

**STATEMENT OF
COMMISSIONER MIGNON L. CLYBURN**

Re: *Modernization of Payphone Compensation Rules*, WC Docket No. 17-141; *Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996*, CC Docket No. 96-128; *2016 Biennial Review of Telecommunications Regulations*, WC Docket No. 16-132.

For those of us pretending that these shades of brown are actually our natural hair color, we can remember clearly, the frantic search for dimes and quarters, when we needed to place a call, and a payphone was our only option. Today, for many, the payphone is all but a relic from the past. For the residents of Plainview, Nebraska, it has become, quite literally, just that. The last payphone serving the 12,000 residents of Plainview, went off the hook for good and is now one of the newest features in the town's public museum.

On this we all agree: the communications landscape has changed dramatically, and the number of payphones operating across America has fallen dramatically. When I came to the Commission in 2009, there were about 600,000 payphones in service. With increasing mobile phone penetration and use, their presence has dropped to under 100,000 today. And in a rapidly evolving communications industry, we find it necessary to assess, and re-assess, the regulations on the books when it comes to payphone service.

In today's Notice of Proposed Rulemaking, we seek comment on eliminating the payphone call tracking system annual audit and associated reporting requirement, and suspend those requirements through 2018. The existing audit rules were originally necessary to ensure that completing carriers adequately compensated payphone service providers for coinless access and subscriber toll-free calls. But in 2017, we must acknowledge, that it may no longer be necessary, to require these audits, especially if other rules provide sufficient safeguards and the cost outweighs the revenue benefits.

It is important to point out that the item does not call for the end of compensation tracking, and it certainly does not suggest the elimination of other payphone protections. Lest we forget, there are still some communities that rely on payphones for their communications, especially during an emergency.¹ What our item does call for, is consideration of how we can make the audit process more efficient, ensuring that it more accurately corresponds to the industry realities of today.

It is my sincere hope that increased efficiencies realized from this and other rulemakings, can lead to new innovations in providing service, especially to underserved communities. We have already seen such successes in the metamorphosis of payphones into public Wi-Fi hubs in New York City and I remain upbeat about what the future may bring.

Though the last payphone of Plainview is now silent, it will continue to serve as a reminder, of how far we have come in a relatively short period of time, and why nationwide access to communications services, is so important.

For all these reasons, I approve.

Thanks go to the Wireline Competition Bureau for your work here to remove outdated regulations.

¹ See Daniel Wheaton, Pay Phones are Relics But There's Still Demand for Them, LA Times (Apr. 26, 2016, 5:00AM), <http://www.latimes.com/local/california/la-me-pay-phone-survive-20160426-story.html>.