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*Office of Consumer Services*

**June 14, 2006**

## **ANNUAL STATUS REPORT OF PAYPHONE SITES IN WARD 2**

### **I. INTRODUCTION**

The purpose of this report is to provide the results of the District of Columbia Public Service Commission (“the Commission”) Office of Consumer Services’ (“OCS”) inspections of outdoor payphone sites in Ward 2. The report documents findings from two separate inspection periods: 1) an inspection during March and April of 2005; and 2) a compliance inspection during November and December of 2005.

Following the March/April 2005 inspections, OCS issued violation notices on September 27, 2005 to registered Pay Telephone Service Providers (“PSPs”) that were not compliant with the Commission’s payphone regulations. OCS then conducted compliance inspections during November and December of 2005 to determine whether the owners had corrected their violations.

### **II. MAJOR FINDINGS**

1. The number of payphones in the District is dwindling and OCS has observed this downward trend in Ward 2. In fact, during the last two years the Ward has been subject to the highest number of removals, with 26 payphones removed in 2004 and 36 removed in 2005.
2. There are very few complaints against pay telephones in Ward 2, which may be partly due to the fact that the Ward has a relatively low proportion of residential property. OCS only received one complaint during the time period covered in this report.
3. Only one payphone was compliant with the Commission’s Payphone Rules during the span of the inspection periods. A payphone need only have one infraction to be considered noncompliant.

4. Although only one payphone was found to be compliant in the inspections following the issuance of notices, there was a substantial decline in the number of infractions observed by the payphone inspector. From the March/April 2005 inspection period to the November/ December 2005 inspection period, the number of infractions declined about 30 percent.
5. Because of OCS enforcement action, all payphones operated by unauthorized owners in Ward 2 either have been removed or are in the process of being removed.
6. In contrast with Ward 1, graffiti is not as prevalent a problem for Ward 2 payphones. In Ward 2, the inspector observed graffiti at 31 payphone sites during the compliance inspection out of 267 total sites.

### **III. THE COMMISSION'S ROLE IN REGULATING PAYPHONES**

As the Commission office responsible for administering the payphone program, OCS issues reports on its outdoor payphone site inspections. This report represents the effort of the Commission to: a) issue annual status reports on payphone sites for each Ward of the District; and b) inform the public on the status of payphone owners' conformity with the Commission's payphone rules as well as with notices issued by the Commission.

In addition to conducting inspections of outdoor payphone sites, OCS is tasked with taking oppositions on payphone sites from any member of the public. Upon receiving an application for the installation of a new payphone, OCS notifies the Advisory Neighborhood Commissions ("ANCs"), the Office of the People's Counsel ("OPC"), and the Metropolitan Police Department. Written oppositions may be filed within 45 days thereafter. No parties filed any applications for the installation of outdoor payphones in Ward 2 during the inspection period covered in this report (from March 2005 to December 2005).

OCS also mediates complaints regarding payphone sites. Complaints are accepted on existing sites by telephone, e-mail, fax, regular mail, and in-person. Although Ward 2 has the most payphone sites, the Ward only received one complaint during the period from March 2005 to December 2005. The complaint involved two Verizon Public Communications ("Verizon") payphone sites. One site was located at 1701 S Street and the other site was located at 1807 18<sup>th</sup> Street, N.W. The complaint alleged drug activity and loitering. Verizon did not dispute the complaint and removed the payphones. The case was closed.

### **IV. DISCUSSION OF FINDINGS**

#### **Number of Payphone Sites by Owner**

A payphone site may have an operable payphone, an empty booth or stand with no instrument, an abandoned instrument with no service, or be the site of a removed

payphone. OCS inspected 265 payphone sites in the initial inspection and 267 in the compliance inspection.

The change in the number of payphone sites inspected by OCS is attributed to two payphones that were discovered by the payphone inspector during the compliance inspection that were not present in the initial inspection.

Verizon has the most payphone sites in Ward 2, operating approximately 60 percent of all payphone sites in the Ward over the inspection periods. While as many as 25 identifiable owners were operating payphone sites at one time in the Ward, only 16 of those owners are currently certified by the Commission as PSPs. None of the payphone sites owned by unauthorized owners had payphones that were operable because there was either no dial tone or there were empty booths.

On February 28, 2006, OCS forwarded a list of abandoned payphones in Ward 2 that are attributed to non-certified owners to the District Department of Transportation (“DDOT”), the entity responsible for their removal in cases where the owners fail to do so. DDOT removed all of the payphones forwarded by OCS. Table 1 shows the number of payphone sites by owner that OCS inspected, as well as the aggregate and percentage changes between the two inspection dates.

### **Breakdown of Payphone Sites in the Ward by Status**

Included in the total number of payphone sites are abandoned payphones where equipment remains but there is no dial tone, booths or stands with no payphone, removed payphones where no booth, stand or instrument exists, operating noncompliant payphones, and operating compliant payphones.

The number of operable payphones in Ward 2 has declined over time. There were 198 operable payphones during the first inspection period, 183 during the second inspection period, and 157 in the final inspection period. Only one payphone site in Ward 2 was found to be completely free of all violations during the three inspection periods. A payphone site needs only one violation to be considered noncompliant with the Commission’s Rules.

The round of inspections during March and April of 2005 yielded 265 total payphone sites in the Ward. Out of 265 sites, 173, or 65 percent of the total, had an operable payphone. Thirty two (32) payphone sites were classified as abandoned, with instruments but no service. The number of empty booths/stands was 34. Twenty six (26) sites were removed, with no booth/stand or instrument.

The compliance inspection in November/December 2005 yielded 267 total payphone sites in the Ward. Out of 267 sites, 155, or 58 percent of the total, had an operable payphone. Abandoned payphones decreased slightly to 25, as did the number of empty booths/stands, which fell to 24. There were many more removed payphones during the compliance inspection, going from 26 to 62. The increase in the number of

removals reflects action taken by DDOT, following the Commission's referral of unauthorized payphones in the Ward. See Table 2 and Charts 1-3 for more details.

### **Number of Notices Sent by OCS and Companies' Responses**

PSPs that were found to be operating noncompliant payphone sites in Ward 2 during the March-April 2005 inspection period were sent notices, issued on September 27, 2005 by the OCS Payphone staff. Since all of the payphone sites operated by PSPs in Ward 2 were found to be noncompliant with the Commission's Payphone Rules at the time of the March/April 2005 inspection period, all PSPs - with the exception of Metro Public Phones, which was in the process of transferring its equipment - received notices. Notices detailed the specific infractions found by the OCS payphone inspector. In the notices, PSPs were directed to correct the infractions on their sites within thirty (30) days and to return a signed form indicating their actions. Table 3 details the number of notices that OCS issued to PSPs' operating payphone sites in Ward 2 following the March-April 2005 inspections.

Out of the 221 notices sent by OCS to the PSPs, 171 were returned within the 30-day deadline. In other words, 77 percent of the notices were returned indicating compliance with the Commission's Rules. However, when the OCS payphone inspector returned to the sites in November/December 2005, only 1 site was found to be completely free of all infractions. Table 3 also details the number of responses by owners.

### **Number of Infractions**

For a payphone site to be in compliance with Commission regulations, its owner must be properly certified as a PSP and the payphone site must be both registered and in compliance with operation and signage regulations. Overall, the number of infractions declined throughout the inspection periods. More specifically, the number of infractions fell from 1,059 in March/April 2005 to 756 in November/December 2005.

Violations of the Commission's Payphone Rules fall into one of two categories: Non-registration infractions or registration infractions. Table 4 shows a breakdown of infractions by these two categories over the course of the inspection periods.

### **Number of Registration Infractions**

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

**REGISTRATION INFRACTIONS:**

<ul style="list-style-type: none"><li>• <b>606.1 - Expired registration</b></li></ul>
<ul style="list-style-type: none"><li>• <b>604.1 - Failure to register payphone</b></li></ul>

The total number of registration infractions declined over the inspection periods. In March/April 2005, there were 352 registration infractions, which declined to 234 by the time of our compliance inspections. In other words, the proportion of payphones noncompliant with registration rules went from 352/530, or 66%, to 234/534, or 44%. Thus, the proportion of payphones that had valid registrations increased from 34% to 56%. This positive trend reflects the enforcement efforts of OCS payphone staff.

At the time of this writing, three PSPs, Verizon, Davel Communications, and Robin Technologies, were still awaiting approval of some of their public space permits from the Public Space Management Administration (“PSMA”). Approval of their applications will drive down the number of registration infractions even lower. See Table 5 for more details. Since March 31, 2006, OCS has been processing a number of registration renewals submitted by payphone owners. The completion of this process will raise the number of registered payphone sites in the Ward.

**Number of Non-Registration Infractions by PSP**

Non-registration infractions refer to operational and signage regulations and cover a wide variety of requirements.

The OCS payphone inspector found 707 total non-registration infractions during the March/April 2005 period. At the time of the compliance inspection in November/December 2005, there were 502 non-registration infractions. Two hundred and five (205) infractions, representing 29% of the infractions found in the previous inspection, were corrected by PSPs and remained corrected by the time our inspector returned. See Table 6 and Charts 4-6.

Table 6 also shows each PSP’s record of correcting non-registration infractions. For example, Verizon, with over 60 percent of all PSP-operated payphone sites in Ward 2, had roughly the same share of all non-registration infractions in the Ward. Its 476 non-registration infractions (out of 707 total in the ward found during the March/April inspection period) reflected an average of 3.25 infractions per payphone site. At the most recent compliance inspection in November/December 2005, Verizon’s average had decreased to less than 2.5 infractions per payphone site.

Verizon, Robin Technologies, Community Telephone Company, Federal Telephone Company, US Teleservices Inc., Hursey Payphone Company, W & R Inc., Nu Tel Systems, M & A Phone Group, and ETS all managed to correct at least some of their non-registration fractions between the two inspection periods. OCS observed Davel

Communications, B & B Payphones, and E & E Communications to have either the same number of infractions or a higher number of infractions during the compliance inspection than during the previous inspection.

**NON-REGISTRATION INFRACTIONS:**

- **Failure to display valid registration number**
- **Failure to display payphone owner's contact information**
- **Failure to maintain payphone appearance**
- **Failure to display payphone address**
- **Failure to display time limit for phone call**
- **Failure to refer complaints to PSC via PSC Hotline number**
- **Failure to display payphone's relevant limitations**
- **Failure to display telephone number of payphone**
- **Failure to display price of local call**
- **Unable to return coins for a non completed call**
- **Failure to provide 411 dialing cost and information**
- **Unable to access toll free numbers without coin deposit**

**Types of Non-Registration Infractions**

In both of the inspection periods, the highest number of infractions was recorded for failure to display a valid registration number followed by failure to display owner's contact information. Here is a summary of the most commonly cited violations during the inspections of Ward 2 payphone sites:

**March-April 2005 to November-December 2005**

1. Failure to display valid registration number (§609.2a)
  - Declined from 187 to 143 infractions (26% decrease)
2. Failure to display payphone owner's contact information (§609.2g)
  - Declined from 137 to 130 infractions (5% decrease)
3. Failure to maintain payphone appearance (§609.7)
  - Declined from 113 to 76 infractions (33% decrease)

Again, the overall decrease among non-registration infractions was 29 percent. Table 7 and Charts 5-6 disaggregates the non-registration infractions by type.

### **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 2 and beyond. Through its Payphone Program, OCS will continue to receive and resolve complaints and oppositions to payphone sites in the District. Furthermore, an inspection schedule is in place that payphone staff will continue to follow. At the time of this writing, OCS has completed inspections of Wards 1, 2, 3, 6, 7, and 8, and has sent notices to owners of payphones in Wards 1, 2, 3, 6, 7, and 8.

Now that annual status reports have been completed for 2 District Wards, the Commission has the benefit of more quantitative data as it considers an OCS proposal to reform its penalty structure. 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. If approved, this could impact the number of noncompliant payphone sites and bring more sites in Ward 2 and beyond into compliance. 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 a useful tool for payphone staff to inform the public on changes to the pay telephone environment 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 2 Payphone Sites by Owner**

	OWNER  (1)	INSPECTION	COMPLIANCE	CHANGE	
		MARCH - APRIL	INSPECTION	Number (4) <i>(Col. 3 - Col. 2)</i>	Percentage (5) <i>(Col. 4 / Col. 2)</i>
		2005 (2)	NOV - DEC 2005 (3)		
<b>Authorized PSPs</b>	Verizon Public Communications	148	154	6	4.05%
	Davel Communications, Inc.	31	31	0	0.00%
	Robin Technologies, Inc.	21	21	0	0.00%
	Community Telephone Co.	14	13	-1	-7.14%
	Metro Public Phone Co.	7	5	-2	-28.57%
	Federal Telephone Company	11	11	0	0.00%
	Hursey Payphone Company	4	4	0	0.00%
	B & B Payphone LLC	2	2	0	0.00%
	E & E Communications, Inc.	2	2	0	0.00%
	Nu Tel Systems, L.L.C.	2	2	0	0.00%
	US TeleServices, Inc.	2	2	0	0.00%
	W & R, Inc.	2	2	0	0.00%
	American Canadian Payphone Inc.	1	1	0	--
	ETS Payphones, Inc.	2	2	0	0.00%
	M & A Phone Group	1	1	0	0.00%
	New Age Communications	1	0	-1	-100.00%
	<b>SUBTOTAL FOR PSPs</b>	<b>251</b>	<b>253</b>	<b>2</b>	<b>0.80%</b>
<b>Unauthorized Companies</b>	Mark Bliss	3	3	0	0.00%
	United Telecom, Inc.	2	2	0	0.00%
	CCI	1	1	0	0.00%
	Hsueh, FLP	1	1	0	0.00%
	JP Phones, LLC	1	1	0	0.00%
	JSL	1	0	-1	-100.00%
	Onyx Communications, Inc.	1	2	1	100.00%
	PCI	1	1	0	0.00%
	Tel & Tel Pay Phones	1	1	0	0.00%
	Unknown	2	2	0	0.00%
	<b>SUBTOTAL FOR UNAUTHORIZED COMPS.</b>	<b>14</b>	<b>14</b>	<b>0</b>	<b>0.00%</b>
<b>TOTAL</b>	<b>265</b>	<b>267</b>	<b>2</b>	<b>0.75%</b>	

<b>TABLE 2: Breakdown of Payphone Sites in the Ward by Status</b>				
	<b>INSPECTION</b>	<b>COMPLIANCE</b>	<b>CHANGE</b>	
	<b>MARCH - APRIL</b>	<b>INSPECTION</b>	<b>Number</b>	<b>Percentage</b>
<b>(1)</b>	<b>2005</b>	<b>NOV - DEC 2005</b>	<b>(4)</b>	<b>(5)</b>
			<i>(Col. 3 - Col. 2)</i>	<i>(Col. 4 / Col. 2)</i>
REMOVED PAYPHONES	26	62	36	138.46%
COMPLIANT SITES	0	1	1	--
NONCOMPLIANT SITES				
Operable Non-Compliant	173	154	-19	-10.98%
Abandoned Payphones	32	25	-7	-21.88%
Empty Booths or Stands	34	25	-9	-26.47%
<b>NONCOMPLIANT SUBTOTAL</b>	239	204	-35	-14.64%
<b>TOTAL PAYPHONE SITES</b>	265	267	2	0.75%

Source: OCS Payphone Database

**TABLE 3: Number of Notices Sent by OCS and Companies' Responses**

<b>Owner<sup>a</sup></b>	<b>Number of Notices Sent by OCS</b>	<b>Number of Notices Returned by Company</b>	<b>Number of Payphone Sites Found in Compliance</b>	<b>Compliant Phones as Share of Company's Total at Compliance Inspection</b> <b>(5)</b> <i>(Col. 4 / Col. 2)</i>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	
<b>Verizon Public Communications</b>	144	144	0	0.00%
<b>Davel Communications, Inc.</b>	23	0	0	0.00%
<b>Robin Technologies, Inc.</b>	19	0	0	0.00%
<b>Community Telephone Co.</b>	11	11	0	0.00%
<b>Federal Telephone Co.</b>	10	10	1	10.00%
<b>Metro Public Phone Co.<sup>b</sup></b>	0	0	0	--
<b>Hursey Payphone Co.</b>	3	3	0	0.00%
<b>B &amp; B Payphones, Inc.</b>	2	0	0	0.00%
<b>ETS Payphones<sup>c</sup></b>	1	1	0	0.00%
<b>Nu Tel Systems, L.L.C.</b>	2	0	0	0.00%
<b>U.S. TeleServices</b>	2	0	0	0.00%
<b>W &amp; R, Inc.</b>	2	2	0	0.00%
<b>E &amp; E Communications</b>	1	1	0	0.00%
<b>M &amp; A Phone Group</b>	1	0	0	0.00%
<b>TOTALS</b>	221	171	1	0.45%

<sup>a</sup>This list and the subsequent infractions summaries in Tables 4-7 reflects PSPs only. <sup>b</sup>OCS did not send Metro Public Phones Notices because it was in the process of transferring its equipment. <sup>c</sup>ETS Payphones indicated that these payphone sites were not in their database.

<b>Table 4: Number of Registration and Non-Registration Infractions<sup>d</sup></b>						
<b>(1)</b>	<b>INSPECTION MARCH-APRIL 2005</b>		<b>COMPLIANCE INSPECTION NOV - DEC 2005</b>		<b>CHANGE</b>	
	<b>Number of Infractions</b>	<b>Share of Inspection's Infraction Total</b>	<b>Number of Infractions</b>	<b>Share of Inspection's Infraction Total</b>	<b>Number (6)</b>	<b>Percent (7)</b>
	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>	<i>(Col. 3 - Col. 2)</i>	<i>(Col. 4 / Col. 2)</i>
<b>TOTAL NUMBER OF INFRACTIONS</b>	1059	100.00%	756	100.00%	-303	-28.61%
<b>Non-Registration Infractions</b>	707	66.76%	502	66.40%	-205	-29.00%
<b>Registration Infractions</b>	352	33.24%	254	33.60%	-98	-27.84%

<sup>d</sup>PSPs only

**TABLE 5: Registration Infractions Summary<sup>e</sup>**

Section Number  (1)	Violation  (2)	INSPECTION MARCH - APRIL 2005		COMPLIANCE INSPECTION NOV - DEC 2005		CHANGE	
		Number of Infractions  (3)	Share of Inspection's Infraction Total  (4)	Number of Infractions  (5)	Share of Inspection's Infraction Total  (6)	Number  (7) <i>(Col. 4 - Col. 3)</i>	Percent  (8) <i>(Col. 5 / Col. 3)</i>
606.1	Expired Registration	198	56.25%	125	53.42%	-73	-36.87%
604.1	Failure to register payphone	154	43.75%	109	46.58%	-45	-29.22%
<b>Totals</b>		352	100.00%	234	100.00%	-118	-33.52%

<sup>e</sup>PSPs only

<b>Table 6: Number of Non-Registration Infractions by PSP</b>					
<b>Owner</b>	<b>Number of Infractions Found at Inspection Mar - Apr 2005</b>	<b>Number of Infractions Found at Compliance Inspection Nov - Dec 2005</b>	<b>Number of Infractions Found Cleared at Compliance Inspection (4) <i>(Col. 2 - Col. 3)</i></b>	<b>Cleared Infractions as Share of Company's Total at Compliance Inspection (5) <i>(Col. 4 / Col. 2)</i></b>	<b>Outstanding Infractions as Share of Company's Total at Compliance Inspection (6) <i>(Col. 3 / Col. 2)</i></b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>			
<b>Verizon Public Communications</b>	476	307	169	35.50%	64.50%
<b>Robin Technologies, Inc.</b>	60	44	16	26.67%	73.33%
<b>Community Telephone Co.</b>	51	27	24	47.06%	52.94%
<b>Davel Communications, Inc.</b>	41	76	-35	-85.37%	185.37%
<b>Federal Telephone Com., Inc.</b>	22	12	10	45.45%	54.55%
<b>B &amp; B Payphones</b>	16	16	0	0.00%	100.00%
<b>US TeleServices, Inc.</b>	14	4	10	71.43%	28.57%
<b>Hursey Payphone Company</b>	7	4	3	42.86%	57.14%
<b>W &amp; R, Inc.</b>	8	4	4	50.00%	50.00%
<b>E &amp; E Communications</b>	3	3	0	0.00%	100.00%
<b>Nu Tel Systems</b>	4	2	2	50.00%	50.00%
<b>M &amp; A Phone Group</b>	3	2	1	33.33%	66.67%
<b>ETS</b>	2	1	1	50.00%	50.00%
<b>Metro Public Phone Co.</b>	0	0	0	--	--
<b>TOTALS</b>	707	502	205	29.00%	71.00%

**TABLE 7: Types of Non-Registration Infractions<sup>f</sup>**

<b>RULE</b>	<b>Violation</b>	<b>Inspection March - April 2005</b>	<b>Number of Payphones in Noncompliance</b>	<b>CHANGE</b>	
				<b>Number (5) <i>(Col. 4 - Col. 3)</i></b>	<b>Percentage (6) <i>(Col. 5 / Col. 3)</i></b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>		
609.2a	Failure to display valid registration number	187	143	-44	-23.53%
609.2g	Failure to display payphone owner's contact information	137	130	-7	-5.11%
609.7	Failure to maintain payphone appearance	113	76	-37	-32.74%
609.2c	Failure to display payphone address	103	55	-48	-46.60%
609.3	Failure to display time limit for phone call	45	17	-28	-62.22%
609.2j	Failure to refer complaints to PSC via PSC Hotline number	43	43	0	0.00%
609.2e	Failure to display payphone's relevant limitations	41	11	-30	-73.17%
609.2b	Failure to display telephone number of payphone	30	19	-11	-36.67%
609.2d	Failure to display price of local call	5	3	-2	-40.00%
609.1e	Unable to return coins for a non completed call	3	5	2	66.67%
609.1d	Failure to provide 411 dialing cost and information	0	0	0	--
609.1b	Unable to access toll free numbers without coin deposit	0	0	0	--
	<b>Totals</b>	<b>707</b>	<b>502</b>	<b>-205</b>	<b>-29.00%</b>

<sup>f</sup>PSPs only

Chart 1

## Payphone Summary: March-April 2005 (Number of Sites, Share of Ward 2 Sites)

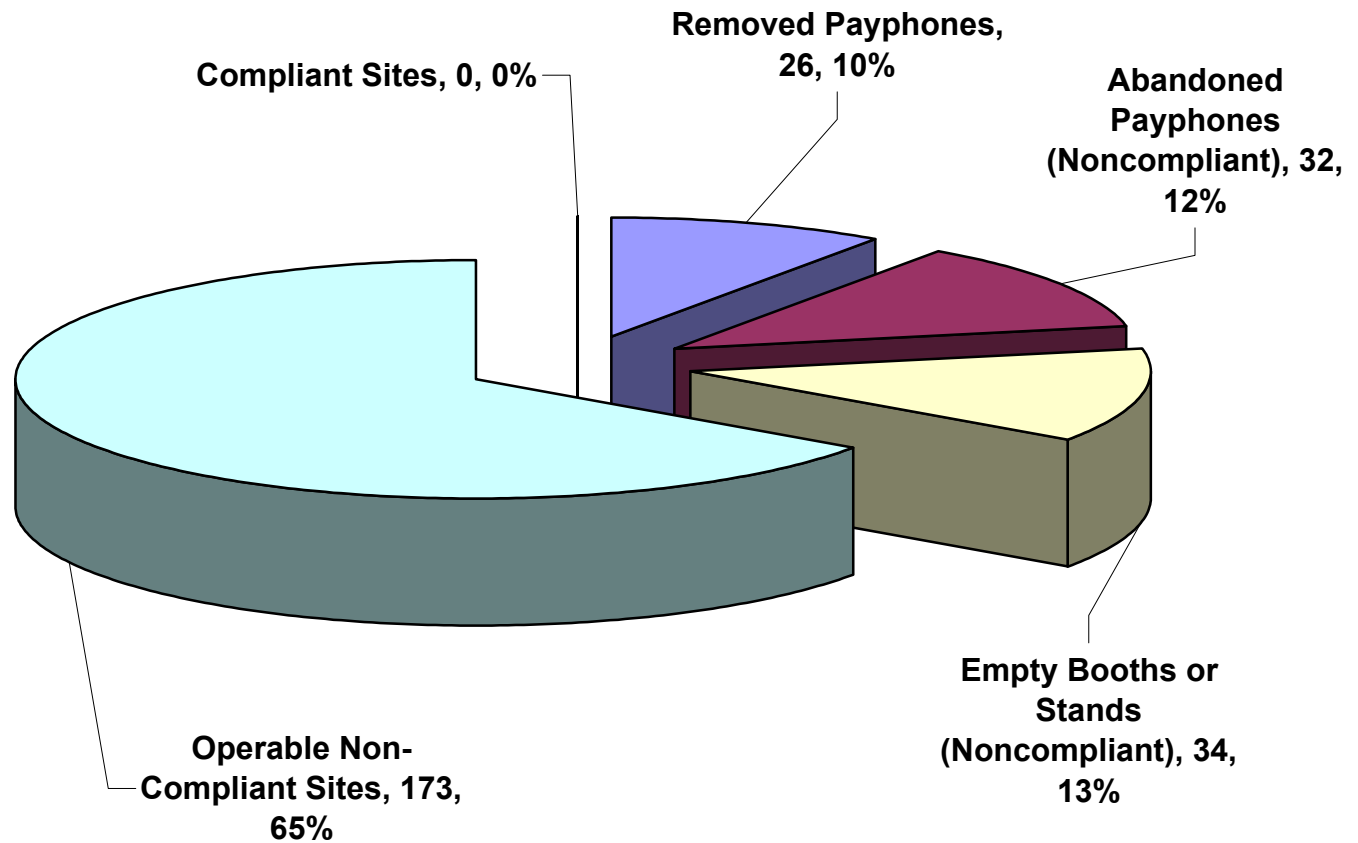
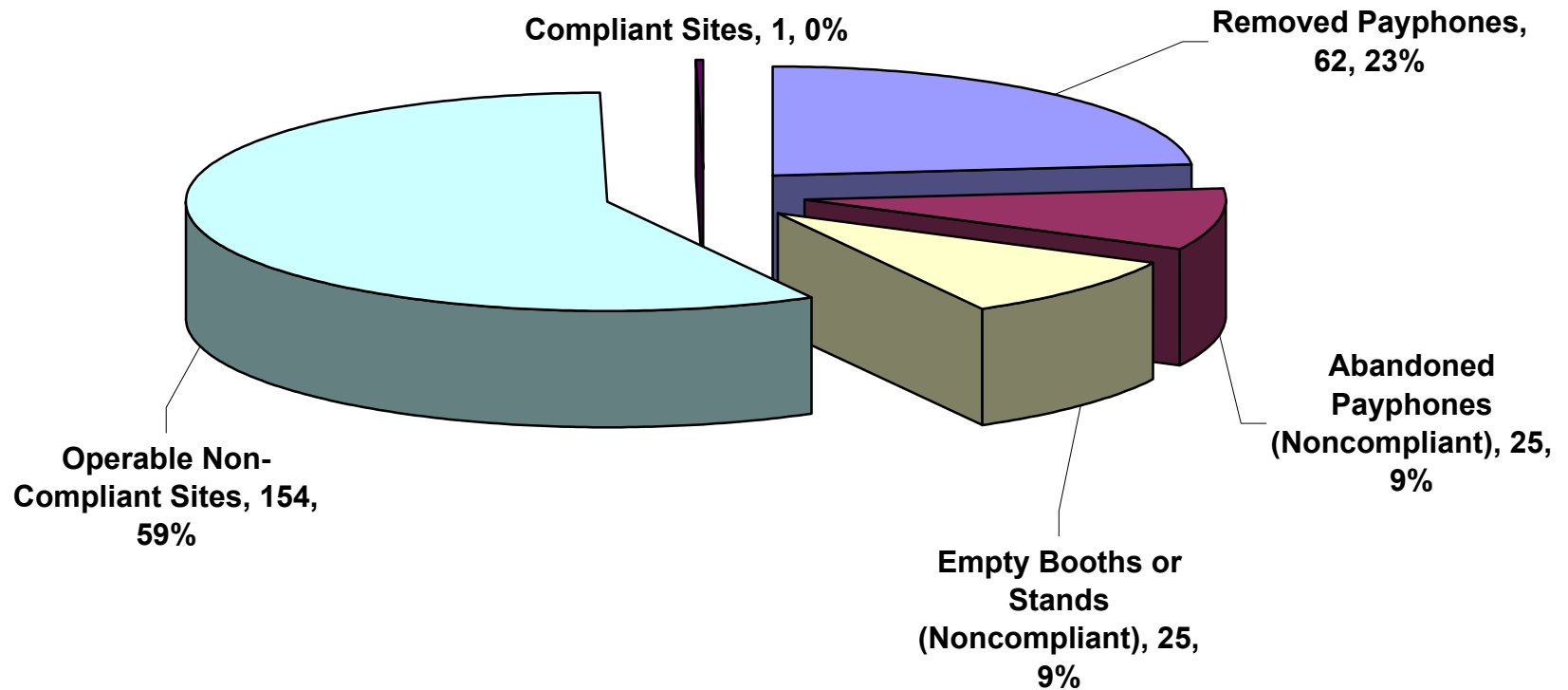


Chart 2

## Payphone Summary: November-December 2005 (Number of Sites, Share of Ward 2 Sites)



# Payphone Summary by Inspection Period

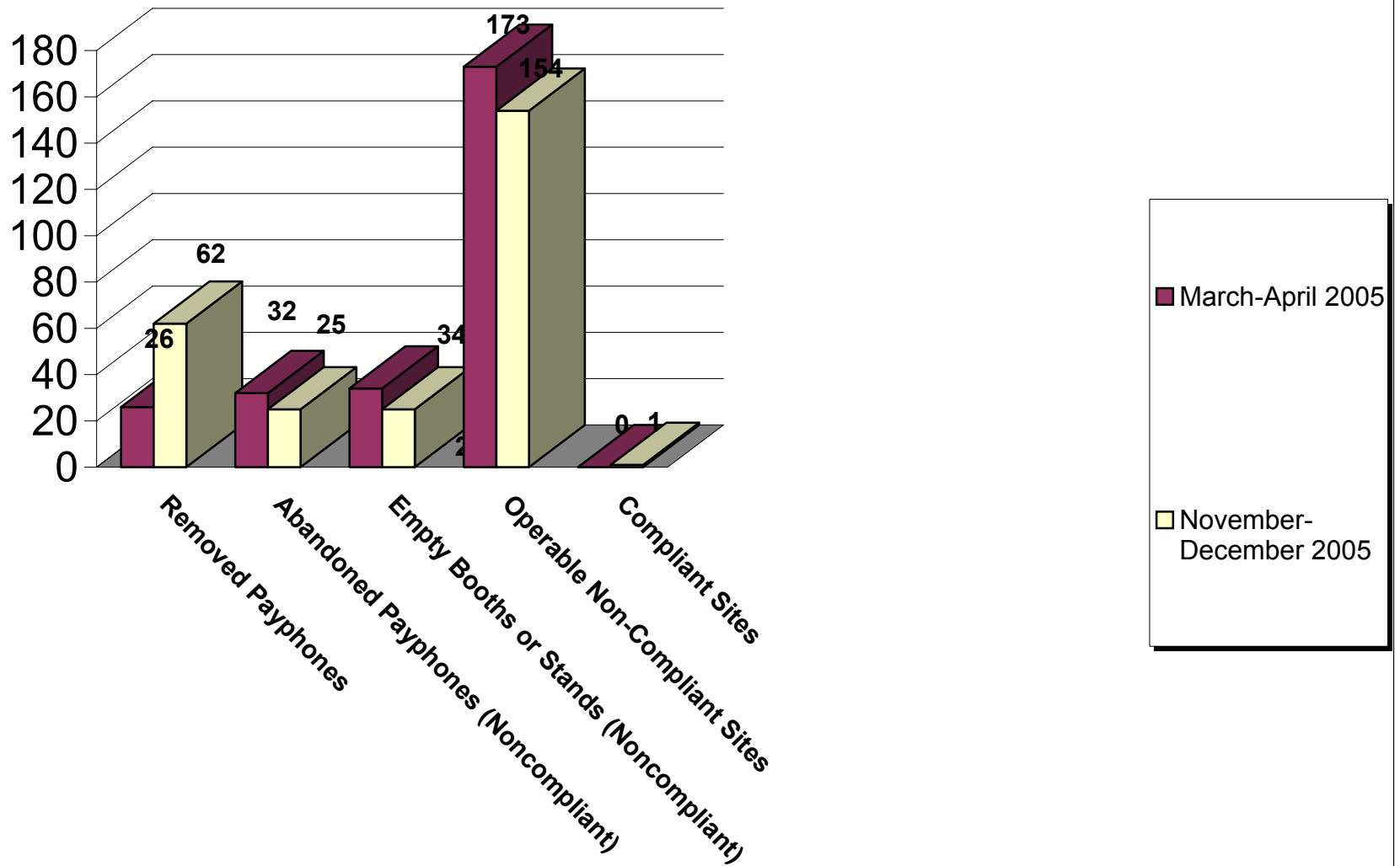


Chart 4

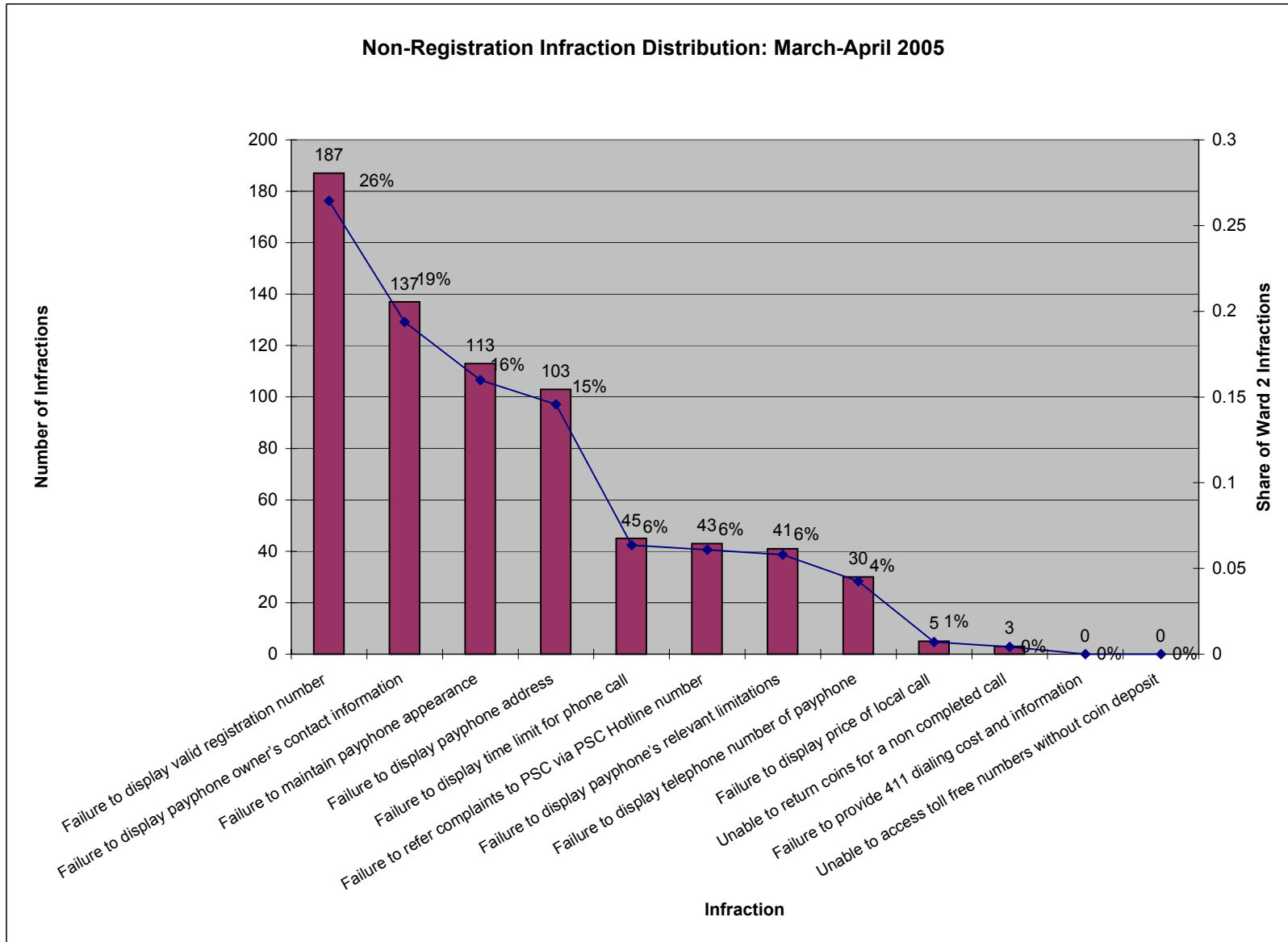


Chart 5

### Non-Registration Infraction Distribution: November-December 2005

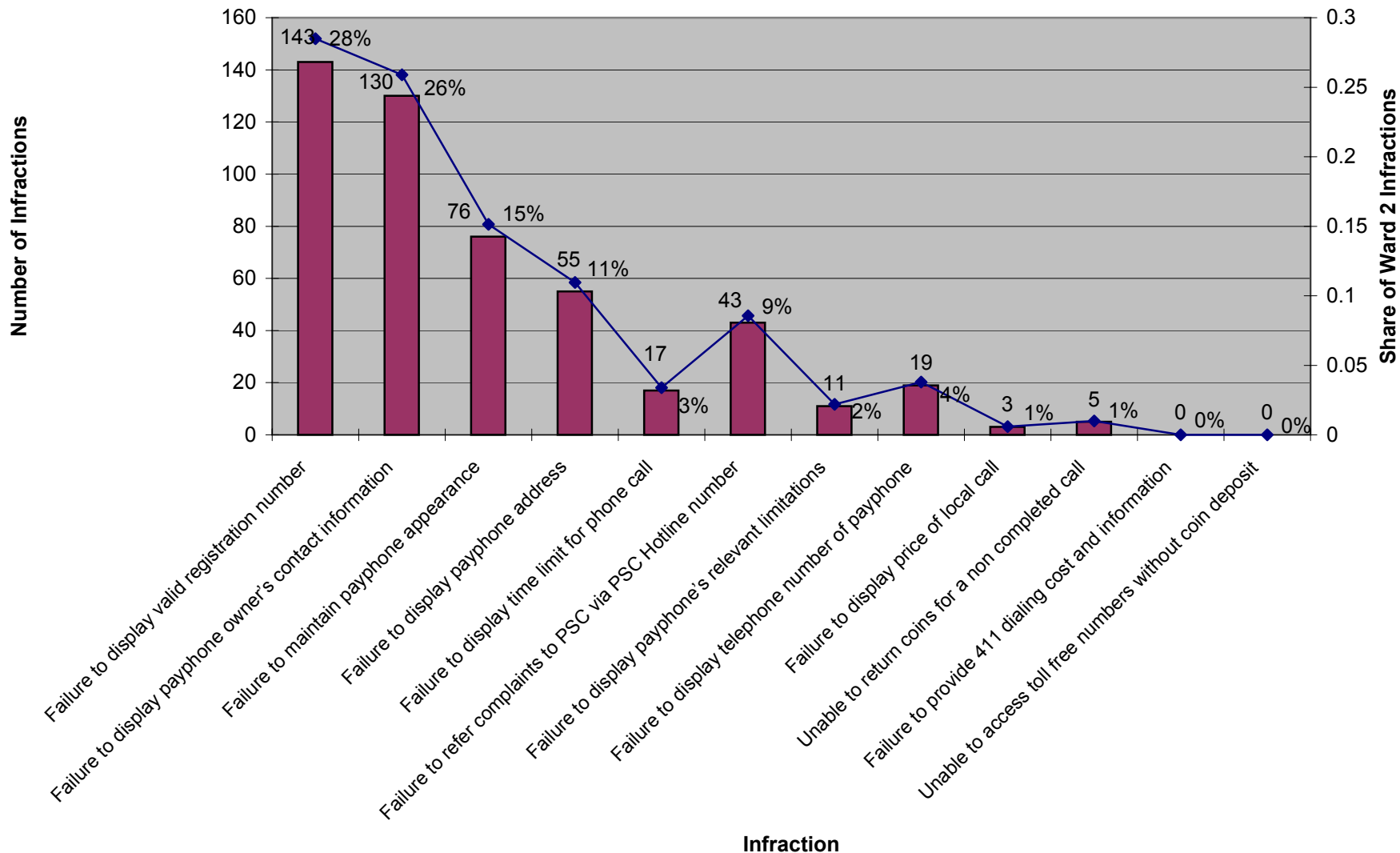


Chart 6

### Infraction Distribution Over Time

