



NEWS

News media Information 202 / 418-0500

TTY 202 / 418-2555

Fax-On-Demand 202 / 418-2830

Internet: <http://www.fcc.gov>
<ftp.fcc.gov>

Federal Communications Commission
445 12th Street, S.W.
Washington, D. C. 20554

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).

FOR IMMEDIATE RELEASE:
January 31, 2002

NEWS MEDIA CONTACT:
Michael Balmoris 202-418-0253
Email: mbalmori@fcc.gov

FCC RELEASES PAYPHONE ORDERS

Intrastate Payphone Line Rates and Interim Payphone Compensation Issues Reviewed

Washington, D.C. – Today, the Federal Communications Commission (FCC) released two orders affecting the payphone industry. The Orders were adopted pursuant to Section 276 of the Telecommunications Act of 1996. The 1996 Act's payphone-related provisions promote the twin goals of increased competition among payphone service providers and the widespread deployment of payphone service.

Review of LEC Coalition's Application for Review (Wisconsin Payphone Item)

In March of 2000, the Common Carrier Bureau launched a review of the intrastate payphone line rates of the four largest incumbent local exchange carriers in the state of Wisconsin. More specifically, the Bureau's March 2000 Order required that incumbent local exchange carriers (LECs) price their intrastate payphone line rates according to the Commission's flexible, cost-based, forward-looking ratemaking principles, also known as the "new services test."

In the Order released today, the Commission agreed to grant the LEC Coalition's application for review, but denied the request of the LEC Coalition to withdraw or stay the Bureau's March 2000 Order. The Commission affirmed its earlier conclusion that the payphone provisions of the 1996 Act require Bell Operating Companies to set their intrastate payphone line rates in compliance with the Commission's new services test and clarified certain aspects of how the March 2000 Order applied that test. Today's Order thus confirms the Commission's earlier decisions regarding pricing of intrastate payphone lines, as well as the work many states have done in adopting cost-based pricing of such services to encourage greater payphone deployment and competition.

Interim Payphone Compensation

In the second Order released today, the Commission revises aspects of the compensation to be paid to payphone service providers by interexchange carriers and local exchange carriers for the period from November 7, 1996 through October 6, 1997 (referred to as the "interim period"). This Order responds to a remand from the U.S. Court of Appeals for the D.C. Circuit. More specifically, the Commission's Order addresses the following items:

- a new estimate of completed access charge and subscriber 800 calls per payphone per month;
- an adjusted default per call compensation amount for the interim period;
- the issue of compensation during the interim period for 0+ and inmate calls; and,
- interest rates applicable to interim payphone compensation.

The Order does not require the immediate payment of compensation as this Order does not determine how to allocate the obligation to pay compensation among interexchange carriers. The Order notes, however, that this determination will be made in a subsequent Order.

CCB/CPD File No. 00-1 (Wisconsin Payphone)
CC Docket No. 96-128 (Interim Payphone Compensation)

Action by the Commission January 28, 2002, by Memorandum Opinion and Order (FCC 02-25) and by Fourth Order on Reconsideration and Order on Remand (FCC 02-22). Chairman Powell and Commissioners Abernathy, Copps, and Martin.

Common Carrier Bureau Staff Contact: Lynne Milne at (202) 418-1520 (Interim Payphone Compensation) and Joshua Swift at (202) 418-1520 (Wisconsin Payphone Line Rates).

-FCC-

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