



# PUBLIC NOTICE

**Federal Communications Commission**  
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**DA 01-1870**  
**August 3, 2001**

## **AT&T APPLICATION TO DISCONTINUE INTERSTATE SENT-PAID COIN SERVICE NOT AUTOMATICALLY GRANTED**

**NSD File No. W-P-D-497**

On May 21, 2001, AT&T Communications (AT&T or Applicant), located at 55 Corporate Drive, Bridgewater, NJ 08807, filed an application requesting authority under section 214(a) of the Communications Act of 1934, 47 U.S.C. § 214(a), and section 63.71 of the Federal Communications Commission's (FCC or Commission) rules, 47 C.F.R. § 63.71, to discontinue AT&T Sent-Paid Coin Service (Service). The Service is referenced in sections 3.8.6, 4.1.1, 5.1, and 24.1 of AT&T Tariff FCC No. 27. Specifically, AT&T states that it seeks to withdraw the Service from "dumb" coin telephones that require network signaling to handle coin-related functions.<sup>1</sup> On June 18, 2001, AT&T filed a supplement to its application containing more specific information about the proposed discontinuance.

The application, as supplemented, states that AT&T seeks to discontinue the Service due to the small and rapidly declining revenues it generates. Applicant acknowledges section 63.71(a)(5)(i)'s requirement that notice of discontinuance must be provided to its customers. AT&T explains, however, that given the nature of the Service and the inherent anonymity of pay phone customers, it cannot provide specific notice as required. Applicant proposes to provide notice of the discontinuance to its customers by playing a recorded announcement on the affected telephones at least sixty (60) days prior to discontinuance.<sup>2</sup> Applicant also asserts that prepaid calling cards are a reasonable substitute for the Service, and explains that it has offered to provide educational information about using prepaid cards to consumer advocacy organizations.

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<sup>1</sup> According to AT&T, it seeks to retire network-controlled coin calling from "dumb" coin phones that require Feature Group C-based network signaling to: (a) determine the rates for a dialed call; (b) track the deposit of coins into the phone; (c) time the call to require deposit of additional coins for additional periods; (d) terminate calls when the usage the customer has paid for has expired; and (e) return coins when appropriate.

<sup>2</sup> The application provides that the message will state in substantial effect: "Your call will now be completed. Please note, effective soon, this phone will no longer accept coins for AT&T long distance calls. You may wish to begin using a prepaid calling card or other payment methods as a substitute."

By Public Notice dated **July 6, 2001**, the Commission notified the public that, in accordance with 47 C.F.R. § 63.71(c), the application would be deemed to be automatically granted on the thirty-first (31<sup>st</sup>) day after the release date of the notice, unless the Commission notifies Applicant that the grant will not be automatically effective. Accordingly, the automatic grant date for the application would have been **August 6, 2001**.

The FCC will normally authorize proposed discontinuances of service unless it is shown that customers or other end users would be unable to receive service or a reasonable substitute from another carrier, or that the public convenience and necessity is otherwise adversely affected. A number of comments objecting to this application were filed, alleging that the application should be denied for a variety of reasons. Specifically, commenters stated the following: significant numbers of customers will be adversely affected by the discontinuance; AT&T failed to provide required notice informing customers that they have the right to file comments with the Commission opposing the proposed discontinuance; AT&T failed to demonstrate any specific marketing and/or educational efforts to assist affected customers; Applicant has failed to provide adequate time to transition to substitute services; and, pre-paid calling cards are not a reasonable substitute for the Service. In addition, representatives from AT&T and the commenting parties met with Network Services Division staff to further discuss their concerns about the discontinuance of the Service. At this meeting, AT&T indicated its willingness to develop a transition plan to minimize the impact.

Where comments on a discontinuance application allege that the service has no reasonable substitute or that either present or future public convenience and necessity will be adversely affected, the Commission will scrutinize the discontinuance applications, consistent with its statutory obligations. See 47 U.S.C. § 214(a), 47 CFR § 63.71. The Supreme Court has ruled that the Commission has considerable discretion in deciding how to make its Section 214 public interest finding. *FCC v. RCA Communications, Inc.*, 73 S.Ct 998, 1002 (1953). Because the comments raise significant concerns, we find that the public interest will not be served by automatic grant of AT&T's application. Therefore, by this Public Notice, AT&T is notified that its application to discontinue sent-paid coin service will not be granted automatically. We hereby request that AT&T submit a transition plan addressing these concerns no later than **August 10, 2001**. Specifically, AT&T should address when it proposes to discontinue this service, and how it plans to minimize the negative impact upon those customers who rely upon the Service. Parties wishing to comment on AT&T's plan may file comments by **August 24, 2001**.

For further information, contact Carmell Weathers, (202) 418-2325 (voice), [cweathers@fcc.gov](mailto:cweathers@fcc.gov), or Jon Minkoff (202) 418-2353 (voice), [jminkoff@fcc.gov](mailto:jminkoff@fcc.gov), of the Network Services Division, Common Carrier Bureau. The TTY number is (202) 418-0484. For further information on procedures regarding Section 214 please visit the Network Services Division web site at: <http://www.fcc.gov/ccb/nsd/documents/214.html>.

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