

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Rulemaking on the Commission's Own Motion to
Review the Telecommunications Public Policy
Programs.

Rulemaking 06-05-028
(Filed May 25, 2006)

**COMMENTS OF
CALIFORNIA PAYPHONE ASSOCIATION
ON PROPOSED DECISION OF COMMISSIONER CHONG**

NOSSAMAN, GUTHNER, KNOX & ELLIOTT, LLP

Martin A. Mattes

50 California Street, 34th Floor

San Francisco, CA 94111

Tel.: (415) 398-3600

Fax: (415) 398-2438

E-mail: mmattes@nossaman.com

Attorneys for CALIFORNIA PAYPHONE
ASSOCIATION

June 2, 2008

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Pursuant to Rule 14.3 of the Commission's Rules of Practice and Procedure, California Payphone Association ("CPA") respectfully submits its comments on the Proposed Decision of Commissioner Chong, which was served on parties to the above-captioned rulemaking proceeding on May 12, 2008. Commissioner Chong has provided a thorough and well-reasoned analysis of issues presented with respect to several of the Commission's special purpose programs and has proposed appropriate reform and redirection for those programs. CPA's comments are directed specifically at the Proposed Decision's treatment and disposition of two special programs directly affecting payphone service providers ("PSPs"), whose interests CPA was created to protect and promote. Those programs are the PSP Enforcement Program and the Public Policy Payphone Program.

A. The General Direction of the Proposed Decision Is Well Justified and Correct.

In most respects, the Proposed Decision has fairly and accurately assessed the state of the payphone services business and the problems affecting the two payphone-related programs. CPA believes Commissioner Chong is entirely correct in acting to relieve PSPs

from their past obligation to serve as the sole source of funding for these programs, in folding PSP enforcement into the broader enforcement functions of the Commission's Consumer Protection and Safety Division, and in reconfiguring the Public Policy Payphone Program as a streamlined operation aimed to support no more than 50 public payphones satisfying a list of criteria designed to emphasize the public service functions these payphones will serve.

B. Two Aspects of the Proposed Decision Should Be Modified.

There are, however, two aspects of the Proposed Decision's treatment of the payphone programs that CPA believes to be erroneous or inappropriate. One is a mistaken understanding of current reporting requirements. The other is an inappropriate condition for the designation of Public Policy Payphones.

1. The Obligation to Report on Payphone Location and Ownership Should Be Maintained, But It Is an Obligation of Local Exchange Carriers, Not PSPs.

First, the Proposed Decision states an intention to retain "the current requirement that payphone service providers report monthly on payphone location and owner information." *Id.* at 46. In fact, there is no such current requirement applicable to PSPs. There is, however, such a requirement applicable to local exchange carriers ("LECs") that provide access line services, commonly known as Customer Owned Pay Telephone ("COPT") lines, for the use of PSPs. Because Commission procedures have required these LECs to collect and remit to the Commission the \$0.25 per COPT line monthly surcharge levied to support the PSP Enforcement Program, the Commission has required LECs to report their COPT line counts on a monthly basis. The LECs also are the primary source of customer address information used by Commission staff to locate and inspect payphones

owned or operated by particular PSPs. Accordingly, the requirement stated in the second full paragraph at page 46 of the Proposed Decision should be revised to refer to “local exchange carriers” rather than to “payphone service providers.” Likewise, in the fifth line of Ordering Paragraph 18, at page 61 of the Proposed Decision, the reference to “payphone service providers” should be replaced by a reference to “local exchange carriers.”

2. The Requirement That There Be Little or No Wireless Service Coverage Near a Site For a Public Policy Payphone Should Be Eliminated.

The second problem CPA sees in the Proposed Decision is its inclusion of a requirement that there be “little or no wireless service coverage” in the vicinity where a Public Policy Payphone might be designated. *Id.* at 48. Imposing this requirement would be a mistake. There are many persons who may require access to the public telephone network but do not have the use of a wireless communications device when they need such access. Many residents of remote locations or disadvantaged communities, where a Public Policy Payphone might be appropriate, do not have the use of a wireless phone even if wireless service coverage is available – often because they cannot afford the significant monthly charges associated with wireless services. Such disadvantaged persons are among those most likely to need and to use a Public Policy Payphone. Likewise, a traveler stopping at a highway rest stop may not have a wireless phone or may have one that has lost its charge – and so may benefit from the availability of a Public Policy Payphone. There simply does not appear to be a good reason for excluding locations from eligibility for Public Policy Payphones just because a wireless service may be available in the vicinity. Accordingly, CPA respectfully suggests that this criterion be removed from the list specified on page 48 and from Ordering Paragraph 22 at page 62 of the Proposed Decision.

C. Conclusion

With these few changes, CPA believes the Proposed Decision will appropriately resolve all outstanding issues regarding the PSP Enforcement Program and the Public Policy Payphone Program. CPA respectfully recommends that the Commission approve and adopt the Proposed Decision with these changes.

Respectfully submitted,

NOSSAMAN, GUTHNER, KNOX & ELLIOTT, LLP

By: /s/ MARTIN A. MATTES
Martin A. Mattes

50 California Street, 34th Floor
San Francisco, CA 94111
Tel.: (415) 398-3600
Fax: (415) 398-2438
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