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Office of Consumer Services

September 19, 2006

ANNUAL STATUS REPORT ON PAYPHONE SITES IN WARD 6

I. INTRODUCTION

The purpose of this report is to provide the results of the District of Columbia Public Service Commission (“Commission”) Office of Consumer Services’ (“OCS”) inspections of outdoor payphone sites in Ward 6. OCS conducts inspections of outdoor payphones in the District of Columbia to enforce the Commission’s payphone rules, as detailed in Chapter 6 of Title 15 of the District of Columbia Municipal Regulations entitled “Pay Telephones.”¹

This report documents findings from two separate periods: 1) inspections conducted during October 26 to November 9, 2005 and 2) follow-up compliance inspections performed during July 2006. In each period, OCS inspected 183 payphone sites. A payphone site is a generic term that refers to a location where a payphone is operating or had been operating at one time. A site may have an active payphone, an inactive payphone, or it may have partially or totally removed equipment.

As the Commission office responsible for administering the payphone program, OCS inspects outdoor payphone sites and issues reports on its inspections. This report represents the effort of the Commission to issue annual status reports on payphone sites for each ward of the District and to inform the public on the status of payphone service providers’ (“PSPs”) adherence to the Commission’s payphone rules as well as conformance with notices issued to them by the OCS.

¹ The full text of these regulations is available on the Commission’s web site under Customer Information, Pay Telephone Program. www.dcpsc.org/ci/pp/pprls/pprls/html.

II. MAJOR FINDINGS

1. No payphone sites were in compliance with the Commission's Payphone Rules in the first round of inspections and only two payphone sites were in compliance during the follow-up compliance inspections.
2. The total number of Ward 6 payphone infractions declined by nearly 21% after OCS issued notices to the PSPs. This number indicates one of every five infractions found during the initial inspections was cleared during the follow-up compliance inspections.
3. One company cleared more than half, 78 out of 116, of the total infractions found during the compliance inspections. Three companies had more infractions at compliance time than they did during the initial inspections.
4. Infractions can be divided into those that are related to registration violations and those that are related to non-registration violations. As a result of the notices OCS sent to the PSPs, there was a 17.3% decrease in the number of non-registration violations and a 28.6% decrease in the number of registration violations.
5. Of all eight wards, Ward 6 has had the greatest reduction in payphone sites. By the time of the follow-up compliance inspections 66 sites, or one third of the total, no longer had payphone equipment present.

III. THE COMMISSION'S ROLE IN REGULATING PAYPHONES

In addition to inspecting payphone sites, OCS is also tasked with handling challenges to the placement of new payphones. Through their Advisory Neighborhood Commissions ("ANCs"), all residents can influence payphone regulation in their community. More specifically, upon receiving an application for the installation of a new payphone, OCS notifies the ANC and Single Member District ("SMD") for the proposed address, the Office of the People's Counsel ("OPC"), and the Metropolitan Police Department ("MPD"). Written oppositions from any of the above may be filed within 45 days. Whenever an opposition is received, OCS will attempt to settle the disagreement between the parties informally with a hearing conducted by a hearing examiner. If not settled informally, either party may opt for a formal hearing. At the formal hearing the opposition will be handled by an attorney from the Commission's Office of the General Counsel ("OGC") in a trial-like setting. The Hearing Officer will render a decision in the form of a Commission order.

During the period covered by this report, the Commission received no applications to install an outdoor payphone in Ward 6.

OCS also mediates complaints regarding existing payphone sites. Complaints are accepted by telephone, e-mail, fax, regular mail, and in-person. Complaints regarding existing payphones are handled in the same manner as described above for oppositions to installations.

On May 24, 2006 OCS received an electronic message from Terrance Lynch, Executive Director of the Downtown Cluster of Congregations, requesting that the Commission pay attention to four payphones located in Chinatown near the intersection of

5th and H Streets, NW. The OCS Payphone Inspector conducted an investigation and at its conclusion, three companies, each responsible for an inoperable non-compliant payphone, were notified to correct the conditions cited. In accordance with the Payphone Rules, they had thirty (30) days to make corrections. The companies complied as required and notified the Commission in writing of their compliance. In addition, one of the sites listed in Mr. Lynch's request had an abandoned empty booth. OCS notified the District Department of Transportation ("DDOT"), the entity responsible for removal of abandoned payphone equipment, regarding the booth and DDOT removed it.

IV. DISCUSSION OF FINDINGS

Number of Payphone Sites in Ward 6 by Owner

As stated in the opening paragraph, the OCS Payphone Inspector visited 183 payphone sites in both the initial and follow-up compliance inspections. As shown in Table 1, column 1, in both inspection periods, there were 15 PSPs authorized to provide service in Ward 6. These PSPs are responsible for equipment at 161 of the sites visited (including sites where equipment has been removed). During the first inspection period, at least 6 unauthorized companies were responsible for 22 payphone sites. At five of these payphone sites, the OCS Payphone Inspector was not able to determine which company was responsible for abandoning the equipment. Two of the payphone sites attributed to unauthorized owners had payphones that were active so OCS ordered that their telephone numbers be disconnected. All of the remaining sites had abandoned payphones with no dial tone or empty booths.

By the time of the follow-up compliance inspections, two more of the previously abandoned unauthorized payphone sites were found to have active payphones. OCS ordered the dial tone to those telephone numbers to be disconnected on August 8, 2006, and the owner was directed to remove the equipment. (As of this writing, those payphones have not been removed. If they are still in place 90 days after our notice [by November 8], they will be deemed "abandoned", and OCS will refer them to DDOT for removal.) At 10 sites, payphone equipment was already removed. Additionally, OCS forwarded to DDOT three requests to remove equipment at a total of six unauthorized sites. DDOT removed the payphone equipment shortly thereafter. Two unauthorized payphone sites remain; they are on private property and the property owner is responsible for their removal.

Breakdown of Payphone Sites in Ward 6 by Status

Table 2 and Charts 1 and 2 summarize the status of Ward 6 payphone sites during the two inspection periods. A payphone site needs only one violation to be considered non-compliant with the Commission's Rules.

During the October/November 2005 inspections, the OCS Payphone Inspector found 49 payphone sites where equipment had been removed. However, none of the remaining 134 payphone sites was in compliance with the Commission's payphone rules. Of these, 104 payphone sites had operable non-compliant payphones. Another 12 sites had

empty booths or stands. Additionally, the OCS Payphone Inspector classified 18 payphones sites as abandoned because there was no dial tone on the payphones.

During the July 2006 follow-up compliance inspections, the OCS Payphone Inspector again checked all 183 payphone sites. This time, he found two payphones sites that were in compliance with the Commission's rules. He also found that 66 sites now had no equipment, which was 17 more than in the first round of inspections. At the 115 payphones sites that remained, he found nine empty booths and eight abandoned payphone sites. At the conclusion of the compliance inspections, 98 payphone sites remained out of compliance with the Rules.

Number of Notices Sent by OCS and Companies' Responses

Table 3 contains the number of non-compliant payphone sites attributed to each PSP, as well as the number of notices that OCS sent to each PSP and the responses.

Since, none of the sites was deemed compliant following the October/November 2005 inspections, on March 14, 2006 OCS issued 116 violation notices to all PSPs. The notices detailed the specific infractions found by the OCS Payphone Inspector. In the notices, PSPs were directed to correct the infractions on their sites and return the signed form indicating their actions within thirty (30) days (by April 18, 2006).

At the end of the 30-day deadline, six PSPs had returned notices indicating that their infractions had been cleared. However, when the OCS Payphone Inspector returned to the sites in July 2006, only two sites were found to be completely infraction-free.

Number of Infractions by Type and by PSP

Violations of the Commission's Payphone Rules fall into one of two categories: non-registration infractions and registration infractions. Table 4 and Chart 3 show a breakdown of infractions by these two categories over the course of the two inspection periods. Overall, the number of infractions declined between the two inspection periods. More specifically, the number of infractions dropped from 553 in October/November 2005, to 437 in July 2006, a 21% decrease. The decline in the number of infractions was greater among registration infractions (28.5%) than non-registration infractions (17.3%).

Table 5 and Chart 4 provide a summary of infractions in Ward 6 by PSP. Owning a majority of the payphones in the Ward, Verizon had the most infractions, accounting for 379 or 68.8% of the 553 infractions found during the October/November 2005 inspections. By the time of the follow-up compliance inspections, 78 of Verizon's infractions were corrected for a 20.5% reduction in the number of their violations. The other PSPs also reduced their infractions, but Belle Farms Estates, Hursey Payphone Company, and U.S. TeleServices, Inc. had more infractions in July 2006 than they had in October/November 2005.

Number of Registration Infractions

A payphone site must display a valid (non-expired) registration number in order to be in compliance with registration rules. The rules contain two types of registration infractions as indicated below.

Registration Infractions

Rule	Violation
606.1	• Expired registration
604.1	• Failure to register payphone

Table 6 contains data on registration infractions. Each payphone can have two registration violations, bringing the total number of possible registration violations to 244 (122 payphones² x 2).

The total number of registration infractions declined between the two inspection periods. In October/November 2005, there were 178 registration infractions, which declined by 29% to 127 by the time of the follow-up compliance inspections. In other words, the proportion of payphones not in compliance with the Commission's registration rules went from 178/244, or 72.9%, to 127/244, or 52%. Thus, the proportion of payphones that had valid registrations increased from 27% to 48%. In addition, expired registration violations accounted for about 54% of the registration violations during each inspection period.

Types of Non-Registration Infractions

Table 7 and Chart 5 disaggregate the number of non-registration infractions by type. Non-registration infractions refer to operational and signage regulations and cover a wide variety of requirements. The OCS Payphone Inspector found 375 non-registration infractions during the October/November 2005 inspections. At the time of the follow-up compliance inspections in July 2006, there were 310 non-registration infractions, for a 17.3% decrease.

² Operable non-compliant payphones (104) plus abandoned payphones (18). See Table 2 or page 3, paragraph 5.

Rule	Violation
609.2a	• Failure to display valid registration number
609.2g	• Failure to display payphone owner's contact information
602.2c	• Failure to maintain payphone appearance
609.7	• Failure to display payphone address
609.2j	• Failure to display time limit for phone call
609.3	• Failure to refer complaints to PSC via PSC Hotline number
609.2e	• Failure to display payphone's relevant limitations
609.2b	• Failure to display telephone number of payphone
609.2d	• Failure to display price of local call
609.2hi	• Unable to return coins for a non completed call
609.1e	• Failure to provide 411 dialing cost and information
609.1b	• Unable to access toll free numbers without coin deposit

Between the two inspection periods, violations of all but three of the requirements declined, although in some cases the decline was very slight. In both inspection periods, the highest number of infractions was recorded for failure to display a valid registration number and failure to display owner's contact information. The most significant improvement in compliance was found in displaying the OCS Hotline number for complaints. During the initial inspections 36 payphones did not exhibit it; that number decreased to 21 by the follow-up inspections.

The following is a summary of the most commonly cited violations during the inspections of Ward 6 payphone sites:

October/November 2005 to July 2006:

1. Failure to display valid registration number (§609.2a)
 - Decreased 16% from 98 to 82 infractions
2. Failure to display payphone owner's contact information (§609.2g)
 - Decreased 4.7% from 85 to 81 infractions
3. Failure to display payphone address (§609.2c)
 - Decreased 36.5% from 41 to 26 infractions
4. Failure to maintain payphone appearance (§609.7)
 - Decreased 12% from 58 to 51 infractions

Graffiti

Minimal appearance standards are set forth by Pay Telephone Rule §609.7. The incidence of graffiti on payphone sites varies by ward, and in Ward 6, the OCS Payphone Inspector found that over half of the payphones, 74 out of 122, were in violation of §609.7 because they were poorly maintained and were either marred or had graffiti. By the time of the follow-up compliance inspections in July 2006, he found only slight improvement because 62 of the 106 non-compliant payphone sites failed the minimum requirements; 35 had graffiti and 27 were in poor condition. Graffiti-marked payphone

sites represented 22.8% of the operable payphone sites during the follow-up compliance inspections.

Next Steps

OCS is dedicated to vigilant enforcement of the Commission's pay telephone rules and regulations, and will continue to conduct due diligence to ensure that certified PSPs operate registered and compliant payphone sites in Ward 6 and beyond. Through its Payphone Program, OCS is available to receive and resolve complaints and oppositions to payphone sites in the District. At the time of this writing, OCS has completed inspections and sent notices to owners of payphones in all Wards.

OCS has now completed status reports for Wards 1, 2, 3, 7, and 8. The reports for Wards 4 and 5 are forthcoming by September 30, 2006. Because suspending dial tone and requiring the removal of all noncompliant equipment to penalize the PSPs would have an adverse effect on some users, OCS is investigating the current penalty structure for non-registration rules in particular and has forwarded recommendations to the Commission's Office of General Counsel ("OGC"), including proposed waivers of certain penalties and amending the rules to lessen penalties for minor infractions. Furthermore, the Commission is developing a fine and suspension structure in accordance with the provisions of the Omnibus Bill.

Community outreach continues to be a priority of the Commission and OCS and a useful tool for payphone staff to inform the public about pay telephone issues and the status of our inspections. To ensure that the District is served by quality and reliable pay telephone service, OCS will continue to conduct inspections throughout the District and keep the community and all stakeholders informed of the status of its efforts.

TABLE 1: NUMBER OF WARD 6 PAYPHONE SITES BY OWNER			
	Owners	(Initial) Inspections Oct 26 - Nov 9 2005	(Compliance) Inspections July 2006
	(1)	(2)	(3)
Authorized PSPs	1. Verizon Public Communications	88	88
	2. Robin Technologies, Inc.	24	24
	3. Davel Communications	15	15
	4. E & E Communications	8	8
	5. B & B Pay Phone, LLC	6	6
	6. ETS Payphones	4	4
	7. Belle Farms Estates	3	3
	8. Federal Telephone Company	1	1
	9. Hursey Payphone Company	3	3
	10. Community Telephone Company	2	2
	11. U.S. TeleServices, Inc.	2	2
	12. Mega Communications	1	1
	13. National Phone Company	1	1
	14. United Payphone Service Corporation	2	2
	15. Metro Public Phone Company	1	1
SUB TOTAL FOR PSPs		161	161
Uncertified Companies	1. Universal Payphone Systems	11	11
	2. PCI	3	3
	4. Mark Bliss	1	1
	5. New Age Communications, Inc.	1	1
	5. Prime Global Communications	1	1
	6. Unavailable	5	5
SUB TOTAL FOR UNAUTHORIZED COMPS.		22	22
TOTAL PAYPHONE SITES IN WARD		183	183

Source: OCS Payphone Database

TABLE 2: BREAKDOWN OF WARD6 PAYPHONE SITES BY STATUS				
	(Initial) Inspection Oct 26 - Nov 9 2005	(Compliance) Inspection July 2006	Change	
			Number (4) <i>(Col. 3 - Col. 2)</i>	Percentage (5) <i>(Col. 4 / Col. 2)</i>
(1)	(2)	(3)		
REMOVED PAYPHONES	49	66	-17	-34.69%
COMPLIANT SITES	0	2	2	0.00%
NONCOMPLIANT SITES	134	115	-19	-14.18%
Operable Non-Compliant	104	98	-6	-5.77%
Abandoned Payphones	18	8	-10	-55.56%
Empty Booths or Stands	12	9	-3	-25.00%
NONCOMPLIANT SUBTOTAL	134	115	0	0.00%
TOTAL PAYPHONE SITES	183	183	0	0.00%

Source: OCS Payphone Database

TABLE 3: WARD 6 NUMBER OF NOTICES SENT BY OCS AND COMPANIES' RESPONCES

Owners	Number of Payphone Sites in Violation	Number of Notices Sent by OCS	Number of Notices Returned by Company	Number of Payphone Sites in Compliance	Compliant Phones as Share of Company's Total (6) <i>(Col. 5 / Col. 2)</i>
(1)	(2)	(3)	(4)	(5)	
1. Verizon Public Communications	76	76	76	0	0.00%
2. Davel Communications	11	11	0	0	0.00%
3. Robin Technologies, Inc.	8	8	0	0	0.00%
4. ETS Payphones	5	5	0	1	20.00%
5. Belle Farms Estates	3	3	0	0	0.00%
6. Hursey Payphone Company	3	3	3	0	0.00%
7. Community Telephone Company	2	2	0	0	0.00%
8. E & E Communications*	2	2	2	0	0.00%
9. Federal Telephone Company	2	2	2	0	0.00%
10. U.S. Teleservices, Inc.	2	2	0	0	0.00%
11. Mega Communications	1	1	1	1	100.00%
12. National Phone Company	1	1	1	0	0.00%
13. B & B Pay Phone, LLC	0	0	0	0	0.00%
14. Metro Public Phone Company	0	0	0	0	0.00%
15. United Payphone Service Corp.	0	0	0	0	0.00%
TOTALS	116	116	85	2	1.72%
*PSP involved in transfer of equipment. Not sent notices.					

Table 4: WARD 6 NUMBER OF REGISTRATION AND NON-REGISTRATIONS^b

(1)	(Initial) Inspections Oct 26 - Nov 9 2005		(Compliance) Inspections July 2009		Change	
	Number of Infractions (2)	Share of Inspection's Infraction Total (3)	Number of Infractions (4)	Share of Inspection's Infraction Total (5)	Number (6) <i>(Col. 4 - Col. 2)</i>	Percent (7) <i>(Col. 6 / Col. 2)</i>
TOTAL NUMBER OF INFRACTIONS	553		437		-116	-20.98%
Non-Registration Infractions	375	67.81%	310	70.94%	-65	-17.33%
Registration Infractions	178	32.19%	127	29.06%	-51	-28.65%

^bPSPs only

Table 5: WARD 6 NUMBER OF INFRACTIONS BY PSP

Owners (1)	Number of Infractions and Percentage of Total Found at Initial Inspection		Number of Infractions and Percentage of Total Found at Compliance Inspection		Change in Number of Infractions Between Inspections (6) <i>(Col. 4 - Col. 2)</i>	Change in Percentage of Infractions as Share of Company's Total at Compliance Inspections (7) <i>(Col. 6 / Col. 2)</i>	Percentage of Outstanding Infractions as Share of Company's Total at Compliance Inspection (8) <i>(100% - Col. 7)</i>
	(2)	(3)	(4)	(5)			
1. Verizon Public Communications	379	68.54%	301	68.88%	-78	-20.58%	0.00%
2. Davel Communications	60	10.85%	26	5.95%	-34	-56.67%	0.00%
3. Robin Technologies, Inc.	59	10.67%	48	10.98%	-11	-18.64%	0.00%
4. Hursey Payphone Company	13	2.35%	15	3.43%	2	15.38%	0.00%
5. United Payphone Service Corporation	9	1.63%	1	0.23%	-8	6.90%	
6. National Phone Company	7	1.27%	7	1.60%	0	0.00%	0.00%
7. E & E Communications	8	1.45%	6	1.37%	-2	-25.00%	0.00%
8. E TS Payphones	4	0.72%	3	0.69%	-1	-25.00%	0.00%
9. Community Telephone Company	4	0.72%	2	0.46%	-2	-50.00%	0.00%
10. Belle Farms Estates	3	0.54%	18	4.12%	15	500.00%	0.00%
11. Federal Telephone Company	3	0.54%	1	0.23%	-2	-66.67%	0.00%
12. Mega Communications	2	0.36%	0	0.00%	-2	-100.00%	0.00%
13. U.S. Teleservices, Inc.	2	0.36%	9	2.06%	7	350.00%	0.00%
14. Metro Public Phone Company	0	0.00%	0	0.00%	0	0.00%	
15. B & B Pay Phone, LLC	0	0.00%	0	0.00%	0	0.00%	0.00%
TOTALS	553	100.00%	437	100.00%	-116	-20.98%	81.33

TABLE 6: WARD 6 REGISTRATION INFRACTIONS SUMMARY^c

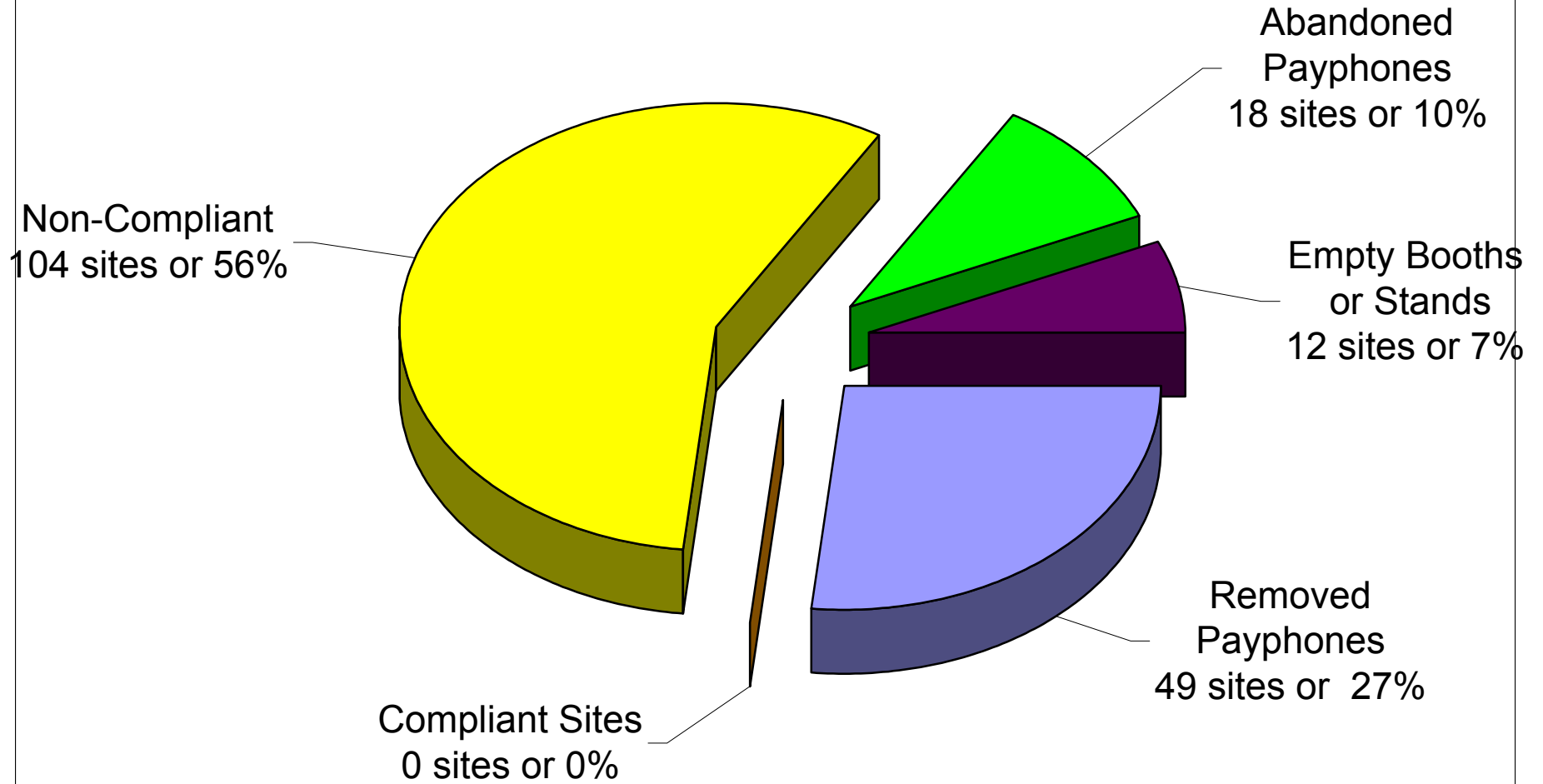
Rule	Violation	(Initial) Inspections Oct 26 - Nov 9 2005		(Compliance) Inspections July 2006		Change	
		Number of Infractions	Share of Inspection's Infraction Total	Number of Infractions	Share of Inspection's Infraction Total	Number (7)	Percent (8)
(1)	(2)	(3)	(4)	(5)	(6)	<i>(Col. 5 - Col. 3)</i>	<i>(Col. 7 / Col. 3)</i>
606.1	Expired Registration	97	17.54%	69	15.79%	-28	-28.87%
604.1	Failure to register payphone	81	14.65%	58	13.27%	-23	-28.40%
	TOTAL REGISTRATION INFRACTIONS	178		127		-51	-28.65%

^cPSPs only

TABLE 7: WARD 6 NON-REGISTRATION INFRACTION SUMMARY^d

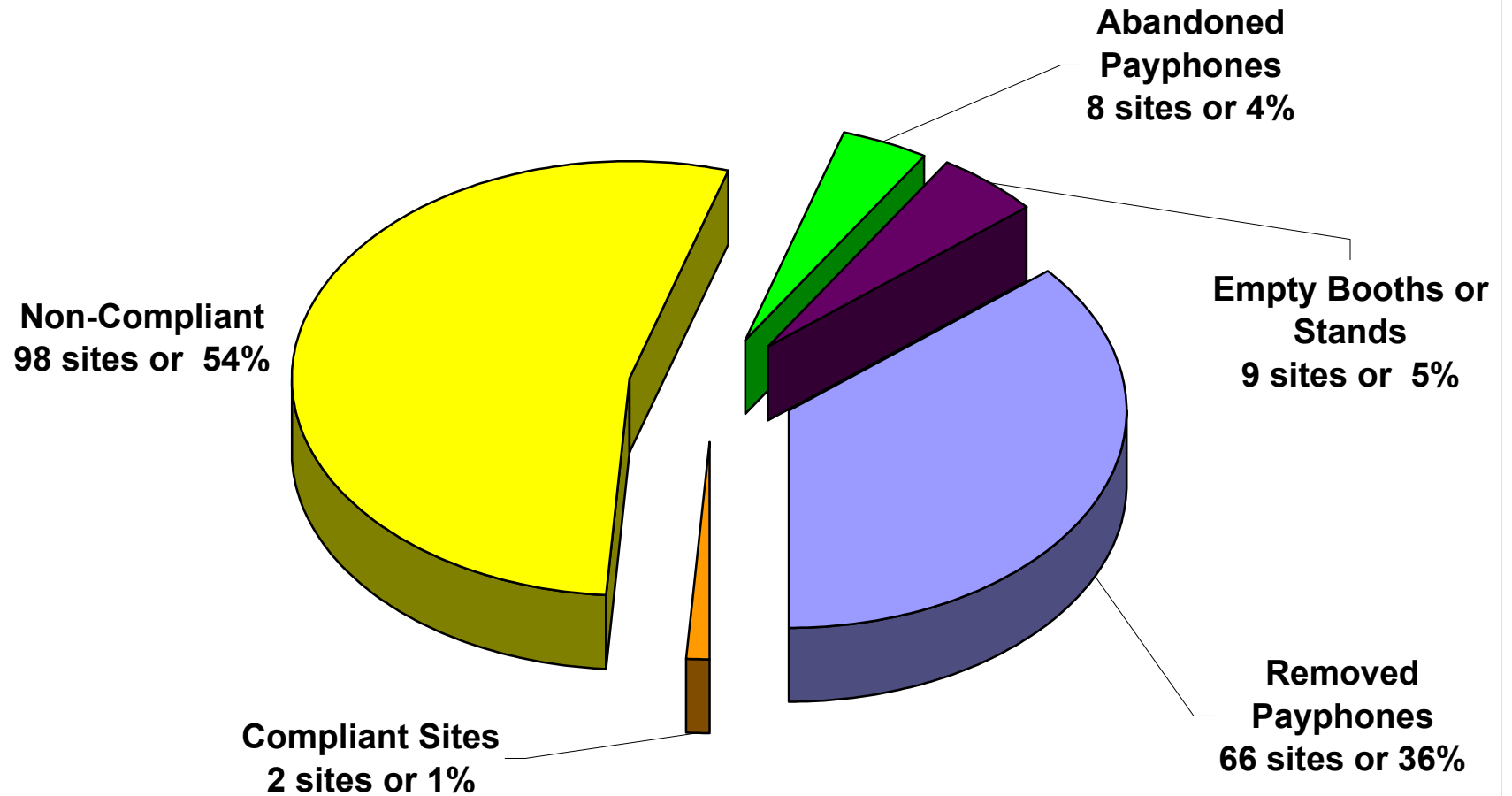
Rule	Violation	(Initial) Inspections Oct 26 - Nov 9 2005	(Compliance) Inspections July 2006	CHANGE	
				Number (5) <i>(Col. 4 - Col. 3)</i>	Percentage (6) <i>(Col. 5 / Col. 3)</i>
(1)	(2)	(3)	(4)		
609.2a	Failure to display valid registration number	98	82	16	16.33%
609.2g	Failure to display payphone owner's contact information	85	81	4	4.71%
609.2c	Failure to display payphone address	41	26	15	36.59%
609.7	Failure to maintain payphone appearance	58	51	7	12.07%
609.2j	Failure to refer complaints to PSC via PSC Hotline number	36	21	15	41.67%
609.3	Failure to display time limit for phone call	11	13	-2	-18.18%
609.2e	Failure to display payphone's relevant limitations	7	7	0	0.00%
609.2b	Failure to display telephone number of payphone	24	15	9	37.50%
609.2d	Failure to display price of local call	4	1	3	75.00%
609.2hi	Failed to display Customer Service information	7	8	-1	-14.29%
609.1e	Unable to return coins for a non completed call	3	5	-2	-66.67%
609.1b	Unable to access toll free numbers without coin deposit	1	0	1	0.00%
TOTAL	NON REGISTRATION INFRACTIONS	375	310	65	17.33%
^d PSPs only					

**Chart 1 - Ward 6 Payphone Sites by Status
October - November 2005**



¹ Number of sites and Percentage of total

**Chart 2 - Ward 6 Payphone Sites by Status
July 2006**



¹ Number of Sites and Percentage of Total

Chart 3 - Ward 6 Infractions Type by Inspection Period

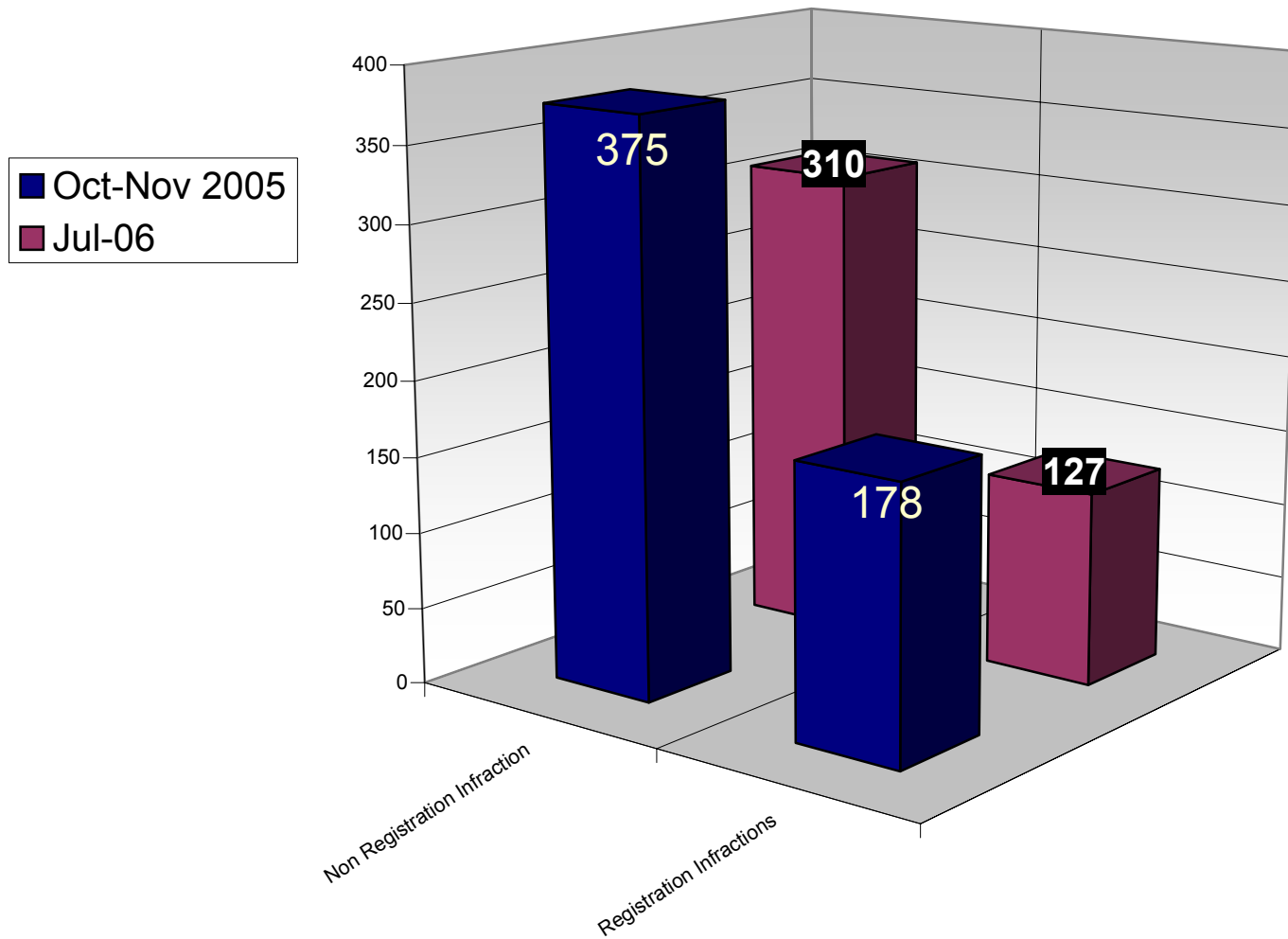
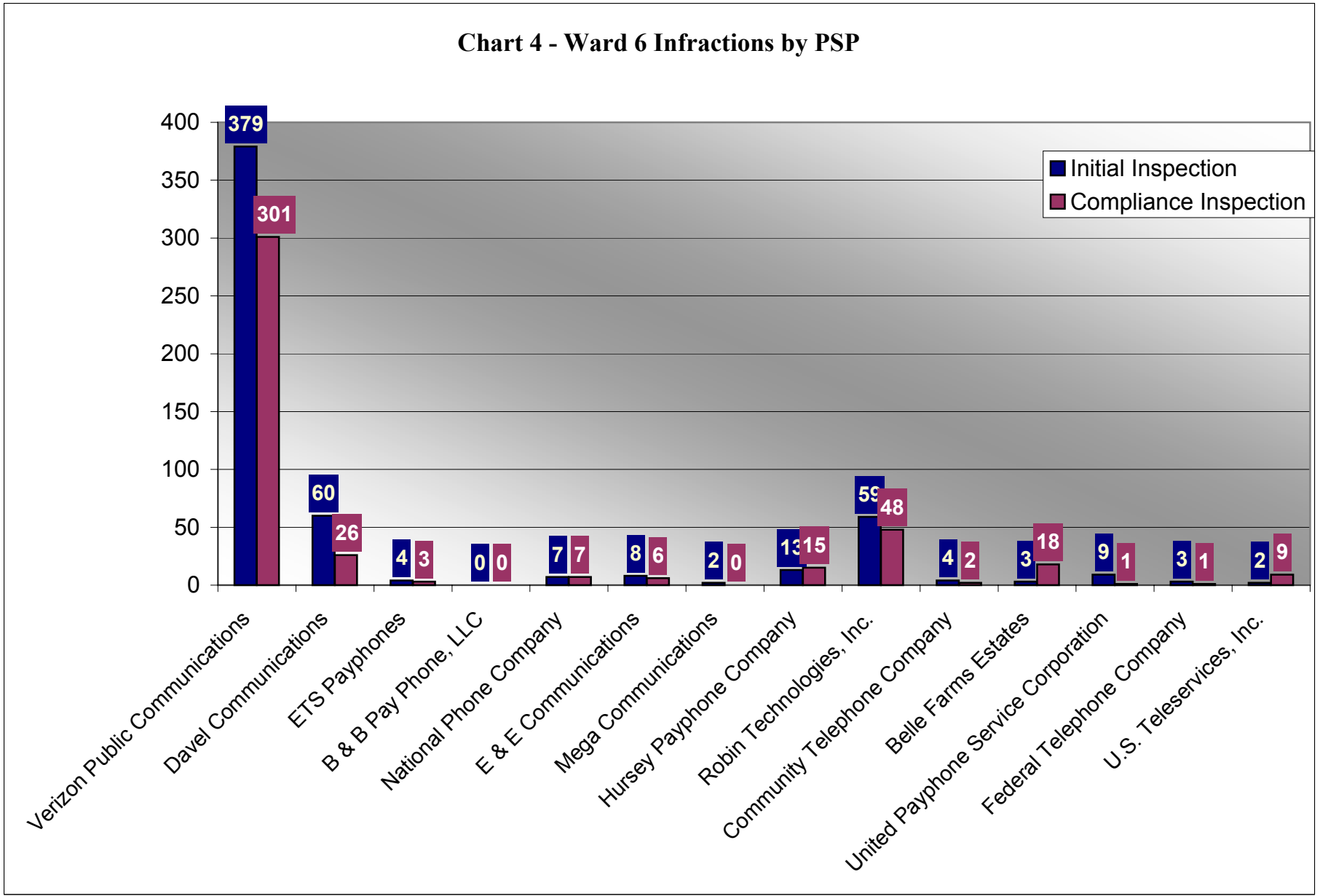


Chart 4 - Ward 6 Infractions by PSP



**Chart 5 - Ward 6 Infractions
by Inspection Period**

