch. CDR from the switch is downloaded daily to PNG's reporting server managed by PNG's Product Network Solutions ("PNS") Department.
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 - d. PNG maintains a database, CMS_RPT, which has current call information for the Cincinnati Switch for five months in a single table, CALL.
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PNG Telecommunications, Inc.
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Bernie Stevens, CEO

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