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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See MCI v. FCC, 515 F 2d 385 (D.C. Circ 1974).

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FEDERAL COMMUNICATIONS COMMISSION STRENGTHENS PAYPHONE COMPETITION

New Rules Ensure Competing Payphone Providers Are Compensated for Coinless Calls

Washington, D.C. – Today, the Federal Communications Commission (FCC) released an Order that modifies its payphone per-call compensation rules to ensure that payphone service providers (PSPs) are fairly compensated for coinless calls made from payphones. Currently, payphone service providers are facing problems collecting the per-call compensation they are due for coinless calls that involve multiple carriers. The shortfalls in compensation occur when phone calls are routed from a long distance carrier to a switch-based reseller carrier. An estimated 20% - 50% of revenue for calls routed through switch-based resellers goes uncollected, according to the American Public Communications Council (APCC).

The Commission's Second Order on Reconsideration released today requires the first underlying facilities-based long distance carrier to compensate payphone service providers for completed coinless payphone calls. Additionally, the first underlying facilities-based long distance carrier is required to:

1. compensate the payphone provider at a mutually agreeable rate;
2. track or arrange for tracking of the payphone call to determine whether it is completed and therefore compensable; and,
3. provide to the payphone provider a statement of the number of coinless payphone calls it receives from each of that provider's payphones.

The new rules also require each reseller to reimburse the first underlying facilities-based carrier for the amount paid by that carrier to the payphone service provider and for that carrier's cost of tracking the call and providing such information to the payphone service provider.

-FCC-

Docket No.: CC 96-128

Action by the Commission March 28, 2001 by Second Order on Reconsideration (FCC 01-109). Chairman Powell and Commissioners Ness, Furchtgott-Roth, and Tristani.

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News about the Federal Communications Commission can also be found on the Commission's web site www.fcc.gov.