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CHAIRMAN

July 14, 2011

The Honorable Julius Genachowski
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

Dear Mr. Chairman:

Over the past fifteen years local telephone companies have exited the payphone business, leaving the provision of pay phone services almost entirely to independent service providers, the great majority of whom are very small businesses. Today there are about 450,000 payphones, and 800 independent payphone providers maintaining and servicing those phones.

Over these years the independent payphone providers have repeatedly asked the FCC to change its regulations in light of the new reality that payphones are no longer provided by some of the largest telephone companies in America, but by some of the smallest. There are at least two pressing problems:

First, the FCC governs the system under which payphones are reimbursed for non-coin calls (long distance, calling cards, 800-numbers). It may be time for the FCC to reexamine this system to determine if it is working. Payphone operators are often forced into multimillion-dollar lawsuits to recover the payments they are entitled to. Despite their litigation record, small business operators cannot wait for years in court to recover the payments they are due in ordinary course.

Second, petitions dealing with recovery of past overcharges by local telephone companies to what were then competitive independent payphone operators have been "on circulation" in Commissioners' offices since September 2010. Regardless of how the FCC rules on this issue, small businesses deserve answers to these questions and the certainty that comes with a resolution.

Please let me know at your convenience how the FCC plans to address these issues.

Sincerely,


Cliff Stearns

United States Representative

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