

**STATEMENT OF
CHAIRMAN AJIT PAI**

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.

A blue sign attached to the side of a CVS on the corner of Main Street and Central Row in Hartford, Connecticut, marks the 1889 installation of the “World’s First Pay Telephone.”¹ While “pay telephones” had a good run through the 20th century, their star has fallen in the 21st. As noted when we adopted the *Notice* in this proceeding, the changing communications landscape has resulted in a more than 95% decline in the number of payphones between 1999 and today.

So today’s *Order* is another welcome step toward modernizing outdated rules. And it’s a good reminder that we need to keep up with an always-changing communications marketplace. This case illustrates why. The record clearly showed that, because of the dramatic decline in payphone revenues, the fixed costs of conducting audits and certifications outweighed any benefits associated with the regulations. This good-government reform won’t make headlines, but it’s good government nonetheless.

I’d like to thank the staff who contributed to this item, including Michele Berlove, Madeleine Findley, Lauren Garry, Dan Kahn, Pam Megna, and Terri Natoli of the Wireline Competition Bureau; Valerie Hill and Rick Mallen of the Office of General Counsel; Kate Matraves and Joe Wyer of the Wireless Telecommunications Bureau; and Maura McGowan of the Office of Communications Business Opportunities.

¹ See Jimmy Stamp, *The Pay Phone’s Journey from Patent to Urban Relic*, Smithsonian (Sept. 18, 2014), available at <http://bit.ly/2Fiv0Wg>.