



# PUBLIC NOTICE

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## REMINDER OF CARRIER NOTIFICATION REQUIREMENTS IN THE PAYPHONE COMPENSATION RULES

### CC DOCKET NO. 96-128

On October 22, 2004, the Commission released an *Order on Reconsideration* in this proceeding in which it clarified the requirements for how a local exchange carrier (LEC), interexchange carrier, or switch-based reseller carrier (SBR) notifies a payphone service provider (PSP) of the method by which the carrier will pay the PSP for payphone calls completed by the carrier.<sup>1</sup> Because the *Order on Reconsideration* clarified certain notification issues, we issue this public notice as a reminder that, consistent with the *Order on Reconsideration* in this proceeding, all carriers completing payphone calls (“Completing Carriers”) must provide timely notification to PSPs of their chosen method of compensation.<sup>2</sup>

Under the payphone rules, a Completing Carrier may choose to compensate a PSP under one of two methods. First, the Completing Carrier may pay compensation by creating an audited call tracking and compensation system pursuant to the rules.<sup>3</sup> Second, the Completing Carrier may enter into a contract to pay compensation in a manner outside the purview of the rules.<sup>4</sup> These payphone compensation rules went into effect on July 1, 2004, at which time all Completing Carriers were required to notify their PSPs of the carrier’s chosen payment method.<sup>5</sup>

If a Completing Carrier chooses to pay compensation by creating an audited call tracking and call compensation system, it must file a System Audit Report with the Commission by the beginning of the payphone compensation quarter.<sup>6</sup> The *Order on Reconsideration* clarified that

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<sup>1</sup>*Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996*, CC Docket No. 96-128, Order on Reconsideration, FCC 04-251 (rel. Oct. 22, 2004) (*Order on Reconsideration*).

<sup>2</sup> We note that this public notice reminding carriers of their obligations under our payphone rules does not by itself impose any new obligations.

<sup>3</sup>47 C.F.R. § 64.1310(a).

<sup>4</sup>*Order on Reconsideration*, para. 2.

<sup>5</sup>*Id.*

<sup>6</sup>47 C.F.R. § 64.1320(b).

Completing Carriers may notify PSPs of these System Audit Reports by posting copies of them on their websites or on the website of a national payphone clearinghouse, and by including the web address of these websites in a filing with the Commission.<sup>7</sup> Carriers who chose this Internet method of notification would have been in compliance with the July 1, 2004 deadline.

Alternatively, if a Completing Carrier, such as an SBR, chooses to enter into a contract to pay a PSP outside the purview of the rules, the Completing Carrier must give the PSP adequate notice prior to the contract's effective date, with sufficient time for the PSP to object to the contract.<sup>8</sup> In an instance where an SBR enters into an agreement with an interexchange carrier by which the interexchange carrier will track payphone calls and pay payphone compensation on an SBR's behalf, the *Order on Reconsideration* clarified that advance notice of this agreement may be given to a PSP by directing the PSP to a website where the agreement is posted.<sup>9</sup> SBRs that choose to use this method of payment for payphone compensation quarters beginning on or after July 1, 2004 should ensure that notice of these agreements is provided to their PSPs, either by providing notice themselves or by contracting with their interexchange carriers to do so.

For further information regarding this public notice contact Darryl Cooper, Competition Policy Division, Wireline Competition Bureau, (202) 418-1580.

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<sup>7</sup>*Order on Reconsideration*, para. 45, App. B (47 C.F.R. §§ 64.1320(b), (e)).

<sup>8</sup>*Id.* para. 15.

<sup>9</sup>*Id.*