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Office of Consumer Services

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ANNUAL STATUS REPORT ON PAYPHONE SITES IN WARD 5

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 5. 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 between April 7 and May 1, 2006, and 2) follow-up compliance inspections performed between August 21 and September 7, 2006. In each period, OCS inspected 221 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. One payphone site was in compliance with the Commission's Payphone Rules in the initial round of inspections, and five (5) payphone sites were in compliance during the follow-up compliance inspections.
2. The total number of Ward 5 payphone infractions declined by 18% after OCS issued notices to the PSPs. This number indicates that about one (1) of every six (6) infractions found during the initial inspections was cleared during the follow-up compliance inspections.
3. One PSP cleared almost half, 60 out of 128 of the total infractions found during the compliance inspections. Three (3) PSPs had more infractions at compliance time than they did during the initial inspections. Also, six (6) PSPs had the same amount of infractions during both inspection periods.
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 17.4% decrease in the number of non-registration violations and a 21.6% decrease in the number of registration violations.
5. Ward 5 had a marked decline in the number of PSPs and in payphone sites. Eighteen companies stopped operating payphones in the Ward. Three (3) of the companies were PSPs and 15 were uncertified. (See Table 1.) Presently, all payphone equipment has been removed at 55 sites or one fourth of the total. PSPs removed 39 sites. Equipment at eight sites was removed by the Department of Transportation at OCS's request, and the remaining eight (8) sites were removed by uncertified owners.

III. THE COMMISSION'S ROLE IN REGULATING OUTDOOR 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 any outdoor payphones in Ward 5.

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. There were no complaints registered with the Commission during the two inspections periods.

IV. DISCUSSION OF FINDINGS

Number of Payphone Sites in Ward 5 by Owner

As stated in the Introduction, the OCS Payphone Inspector visited 221 payphone sites in both the initial and follow-up compliance inspections. As shown in Table 1, column 1, in both inspection periods, there were 17 PSPs authorized to provide service in Ward 5. These PSPs were responsible for equipment at 188 of the sites visited (including sites where equipment has been removed). During the first inspection period, at least 16 unauthorized companies were responsible for 33 payphone sites. At six of these payphone sites, the OCS Payphone Inspector was not able to conclusively determine which company was responsible for abandoning the equipment; therefore the sites are identified as “unavailable.”

Breakdown of Payphone Sites in Ward 5 by Status

Table 2 and Charts 1 and 2 summarize the status of Ward 5 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 initial inspections, the OCS Payphone Inspector found 49 sites where all payphone equipment had been removed. Only one of the remaining 172 payphone sites was in compliance with the Commission’s payphone rules. At the 171 non-compliant sites, 15 sites were classified as abandoned because there was no dial tone on the payphones. Additionally, 19 sites had empty booths or stands.

Also in the initial round of inspections, the OCS Payphone Inspector found two active payphones that were attributed to an unauthorized owner. OCS ordered that the telephone numbers be disconnected. The owner subsequently removed all of the payphone equipment from the site.

By the time of the follow-up compliance inspections, four more of the unauthorized payphone sites were found to have active payphones. OCS ordered the disconnection of dial tone to those telephone numbers. Also during these inspections, a PSP, International Payphone Corporation, was found to have installed a payphone without proper registration. OCS requested the suspension of dial tone to that payphone. On September 14, 2006, the PSP was directed to remove the payphone and equipment by October 16, 2006.

During the August/September 2006 follow-up compliance inspections, the OCS Payphone Inspector again checked all 221 payphone sites. This time, he found five (5) payphone sites that were in compliance with the Commission’s rules. He also found that 55 sites had no equipment, which was six (6) more than in the first round of inspections. At the 161 payphone sites that remained, he found 20 empty booths and 15 abandoned

payphone sites. At the conclusion of the compliance inspections, 126 operable payphone sites remained out of compliance with the Rules.

Of the 33 unauthorized sites, 16 already have all payphone equipment removed. OCS forwarded to DDOT, on September 12, 2006, a request to remove equipment at a total of ten sites. Additionally, six (6) payphone sites that were found to be active were ordered disconnected also on September 12, 2006. In sum, one (1) unauthorized payphone site remains; it is on private property and the property owner is responsible for its removal.

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 their responses.

Since none of the sites was deemed compliant following the April/May 2006 inspections, on May 4, 2006, OCS issued 147 violation notices to all PSPs, except for three that were in the process of transferring their phones. Because International Payphone Corporation was operating an illegal payphone, the violation was handled differently (see page 3, paragraph 5). 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 June 8, 2006).

At the end of the 30-day deadline, six (6) PSPs had returned notices indicating that their infractions had been cleared. However, when the OCS Payphone Inspector returned to the sites in August/September 2006, only five (5) 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 fell by 18.3% from 696 in April/May 2006 to 568 in August/September 2006. The decline in the number of infractions was greater among registration infractions (21.6%) than non-registration infractions (17.3%).

Table 5 and Chart 4 provide a summary of infractions in Ward 5 by PSP. Owning a majority of the payphones in the Ward, Verizon had the most infractions, accounting for 284 or 40.5% of the 700 infractions found during the April/May 2006 inspections. By the time of the follow-up compliance inspections, 60 of Verizon's infractions were corrected for a 21% reduction in the number of their violations. The other PSPs also reduced their infractions, but Dantel of DC, L.L.C., National Phone Company, and STS had more infractions in August/September than they had in April/May 2006.

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 304 (152 payphones² x 2).

The total number of registration infractions declined between the two inspection periods. In April/May 2006, there were 97 registration infractions, which declined by 22% to 75 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 157/304, or 51.6%, to 123/304, or 40%. Thus, the proportion of payphones that had valid registrations increased from 48.4% to 60%. In addition, expired registration violations accounted for about 61% 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 539 non-registration infractions during the April/May 2006 inspections. At the time of the follow-up compliance inspections in August/September 2006, there were 445 non-registration infractions, for a 17.4% decrease.

Between the two inspection periods, violations of all but one 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 rule 609.1.e, the capability to return coins for non-completed calls. During the first round of inspections, 14 of the 137 operable

² Operable non-compliant payphones (137) plus abandoned payphones (15). See Table 2 or page 3, paragraph 3.

payphones failed. That ratio decreased to 4 of 126 by the follow-up inspections, a compliance percentage of 97%.

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

The following is a summary of the most commonly cited violations during the inspections of Ward 5 payphone sites:

April/May 2006 to August/September 2006:

1. Failure to display valid registration number (§609.2a)
 - Decreased 13.9% from 108 to 93 infractions
2. Failure to display payphone owner's contact information (§609.2g)
 - Decreased 2.4% from 83 to 81 infractions
3. Failure to display payphone address (§609.2c)
 - Decreased 13.6% from 44 to 38 infractions
4. Failure to maintain payphone appearance (§609.7)
 - Increased .05% from 81 to 85 infractions

Graffiti

Minimal appearance standards are set forth by Pay Telephone Rule §609.7. The incidence of graffiti on payphone sites varies by ward. In Ward 5, the OCS Payphone Inspector found that 13% of the payphone sites, 20 out of 152³, were in violation of §609.7 because they were poorly maintained. He also found that 15%, 23 out of 152, had graffiti.

By comparison, during the follow-up compliance inspections, the OCS Payphone Inspector found some improvement. Thirteen sites, seven (7) fewer than before, were poorly maintained. That is 13 out of 141⁴ or 9%. There was also a slight decrease in the incidence of graffiti. That percentage dropped from 15% in the initial inspections to 13.4% in the compliance inspections; that is, 19 out of 141 sites.

³ See Table 2, Initial inspection, operable non-compliant payphones, plus abandoned payphones.

⁴ See Table 2, Compliance inspection, operable non-compliant payphones, plus abandoned payphones.

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 5 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.

For FY 2006, OCS has now completed status reports for all the wards in the District. 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 5 PAYPHONE SITES BY OWNER

	Owners (1)	(Initial) Inspections	(Compliance) Inspections
Authorized PSPs	1. Verizon Public Communications	92	92
	2. Robin Technologies, Inc.	15	15
	3. Davel Communications	24	24
	4. E & E Communications	14	14
	5. B & B Pay Phone, LLC *	1	1
	6. ETS Payphones	6	6
	7. Belle Farms Estates	3	3
	8. Federal Telephone Company	4	4
	9. Hursey Payphone Company	3	3
	10. Community Telephone Company	9	9
	11. Mega Communications	4	4
	12. National Phone Company	5	5
	13. Metro Public Phone Company *	1	1
	14. STS	1	1
	15. International Payphone Corporation	1	1
	16. DCK Industries, Inc. *	1	1
	17. Dantel of DC, L.L.C.	4	4
SUB TOTAL FOR PSPs		188	188
Uncertified Companies	1. Universal Payphone Systems (3 Active at Compliance)	4	4
	2. Mark Bliss	2	2
	3. New Age Communications, Inc.	1	1
	4. Wright Telecommunications	2	2
	5. Pay Phones Unlimited, Inc.	1	1
	6. Onyx Communications, Inc.	3	3
	7. Norstar Telecommunications	2	2
	8. JSL, Inc.	3	3
	9. La Lomita	1	1
	10. Douglas Pharmacy (Active at Compliance)	1	1
	11. Direct Connection	1	1
	12. Budtel Associates	1	1
	13. Bennett Enterprises	1	1
	14. Ameritech Pay Phone Services, Inc.	3	3
	15. AJ & CJ Communications	1	1
	16. Unavailable (2 Active at Initial)	6	6
SUB TOTAL FOR UNAUTHORIZED COMPS.		33	33
	* Ceased operations		
TOTAL PAYPHONE SITES IN WARD		221	221

Source:
OCS Payphone
Database

TABLE 2: BREAKDOWN OF WARD 5 PAYPHONE SITES BY STATUS				
	(Initial) Inspection April/May 2006 (1)	(Compliance) Inspection August/September 2006 (3)	Change	
			Number (4) <i>(Col. 3 - Col. 2)</i>	Percentage (5) <i>(Col. 4 / Col. 2)</i>
REMOVED PAYPHONES	49	55	6	12.24%
COMPLIANT SITES	1	5	4	0.00%
NONCOMPLIANT SITES	171	161	-10	-5.85%
Operable Non-Compliant	137	126	-11	-8.03%
Abandoned Payphones	15	15	0	0.00%
Empty Booths or Stands	19	20	1	5.26%
NONCOMPLIANT SUBTOTAL	171	161	10	5.85%
TOTAL PAYPHONE SITES	221	221	0	0.00%

Source: OCS Payphone Database

TABLE 3: WARD 5 NUMBER OF NOTICES SENT BY OCS AND COMPANIES' RESPONCES^a

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	74	74	74	0	0.00%
2. Davel Communications	19	19	0	0	0.00%
3. Robin Technologies	14	14	0	0	0.00%
4. E & E Communications	8	8	0	0	0.00%
5. Community Telephone Company	7	7	7	3	42.86%
6. Dantel of DC, L.L.C.	4	4	0	0	0.00%
7. ETS Payphones	4	4	0	0	0.00%
8. Federal Telephone Company	4	4	4	0	0.00%
8. Belle Farms Estates	3	3	0	0	0.00%
9. Hursey Payphone Company	3	3	3	0	0.00%
10. Mega Communications	3	3	3	2	66.67%
11. National Phone Company	3	3	3	0	0.00%
12. B & B Pay Phone, LLC.*	1	0	0	0	0.00%
13. DCK Industries, Inc.*	1	0	0	0	0.00%
14. International Payphone Corporation ▼	1	0	0	0	0.00%
15. Metro Public Phone Company*	1	0	0	0	0.00%
16. STS	1	1	0	0	0.00%
TOTALS	151	147	94	5	3.31%
^a PSPs only					
*PSP involved in transfer of equipment. Not sent notices.					
▼ Violation handled in separate action					

Table 4: WARD 5 NUMBER OF REGISTRATION AND NON-REGISTRATIONS^b

(1)	(Initial) Inspections April/May 2006		(Compliance) Inspections August/September 2006		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) (Col. 4 - Col. 2)	Percent (7) (Col. 6 / Col. 2)
TOTAL NUMBER OF INFRACTIONS	696	100.00%	568	100.00%	-128	-18.39%
Non-Registration Infractions	539	77.44%	445	78.35%	-94	-17.44%
Registration Infractions	157	22.56%	123	21.65%	-34	-21.66%

^bPSPs only

Table 5: WARD 5 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	284	40.80%	224	39.44%	-60	-21.13%	78.87%
2. Robin Technologies, Inc.	99	14.22%	92	16.20%	-7	-7.07%	92.93%
3. Davel Communications	91	13.07%	91	16.02%	0	0.00%	100.00%
4. Dantel of DC, L.L.C.	33	4.74%	34	5.99%	1	-0.78%	99.22%
5. Belle Farms Estates	34	4.89%	11	1.94%	-23	-67.65%	32.35%
6. Federal Telephone Company	28	4.02%	19	3.35%	-9	-32.14%	67.86%
7. E & E Communications	28	4.02%	18	3.17%	-10	-35.71%	64.29%
8. Community Telephone Company	24	3.45%	9	1.58%	-15	-62.50%	37.50%
9. National Phone Company	20	2.87%	23	4.05%	3	-2.34%	97.66%
10. Hursey Payphone Company	16	2.30%	12	2.11%	-4	-25.00%	75.00%
11. STS	11	1.58%	12	2.11%	1	-0.78%	99.22%
12. ETS Payphones	10	1.44%	10	1.76%	0	0.00%	100.00%
13. Mega Communications	8	1.15%	3	0.53%	-5	-62.50%	37.50%
14. International Payphone Corporation	7	1.01%	7	1.23%	0	0.00%	100.00%
15. B & B Pay Phone, LLC	1	0.14%	1	0.18%	0	0.00%	100.00%
16. DCK Industries, Inc.	1	0.14%	1	0.18%	0	0.00%	100.00%
17. Metro Public Phone Company	1	0.14%	1	0.17	0	0	100.00%
TOTALS	696	100.00%	568	116.82%	-128	-18.39%	81.71%

TABLE 6: WARD 5 REGISTRATION INFRACTIONS SUMMARY^c

Rule	Violation	(Initial) Inspections April/May 2006		(Compliance) Inspections August/September 2006		Change	
		Number of Infractions	Share of Inspection's Infraction Total	Number of Infractions	Share of Inspection's Infraction Total	Number (7) <i>(Col. 5 - Col. 3)</i>	Percent (8) <i>(Col. 7 / Col. 3)</i>
(1)	(2)	(3)	(4)	(5)	(6)		
606.1	Expired Registration	97	61.78%	75	60.98%	-22	-22.68%
604.1	Failure to register payphone	60	38.22%	48	39.02%	-12	-20.00%
TOTAL REGISTRATION INFRACTIONS		157	100.00%	123	100.00%	-34	-21.66%

^cPSPs only

TABLE 7: WARD 5 NON-REGISTRATION INFRACTION SUMMARY^d

Rule	Violation	(Initial) Inspections April/May 2006 (3)	(Compliance) Inspections August/September 2006 (4)	CHANGE	
				Number (5) <i>(Col. 4 - Col.</i>	Percentage (6) <i>(Col. 5 / Col.</i>
609.2a	Failure to display valid registration number	108	93	-15	-13.89%
609.2g	Failure to display payphone owner's contact information	83	81	-2	-2.41%
609.2c	Failure to display payphone address	44	38	-6	-13.64%
609.7	Failure to maintain payphone appearance	81	85	4	4.94%
609.2j	Failure to refer complaints to PSC via PSC Hotline number	48	46	-2	-4.17%
609.3	Failure to display time limit for phone call	46	12	-34	-73.91%
609.2e	Failure to display payphone's relevant limitations	15	8	-7	-46.67%
609.2b	Failure to display telephone number of payphone	44	30	-14	-31.82%
609.2d	Failure to display price of local call	11	7	-4	-36.36%
609.2hi	Failed to display Customer Service information	45	41	-4	-8.89%
609.1e	Unable to return coins for a non completed call	14	4	-10	-71.43%
609.1b	Unable to access toll free numbers without coin deposit	0	0	0	0.00%
TOTAL NON REGISTRATION INFRACTIONS		539	445	94	17.44%
^d PSPs only					

**Chart 1 - Ward 5 Payphone Sites by Status
Initial Inspections April/May 2006**

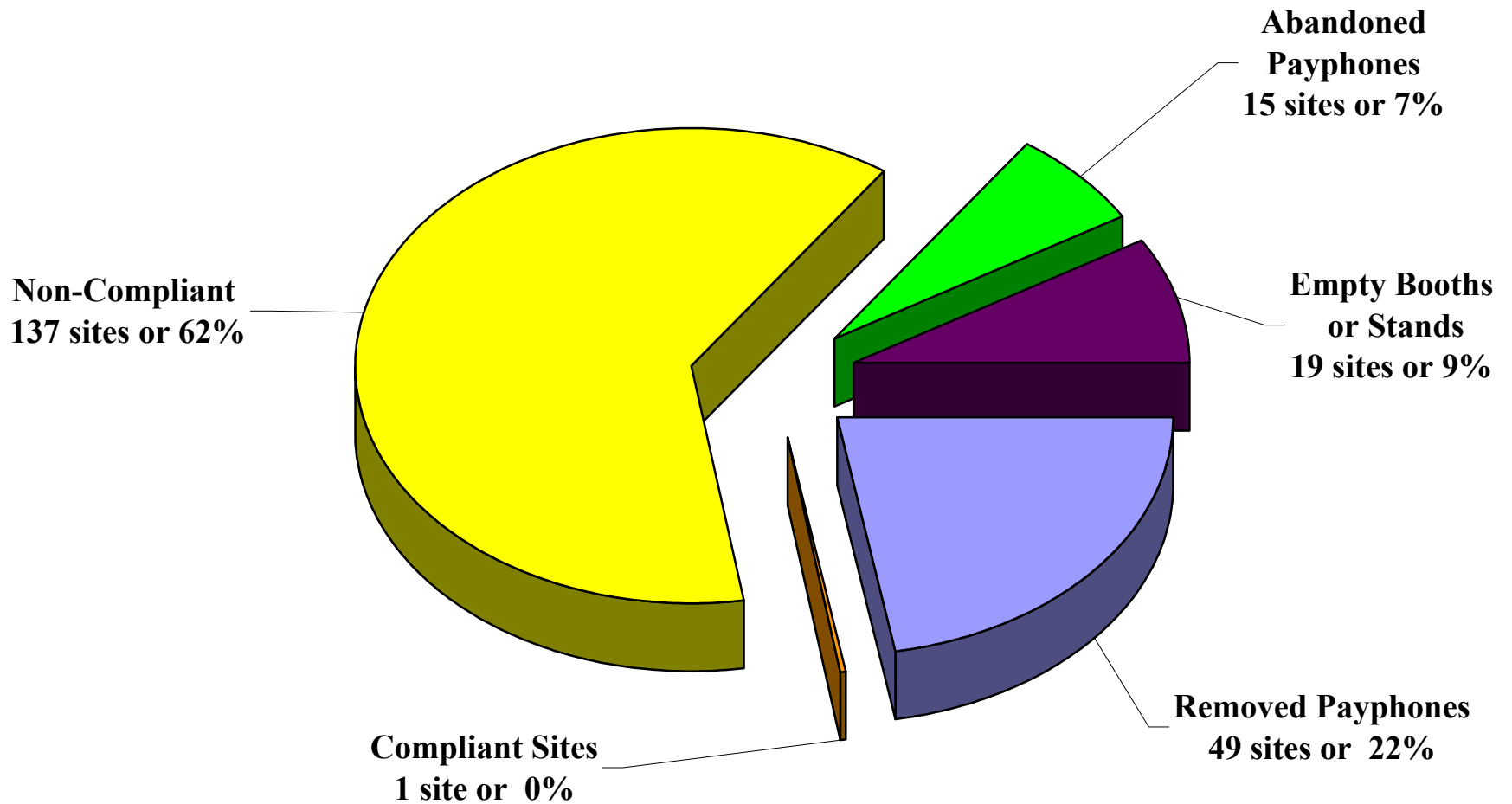
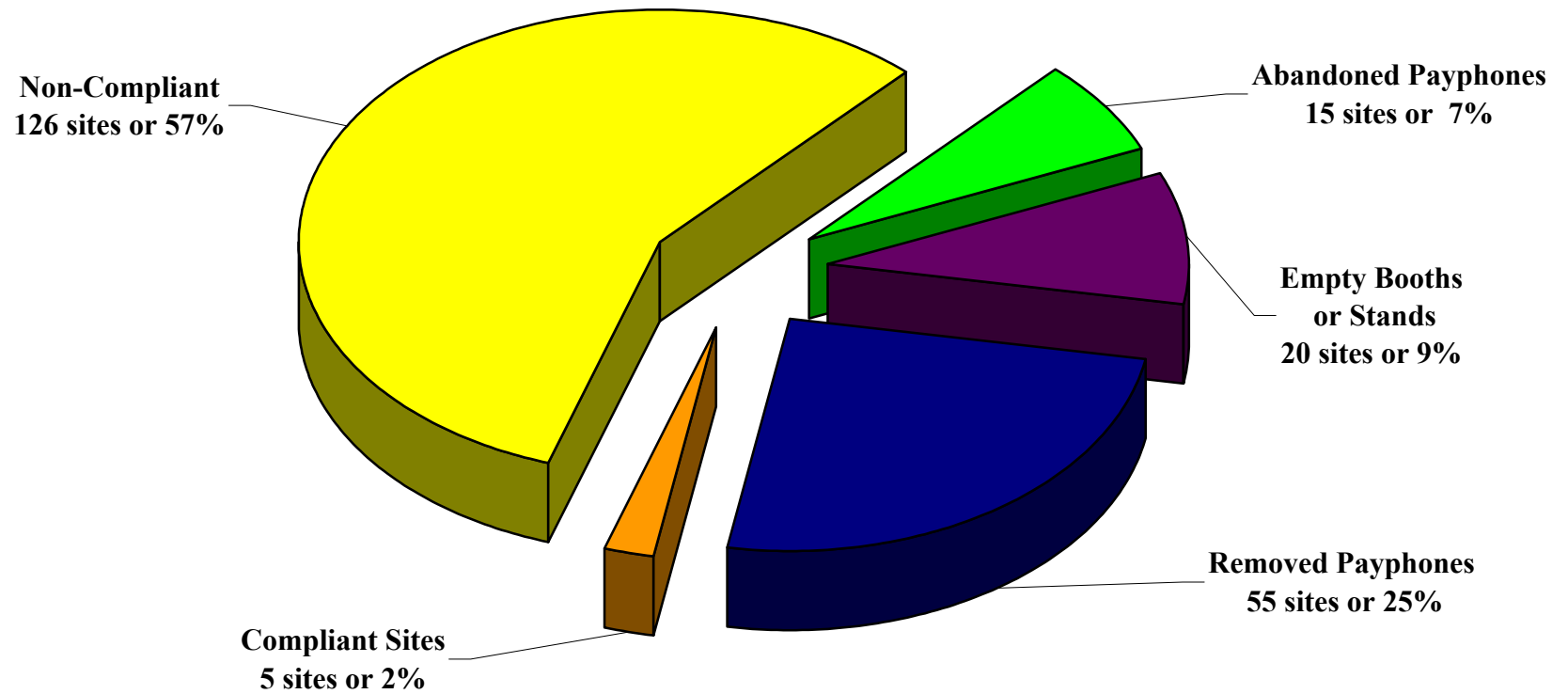


Chart 2 - Ward 5 Payphone Sites by Status
Compliance Inspections August / September 2006



**Chart 3 - Ward 5
Infractions
Typed by
Inspection Period**

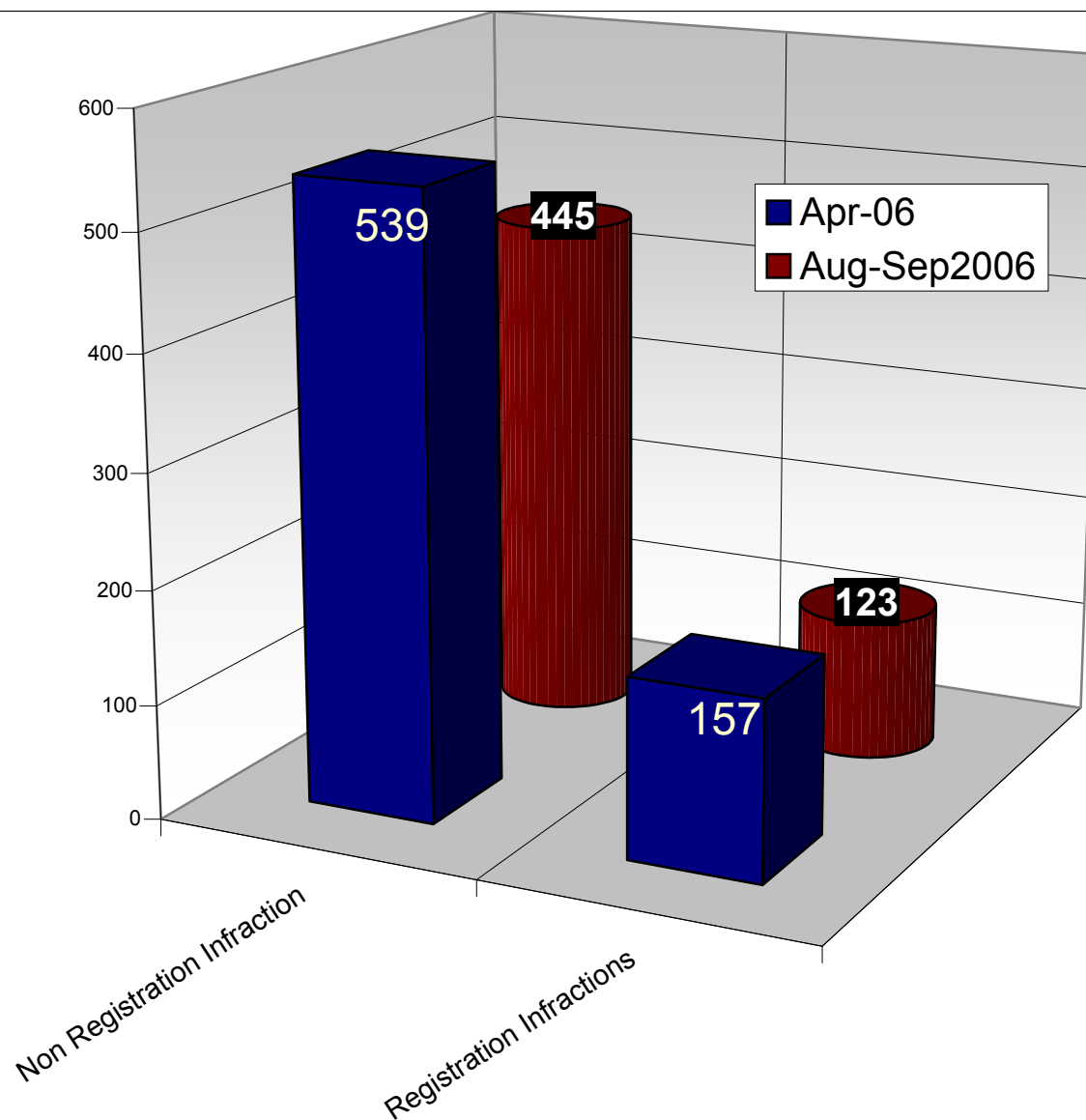
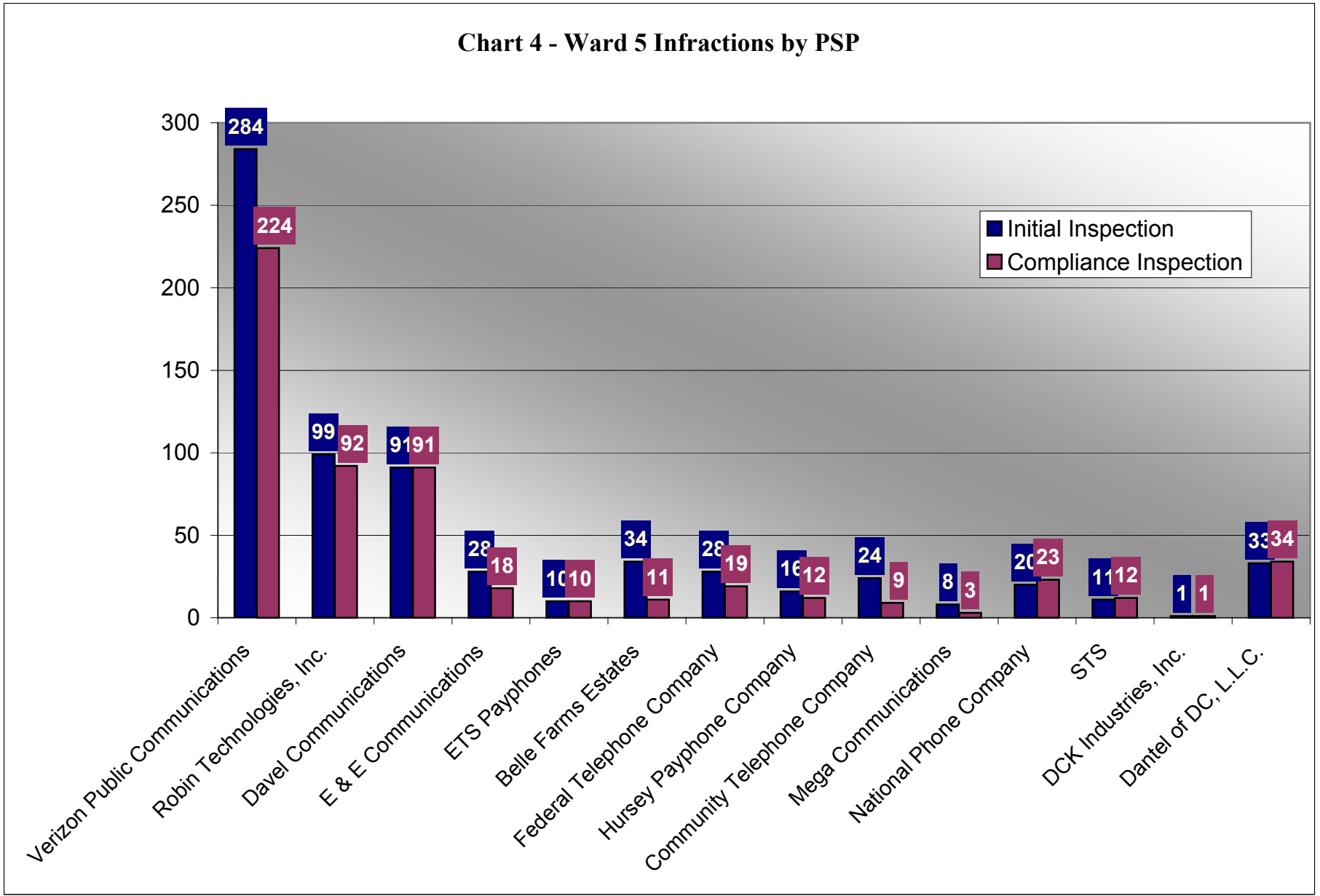


Chart 4 - Ward 5 Infractions by PSP



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

