

PERSPECTIVES

ON PUBLIC COMMUNICATION • OFFICIAL MAGAZINE OF THE APCC®

September 2009

Volume 17

Number 5



Making strides

APCC members emphasize the importance of payphones while visiting congressional offices as part of APCC 2009

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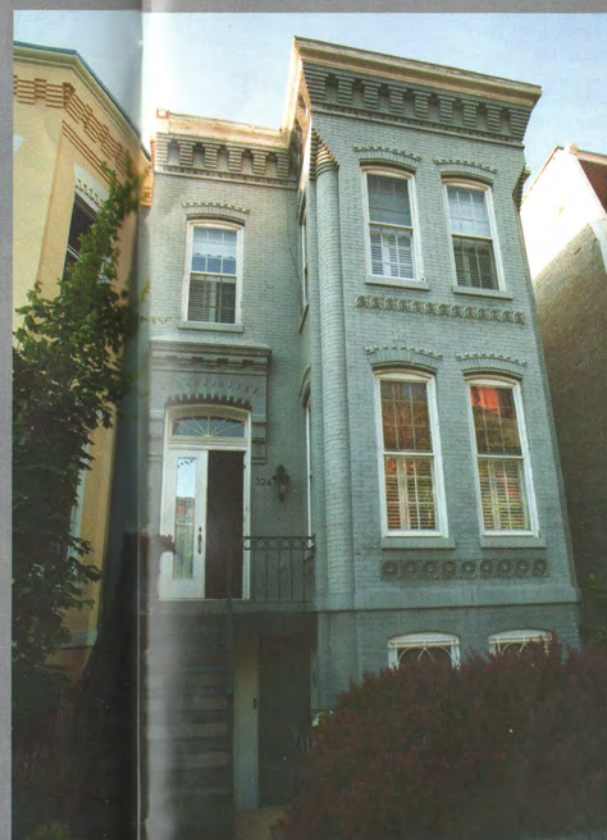
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APCC members made the most of their trip to DC, enjoying everything from visits to the Hill and sightseeing to seminar sessions and a reception at a hip townhome.

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APCC

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Thanks for the memories

It is with a very heavy heart that I tell you that this is the last issue of *Perspectives* magazine.

It will surprise none of you that the payphone industry has been in decline, as has the economy in general. Producing a publication is very expensive, and many publications in this country have either cut back or have gone to electronic versions. The APCC currently plans to do something along those lines.

It will be difficult to sum up 17 years in 500 words, but I'll do my best. People always ask me why I stayed so long in this industry, and the answer is very easy. It's you guys — the independent PSPs. I have always loved small businesses, and from the beginning I have admired your entrepreneurial spirit and your fierce determination to make your businesses viable despite monumental challenges. It truly has been David vs. Goliath, so to the extent that I was able to help you succeed, I was all in.

In the beginning, I remember being overwhelmed by all the acronyms I had to learn, not to mention all the legal and regulatory jargon and the technical issues. You guys had your hands full as well. I remember being told crazy stories about Bell techs pulling wires really far out of the wall and cutting them so our installations would be difficult. PSPs also allege that the Bell companies wouldn't turn their lines on on the correct day so they looked foolish in front of their customers.

I also recall the horrendous municipal ordinance battles we had to fight. I seem to remember that one mayor held a press conference wherein he used a tool to cut a handset off a payphone. The conference was broadcast on TV. And of course, I remember the dial-around and NST battles that, sadly, are still going on today.

But there are just as many fond memories.

editorial

Days when coins flowed into coin boxes like rain. OSP call counts that were equally prolific. Dial-around compensation at \$45.85 per month, per phone. Trade shows with 2,500 in attendance. God, Vegas was just crazy back then. The hospitality suites were a blast, and many of us would go out dancing afterward.

Naturally, I have to thank the APCC for this wonderful opportunity. I have been so blessed to have had a job I've loved for 15 years, and to have been treated so well by my bosses and our board of directors.

I wish I had the space to name all the people who have helped me over this time. Many of you are like family to me now. I have been very fortunate to have had a good group of industry experts who have been an incredible help, especially in the beginning when I had so much to learn. And there have been many along the way who have been of tremendous assistance in developing editorial content for this magazine.

And of course there are the hundreds of PSPs we've interviewed over the years, pistols one and all. Each with his own unique story to tell, but with plenty of common threads throughout: free spiritedness, a strong entrepreneurial drive, serious dedication, creative innovation, camaraderie with colleagues, commitment to the industry, and devotion to family.

You guys have been a part of my life for 17 years now, and I want you to know how much you all and this industry have meant to me. I'm just so impressed by what you have accomplished, by who you are as people, and by what you've taught me.

So thank you for your support of this magazine, the APCC, APCC Services, our trade shows, and your state associations. But most of all, thanks for a great ride.

Tracey Timpanaro

Tracey Timpanaro
Publisher



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editorial

of payphone providers to receive the compensation they are entitled to.

The FCC promised in adopting the new regulations to enforce the rules this time against non-payors (something that unfortunately was never done with past regulations). Since their adoption, the APCC has brought to the FCC staff's attention literally hundreds of carriers, particularly prepaid card providers, which have (and are) failing to comply with their obligations. In addition, we have been required to spend millions of dollars attempting to enforce the FCC rules through the agency's cumbersome and expensive complaints process.

To date, notwithstanding its promise, the FCC has failed to impose a single sanction against any one of these carriers in the form of a fine or forfeiture or debarment of their principals. Simply put, if the FCC is not going to enforce its payphone compensation rules effectively (and comply with its responsibilities under the continuing congressional mandate), there is little hope that any payphones will continue to exist much longer.

We were heartened by your response to a question in conjunction with your confirmation hearing, where you stated that, if confirmed, you would review existing policies to ensure that the congressional mandate in Section 276 — to compensate each and every completed call — is met. You also stated that you would work to ensure that disputes over payphone compensation would be resolved in an expeditious manner.

Now that you have been confirmed, I urge you to review without delay the agency's enforcement priorities and activities and to consider significant revisions to the existing compensation system to ensure that the congressional mandate is met.

Above all, I urge that you, and your commission, recognize the continued value of payphones to the American public. Payphone service providers are small and medium-size businesses with razor-thin profit margins. They cannot afford to have their claims wait for years, while their revenue streams are reduced and they pay for legal representation as regulatory delays stretch on and on. The survival of these businesses, and their still valuable public service, depend on timely actions by the commission.

Sincerely,

A handwritten signature in black ink, appearing to read 'Willard R. Nichols'.

Willard R. Nichols
President

American Public Communications Council

An open letter to FCC Chairman Genachowski

Dear Chairman Genachowski:

Congratulations on your confirmation as chairman of the Federal Communications Commission. As you assume leadership of the commission, I hope you will direct your attention to some critical issues involving the commission's treatment of America's payphones.

In adopting the 1996 amendments to the Communications Act, Congress issued a mandate that the continued deployment of payphones across America was an important national policy. Today, over a billion calls still are made on payphones each year — approximately 100 to 150 calls made on each payphone every month.

Despite the large number of calls (and despite the congressional mandate), the number of payphones nationwide has declined from over 2 million in 2000 to something less than 800,000 today. This massive decline has occurred even though payphones remain a lifeline to the communications network for the 5 to 6 percent of American households without any form of household phone (a percentage that doubles for minority and lower income households). While market forces such as the growth of cellular communications certainly have contributed to the decline in the number of payphones, the decline has been accelerated by the commission's failure to manage successfully its own responsibilities under the Communications Act.

An issue of utmost importance to the survival of the payphone industry involves payments for coinless (so-called "dial-around") calls. Section 276 of the Communications Act requires the commission to "establish a per-call compensation plan to ensure that all payphone service providers are fairly compensated for each and every completed intrastate and interstate call using their payphones."

The commission's dial-around compensation rules have gone through several incarnations since they were first adopted. Yet, none of them have in fact accomplished the congressional goal or met its mandate. Most recently, in 2004, the commission adopted its present version of these regulations, which vastly complicated the process for and ability

by Flori Meeks

APCC presents a united front

More than 100 association members stressed the importance of payphones while visiting more than 70 congressional offices as part of APCC 2009

Through the years, the American Public Communications Council Inc. (APCC) has been a strong advocate for the independent payphone industry. Assisted by its professional lobbyists and attorneys, association leaders have been successfully making the case for the industry before Washington, D.C. lawmakers and policy-makers for many years.

But during this year's annual trade show, individual members were able to make the case themselves, converging on Capitol Hill en masse, in hopes of presenting the most pressing issues facing the payphone industry to those with the power to address them.

The May 21 visit was the focal point of APCC 2009, which moved from its traditional site in Las Vegas to Washington, D.C. to make this effort possible. One hundred and twelve payphone service providers (PSPs) gathered in small teams to visit over 70 congressional offices that day.

These visits comprised a well-timed, carefully orchestrated campaign, says Tracy Taylor, a principal with Williams & Jensen, APCC's lobbying firm. "It's the beginning of a new Congress," Taylor says. "You have new members, you have new chairmen, and you have new leadership."

The Federal Communications Commission (FCC) is gaining new leadership as well. "Presenting our ideas at the beginning of a new Congress and new administration will have a strong impact," Taylor says.

The message

During their visits to the Hill, APCC members stressed the value of the service independent payphone providers offer the American public. Participants provided information on the number of payphones that remain in use nationally — and at

the state and local levels. They made sure lawmakers knew that more than a billion payphone calls are made every year, and about 6 percent of American households — over 6 million — remain without any kind of phone service today. The percentage of homes without phone service soars dramatically, to as much as 11 to 12 percent, among low income and minority populations, the association members stressed.

"The real message is that payphones are still out there," APCC President Willard Nichols told Darren Achord that day (Achord is the legislative assistant for Rep. Steve Scalise, R-La.). "It's a tough place to be; there are now less than 800,000, compared with over 2 million payphones in 2000. A lot of that reduction, of course, is due to the emergence of cellular. But a large part of the loss also can be traced to a lack of effective enforcement by the FCC of its own rules and policies."

The association addressed three key legislative and regulatory issues during its visits. First, PSPs described their concerns about the FCC's failure to enforce its own rules on dial-around compensation (DAC) and the new services test (NST). Next, members made a case for exempting PSPs from Universal Service Fund (USF) payments and allowing PSPs to receive money from the fund. And finally, the group stressed the importance of ensuring that payphone coding digits are included on calls transmitted via VoIP.

APCC board member Tom Keane, CEO of The Jaroth Companies, emphasized the damaging effect of USF payments for PSPs. Paying \$1 a month per payphone doesn't sound bad, he says. "But payphones are a very low margin business; in reality that's huge. We're the last people who should be paying into that fund."

The message on VoIP and proper coding digits



Dennis Novick, Alan Rothenstreich, Bruce Sandys, John Porter, John Sweeney



Howard Meister, D'Anne Lee, Rep. Steven LaTourette, R-Ohio, John Keane



Gregg Waldhauser, Wendy Waldhauser, Rep. Bart Gordon, D-Tenn., Cliff Gelb, Larry Scott, Kurt Gibbs, Mason Harris, Bill Gardner



APCC members met with Rep. Bart Gordon, D-Tenn., in his office.

was well received, Taylor says, but lawmakers indicated there might not be legislation addressing this issue any time soon. "We would like to ensure that the FCC and Congress know that these things are important so when they do address them, our solutions are included," she says.

Lawmakers also were empathetic about the USF and the association's frustrations with the FCC and its failure to enforce its own policies regarding public communication. "Conceptually, congressional members and staff agree, of course they should enforce their own rules," Taylor says. "But I think it is difficult for them to understand exactly how that would be done."

Keane says he would like to see Congress reaffirm its existing mandate supporting this country's need for a widespread deployment of payphones. If it does, he says, the wisest thing Congress could do would be to ensure a sustainable business model for the industry. "Just give providers a chance to be viable, and we'll make sure the American public continues to get the services they need."

A receptive audience

A number of PSPs who went to the Hill expressed respect for the congressional aides who met with them. The aides were extremely supportive, says D'Anne Lee, CEO of Teletrust Inc. "They said, 'We read up on your issues and have been very eager to talk to you.' They were really engaged, and they asked thoughtful, pertinent questions."

Most aides had some knowledge of what the APCC members were discussing, says John Porter, president of East Harlem Payphones. "They knew about NST and USF. One of our major issues was to ask if they'd be willing to write letters to the FCC, and I was impressed they actually offered to do so. They recognized the need for payphones and their value, that they're still needed by the public."

Their willingness to send a letter to the FCC about its lack of DAC enforcement was extremely promising, says APCC corporate counsel Dan Collins. "In addition, each staff member agreed to follow-up discussions when USF and VoIP-related legislation come up.

"The growing number of small business PSPs



APCC President Randy Nichols, Troy Lee, Lou McAlister, Legislative assistant Darren Achord (Rep. Steve Scalise, R-La.), Dorothy Cukier, Effie Lantia, Alise Smith-Swopes, Curt Selman



APCC members met with Rep. Marsha Blackburn, R-Tenn., in the hallway outside the Energy and Commerce Committee's hearing room.



ADAME PHOTOGRAPHY

Seminar sessions

True to form to past shows, APCC 2009 offered a good variety of seminar sessions for attendees. The Business Strategy sessions below covered everything from the Recovery Act and SBA loans for small businesses to tax strategies and retirement planning.

- Small Business Stimulus Plan: What the SBA can do for your and your business — guest speaker Bridget E. Bean, district director, Washington Metropolitan District Office, U.S. Small Business Administration
- Obama's new provisions for small businesses — what you need to know — guest speaker Herbert D. (Ley) Mills, senior tax specialist, U.S. IRS
- Smart business — realistic retirement planning — guest speaker Edward (Ted) Shanahan, CFP, wealth management advisor, Northwestern Mutual Financial Network

going out of business, as well as the increasing lack of telephone service for minority/rural/low income areas as payphones are pulled out of the ground seemed to resonate with most of the staff members," Collins said.

While many of the meetings that day took place with aides, APCC members also met with their actual representatives and senators as well. Jim Buhr, president of Phone Tech Inc., remembers one representative mentioning that he left his cell phone at home and found it difficult to find a payphone when he needed one.

"They all seemed to be very receptive to the problems we explained to them," Buhr says. "They fully understood how ridiculous it is for us to pay into the USF and how the fund then is used to help our competition. The two representatives we spoke with said they would be supportive of anything we came up with to fix that."

Looking back, Taylor says she couldn't be happier with the performance of those who made the Capitol Hill visits. "This was a great effort on the part of the

members," she says. "I think people came because they wanted to be helpful, and they were."

Taylor commended APCC staffer Carol MacDougall, who helped coordinate the visits with the members. "Her constant communication with them was critical," Taylor says.

Taylor also relished the opportunity to show lawmakers PSPs are capable business owners doing the best they can in the face of adverse public policy. "I think the expectations or presumptions are they are not really thoughtful business operators," Taylor says. "I describe them as entrepreneurs, innovators, on the ball. I think they were really able to show that."

Keane made it very clear when he spoke to lawmakers that he is committed to continuing to provide payphone services to the American public. "We invested \$20 million in the last two years. We're hiring; we're growing. I said to one of them, 'I'm here because America still needs payphones.'"

Looking ahead

Taylor says gauging the results of a lobbying campaign is not an exact science. "There's a saying that lobbying is like water flowing over a rock," she says. "It's an evolutionary process and it takes time."

Taylor was encouraged, however, when Sen. John D. Rockefeller IV (D-W Va.) mentioned the payphone industry during the June 16 Senate Commerce Committee confirmation hearing for FCC chairman nominee Julius Genachowski. "Payphones are a vanishing feature of the American communications landscape," Rockefeller told Genachowski.

"A decade ago, we had more than 2 million payphones across the country, but now we have less than half as many. Despite this decline, they remain a primary link to the communications network for the five to six percent of American households without any form of household phone. They are a vital part of keeping Americans connected and can be a lifeline in times of emergency.

"In light of the important role payphones play



"Payphones continue to play an important role for individuals and families to communicate throughout our nation. They are crucial to low income individuals, consumers with poor credit, the elderly and those who reside or travel to remote locations. From providing Americans with an outstanding convenience to assisting citizens in emergency situations, payphones remain an important part of our society."

— Rep. Gary Ackerman, D-N.Y.

"It is always important to hear from people back home about the issues that are important to Louisianians. Hearing from groups like the American Public Communications Council about the public communication issues they discussed will help me have the information I need to do a better job as these issues move through the legislative process."

— Rep. Steve Scalise, R-La.



Mason Harris checks out a payphone in one of the Hill buildings.

and the risk associated with the loss of communications service, will you review existing payphone policies at the FCC in order to ensure that the congressional mandate to compensate each and every completed call is met? Furthermore, will you ensure that disputes over payphone compensation are resolved in an expeditious manner?"

Taylor says it is a very positive sign that lawmakers can appreciate the value of payphones in this country — and understand their plight.

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Genachowski's response, by the way, was yes. Ultimately, the PSPs who made the Capitol Hill visits consistently said they considered the visits — and the conference as a whole — a worthwhile use of their time. "It sure felt like we were doing as much as we could to plead our plight," says Jeff Gassel of Master Telecom Corp. Gassel said he'd be willing to return to Washington, D.C. for follow-up visits. "It just seems like the right thing to do," he says.

Karen Williams and Mark Toms of Southeast Payphone also sang APCC's praises. "Thanks again to you and your team for a fabulous conference," Williams wrote on her evaluation form. "Mark and I felt that it was so well-organized, informative and beneficial. We are so glad that we attended."

Ross McEathron said he thinks the association members left congressmen and their aides with a better understanding of the independent payphone industry. "I believe we may have some sympathy

on the Hill right now," McEathron says. "I would like to see more APCC trade shows held in Washington, D.C. We need to make our presence felt more often."

Taylor says she sees value in more efforts like the Capitol Hill visit, too. "This was one step in a long process. Every time people make contact it's helpful."

"And it doesn't have to be in Washington, D.C. It can be in people's districts. Representatives hold Town Hall meetings and they go to Rotary Club meetings. They go to Chamber of Commerce meetings. Business people speaking directly to policy-makers is the most effective approach to lobbying. Then we can build on it." ■

Flori Meeks is a freelance writer who is based in Houston. She has 21 years of writing and editing experience, and has been writing for *Perspectives* for 10 years.

Inside the meetings...

APCC members packed their messages with as much punch as possible during their group meetings with U.S. lawmakers. The situation they described is urgent.

"There are about 800 independent PSPs in the U.S. right now," APCC President Randy Nichols explained during one meeting. "If there are going to be any payphones left, it will be this group that provides them. And we're willing, but we do need help — fairness — to make sure that payphones survive for the American public."

In the same meeting, Curt Selman, vice president of sales and marketing for Navigator Telecommunications, brought up the Universal Service Fund (USF). "We pay into the fund, but we should be recipients," Selman says. "Our margins are so small that, yes, the amount we pay into the USF makes a difference to us. It could be the difference in us pulling a phone out of the ground."

Even more frustrating, PSPs told lawmakers, is the fact their USF payments are supporting their competitors. "USF money goes to cell phone companies in rural areas, and my revenues are dropping in those rural areas as a result," Bill Gardener of Gardener Technology Resources said during the meeting with Rep. Bart Gordon, D-Tenn.

Gordon — like many of the lawmakers — seemed responsive to the PSPs' points. "You look around, and you see the phone boxes, but you don't see anything in them," Gordon told the APCC members. "I'll be watching for your issues."

Another frequent topic during the Capitol Hill meetings was the FCC and its failure to enforce its own rules and policies. "We need the FCC to work on and maintain good policies, but what is critical immediately is for the agency to enforce its existing rules," Nichols says. "They promised to do this when they adopted the new DAC payment rules in 2004, but sadly, they haven't."

There was a time under the previous rules when the association had to pursue 15 carriers for failure to pay dial-around compensation, Nichols said. Now that number is 700.

"We used to collect DAC at a rate of 82 percent, but it's gone down to 58 percent since these new rules went into effect," said Troy Lee, CFO of Teletrust.

"We provide the only form of universal service in the state," Howard Meister of Northcoast Payphones told Rep. Steven LaTourette, R-Ohio. "The FCC is not enforcing its rules. We are not being paid on many of the calls being made from our phones."

LaTourette did express interest in learning more. "I see lots of places where phones used to be, but they're no longer there," he told the PSPs. "A lot of people can't afford cell phones. Send information to my legislative director and educate me about this and what will fix it."

— Flori Meeks

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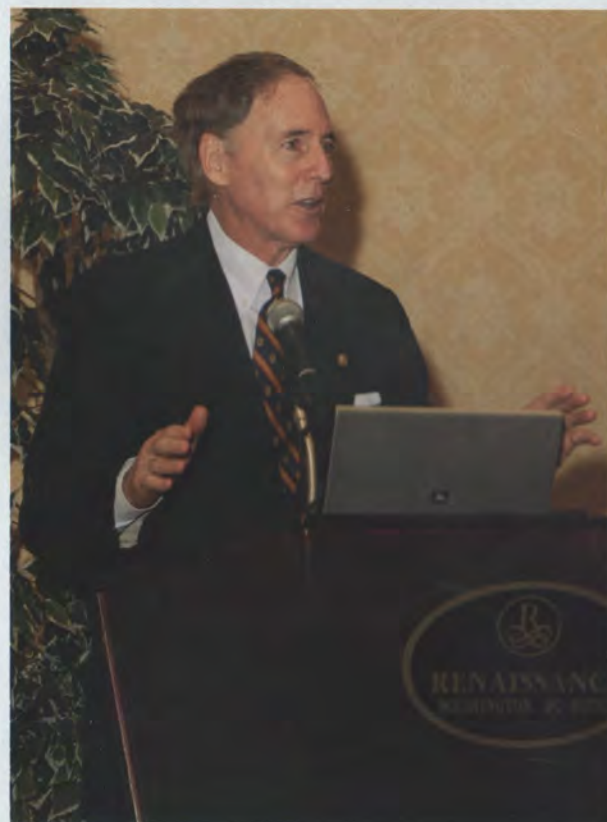
Congressman Stearns headlines Welcome Breakfast at APCC 2009

Stearns shares his view that payphones are a critical part of America's communications infrastructure

Editor's note: The APCC was thrilled that Congressman Cliff Stearns, R-Fla., served as the special guest speaker for the Welcome Breakfast at APCC 2009. Stearns is the ranking member of the House Energy and Commerce Committee's Subcommittee on Communications, Technology and the Internet. His speech is excerpted below.

I am delighted to be here with you today because it is so important that your industry survive. I would also like to congratulate you for coming. It is very prudent for you all to be active and involved, and educate members of Congress about your industry and your issues. We are all trying to do the right thing, and there are lots of people trying to get our attention.

I have been a longtime supporter of yours; I was one of the people who fought for Section 276 of the Telecom Act. In the last several years, your industry



has struggled due to the proliferation of cell phones, but I know that regulatory issues have played a role as well. I have actually witnessed the decline of payphones firsthand. Oftentimes on the campaign trail, I'll stop and use a payphone because I like the privacy it affords, but sometimes it's hard to find a payphone.

In Florida, we have hurricanes and tornadoes, and during such disasters the value of payphones is immediate and apparent. They're always available, whereas cell phones are not.

Looking at the numbers

In fact, our telecommunications system is more valuable to each of us if every person has access to the system when they need it. With over a billion calls made every year on your phones, we can see just how important payphones remain to the overall communications structure.

Nearly 5 percent of American households have no telephone at all, and this number is almost double for minorities and low income households. This group relies on payphones for their everyday communication needs.

There are over 800,000 payphones in the United States, with independent payphone providers managing about 450,000 of these. On average, 100-150 calls are made each month from each of these payphones. The latest FCC statistics show that 41,000 payphones are deployed in Florida, the majority of these owned and operated by independent providers.

As you all know, one of the goals of Section 276 is to promote the widespread deployment of payphone services for the benefit of the general public. Even though the telecommunications landscape has changed dramatically since that time, this widespread deployment is no less necessary now than it was in 1996.

And, for you to maintain your phones, you need to be able to count on being compensated for the use of your equipment. Thus, ensuring fair compensation for calls and a fair cost structure are still important goals that we need to work on for you.

Areas for improvement

There are several areas in which I think we can improve upon our government's regulation of telecommunications services. To that end, I have introduced a bill, H.R. 2183, which would seek to make some necessary changes in the FCC's process.

This bill would improve the commission's regulatory practices by permitting the public to review proposed rules before adoption and would require the agency to provide sufficient time for comments. It also would ensure that commissioners are granted adequate time to review proposals and would require the agency to notify Congress about delays involving the publication of its actions and reports.

I know that you have had complaints about the length of time the FCC has taken to make decisions on some of your actions. I also know that over the last several years, your association has filed some 40 complaints at the commission against prepaid calling card providers, and the FCC has imposed only one notice of apparent liability, but no sanctions. In my view, a system that does not provide openness and does not allow for effective enforcement is broken and needs to be changed.

We have a new FCC chairman coming in soon, so one way or another I expect to see some basic change at the commission. In terms of congressional action, I believe the telecommunications landscape has changed enough to warrant modifications to our current laws, like the Universal Service Fund (USF) and rules that address VoIP (voice over Internet protocol) issues pertaining to dial-around compensation.

I know that many of you pay about \$1 per phone per month into the USF. You cannot pass these costs through to your customers and you cannot receive payments from the USF. I also recognize that in pro-



viding affordable access to all on a 24-7 basis, payphones provide a form of "universal service." Given your unique situation, we need to look at whether your industry should contribute to the fund at all.

As Congress looks at how VoIP and Internet-enabled services should be treated equitably, I will keep your unique compensation issues in mind. It is reasonable and appropriate that payphone service providers continue to be compensated for each and every call no matter the manner of transmission. In order to do this, all providers in the call path will have to transmit the identifying digits that enable carriers to recognize a call originating from a payphone.

Additionally, for purposes of payphone compensation, the manner of transmission should not matter. In order to ensure that payphones remain available to the public, our legal and regulatory system should mandate and facilitate that payment.

As the House begins examining these issues, it will be important to ensure that our policies continue to provide the American public with low cost access to the telecommunications network that is the hallmark of our system. Your industry remains a key component in providing that service. Your mission is a high calling, and you all provide a great service to our nation. ■

APCC Services
CTI Operator Services



G-Five LLC
G-Tel/Payphone.com



Legacy International
NCIC Operator Services



Payphone211
Talk Too Me



Telecom Products
TU LLC



Exhibitor profiles...

* as excerpted from the APCC 2009 Show Guide

APCC/APCC SERVICES INC.

Dan Collins, corporate counsel, APCC Inc.
David Rossé, account manager, APCC Services
625 Slaters Lane • Ste. 104 • Alexandria, VA 22314
Phone: (703) 739-1322 • Fax: (703) 739-1324
E-mail: dcollins@apcc.net or drosse@apcc.net
Web site: www.apcc.net and www.apccsideas.com

Products and services: APCC represents over 900 payphone service providers and vendors of payphone products and services, and we continue to champion PSP federal legal and regulatory issues. APCC offers *Perspectives*, a trade magazine; hosts an annual public communications trade show; offers discounts on industry products and services; and provides membership-specific information via its Web site, www.apcc.net. APCC Services is the leading dial-around aggregator. APCC Services has pursued notorious non-paying carriers, and has received settlements from such carriers that have benefited APCC Services customers only. Additionally, APCC Services is the only dial-around aggregator that uses all customer processing fees for the betterment of the payphone industry through legal, regulatory, and lobbying efforts.

ARV CORP.

David Robert, president
Chris Marshall, vice president, sales
Paul Cronen, chief engineer
36999 County 14 Blvd. • Dennison, MN 55018
Phone: (612) 801-5103
E-mail: kkdobert@aol.com

Products and services: Automotive air systems and vending.

CTI OPERATOR SERVICES

Kevin C. Lush, VP sales & marketing
6242 W. Desert Inn Road • Las Vegas, NV 89146
Phone: (800) 672-9080 • Fax: (702) 368-0363
E-mail: klush@customteleconnect.com
Web site: www.customteleconnect.com

Products and services: Inmate Services: Correctional Control Network — Partner with CTI to offer phone service to inmate facilities. There is a lot of opportunity for you to sell this service to jails in areas you're already serving. You make the sale, install inmate phones and an Internet circuit, and we handle the rest. Our Correctional Control Network is the most robust inmate calling and investigation network on the market today. Some of the features offered on CTI's Correctional Control Network are call recording, investigative alerts, web-based administration, live call monitoring, call blocking, PIN - PAN administration, prepaid debit cards, automated bank card collect (ABC), reverse lookup, call detail, one time name recording, custom voice prompts, network monitoring, call division alert, phone control, and many other features. All features of the Correctional Control Network have been developed and tested in cooperation with law enforcement agencies. Contact CTI today for a live demonstration of CTI's Correctional Control Network.

Automated Bankcard Collect — With Automated Bankcard Collect, your customers can now complete collect calls to millions upon millions of phones that would otherwise fail validation. This product is available on both CTI Operator Services and "Collect Calls Dial *11".

FLEX ANI Identifier — FLEX ANI Identifier is an automated system which continuously monitors and records FLEX ANI coding digits. PSPs are automatically notified via e-mail of any payphones that are identified with the incorrect FLEX ANI coding digits. This gives PSPs an opportunity to immediately contact their LEC in order to correct the FLEX ANI and therefore minimize lost dial-around revenue. CTI also maintains history on its Web site of all FLEX ANI codes which can be viewed and/or downloaded at any time.

Other products and services: CTI continues its dedication to the success of the payphone industry. CTI pioneered innovative products such as "Collect Calls Dial *11", the standard for calling collect on over 300,000 payphones. PCA (Pre Call Advertising) — offer your dial-around callers an option to complete a collect, calling card, or credit card call through the PCA network and receive a generous commission. FLEX ANI Identifier —

helps increase your dial-around compensation. Automated Bankcard Collect — completes collect calls to CLEC and cell phones. CTI offers quality operator services with the highest commissions. Direct-Dial Long Distance (1+) and Directory Assistance — CTI continues to offer qualified professionals dedicated to your success and the #1 web-based reporting in the industry. It's no wonder more and more PSPs count on CTI to grow their payphone business.

EXCEL TIRE GAUGE

Jay Nelson, president
11 Knight St., Bldg. 11 • Warwick, RI 02886
Phone: (401) 732-8420 • Fax: (401) 384-6157
E-mail: jay@exceltiregauge.net
Web site: www.exceltiregauge.com

Products and services: Excel Tire Gauge provides electronic air inflation for gas stations and c-stores. It is fast, safe, and more importantly, accurate. It is the most advanced inflation equipment available offering enhanced image and better service for customers. We are actively pursuing distributors to grow regional and national accounts.

FPTA TECHNOLOGIES INC.

Patsy Kilpatrick, director of sales & marketing
Bruce Renard, president
9432 Baymeadows Road • # 140 • Jacksonville, FL 32256
Phone: (800) 927-5050 • Fax: (904) 425-6010
E-mail: pkilpatrick@fpta.com and brenard@fpta.com
Web site: www.fpta.com

Products and services: National Master Agent for the full suite of payphone support services, including dial tone services, operator services, discount/speed dial sticker programs, 1+ services, DA Services, and more.

Other products and services: Credit Card Processing Services Referral Program from First Data, various vending services tailored to PSPs.

G-FIVE LLC

Geri Gonzales, customer service
4554-C Caterpillar Road • Redding, CA 96003
Phone: (530) 243-9390 • Fax: (530) 243-5390
E-mail: g5geri@sbcglobal.net
Web site: www.gfive.com

Products and services: Domestic and international operator services, AT&T Dial Tone and 1+ long distance, Collect Calls to AT&T Dial *91, star collect products, domestic and international direct dial, Mexico Collect, automated bank card commissioning program, auto 211, dial-around collection processing, custom rate tables at very low prices, payphone routing assistance, free account analysis, and troubleshooting.

G-TEL/PAYPHONE.COM

Don McSwain
16840 Clay Road # 118 • Houston, TX 77084-4067
Phone: (800) 884-4835 • Fax: (281) 550-1028
E-mail: don@payphone.com
Web site: www.payphone.com

Products and services: Payphones, inmate phones, emergency phones, new & refurbished smart boards, custom handsets, all payphone related parts & accessories.

LEGACY INTERNATIONAL INC.

Sheila Guerra, vice president pay telephone/agent services
10833 Valley View St. • Ste 150 • Cypress, CA 90630
Phone: (800) 577-5534 • Fax: (800) 700-1116
E-mail: info@golegacy.com
Web site: www.golegacy.com

Products and services: Legacy is proud to introduce the latest addition to their extensive line of superior products and services. "iCON," Legacy Inmate Communications Operating Network System, is a fully turn-key solution to the confusing world of inmate and correctional facility calling.

Other products and services: A long line of superior operator, local dial tone, long distance, and international services.

Exhibitor profiles...(continued)

MICROPACT ENGINEERING INC.

Growson Edwards, VP of sales
2250 Corporate Park Dr. • Ste. 400 • Herndon, VA 20171
Phone: (703) 709-6110 • Fax: (703) 709-6118
E-mail: gedwards@micropact.com
Web site: www.micropact.com

Products and services: MicroPact has gained a national reputation as the developer of a new generation of advanced data-tracking software — as well as gaining recognition for its applications, pioneering value across many industries. MicroPact has extensive experience in the design, development, implementation, and ongoing maintenance of various business management applications and reporting systems. MicroPact's flagship product, entellitrak, is a highly configurable Web-based data-tracking and process management application. Visit www.micropact.com or call 1-866-346-9492 for more information.

NAVIGATOR TELECOMMUNICATIONS

Roger Stricklett, vice president, sales — public communications
8525 Riverwood Park Dr. • P.O. Box 13860 • North Little Rock, AR 72113-0860
Phone: (866) 380-3774 • Fax: (888) 464-1628
E-mail: roger.stricklett@navtel.com
Web site: www.navtel.com

Products and services: Navigator offers a suite of telecommunications services for the payphone provider, including local and long distance, 800 numbers, personalized service, and a large multi-state coverage area.

NCIC OPERATOR SERVICES

Bill Pope, president
606 E. Magrill St. • Longview, TX 75601
Phone: (903) 757-4455 • Fax: (903) 757-4899
E-mail: bill.pope@ncic.com
Web site: www.ncic.com

Products and services: Inmate telephone services for payphone providers. Collect calling to cell phones for payphone and inmate telephone applications. Prepaid collect for payphones at halfway houses, jails, and detention facilities. Credit card collect. Message collect.

Other products and services: Operator services, payphone referral services, 1+, international 1+, directory assistance, 211 services, live operator assistance, Web-based reporting, weekly commissions, *77 dial-around program, international collect calling.

NETWORK AMERICA

Steven Poole, president
1029 13th St. • Bedford, IN 47421
Phone: (812) 277-1499
E-mail: spoole@networkam.net
Web site: www.networkam.net

Products and services: AT&T *91 operator services; Network America operator services.

NETWORKIP

Amanda Gonzales, strategic account manager
8111 Lyndon B. Johnson Freeway • Ste. 555 • Dallas, TX 75251
Phone: (469) 624-2064 • Fax: 469-330-6565
E-mail: agonzaes@networkip.net
Web site: www.networkip.net

Products and services: NetworkIP is exploring the opportunity of providing an exclusive service to APCC members and APCC Services customers which takes payphones from the lowest value to the consumer to the highest value. There have been developments in the wireless and prepaid phone card industry in the past year, opening a window for the payphone industry to become the best value to the consumer for making international calls while traveling. NetworkIP will be providing "hands on" opportunities and information on actual field experience trialing this exciting new service.

PAI/ATM EXPRESS INC.

Brian Haynes, account executive
P.O. Box 20459 • Billings, MT 59104
Phone: (877) 271-2627

E-mail: sales@atmexpress.com
Web site: www.atmexpress.com

Products and services: PAI/ATM Express now offers credit card processing. We offer everything from a simple referral program to full fledged credit card sales. Credit cards are a perfect value-added service for current payphone and ATM businesses.

Other products and services: ATM machines, ATM processing, ATM reporting.

PAYPHONE211.COM (ALLIANCE PAYPHONE INC.)

Veronica Guzman, operations manager
2337 Foothill Blvd. • Ste. 812 • La Verne, CA 91750
Phone: (626) 963-9190, (866) 432-2739 • Fax: (626) 963-0832
E-mail: veronica@payphone211.com
Web site: www.payphone211.com

Products and services: AUTO211: Customer Service System for refund/repair provides PSPs with: courtesy call (with extensive abuse control features), trouble ticket, or refund sent the next day; the average cost is \$0.35 per ANI per month. PSP GLOBALCOM: International Direct Dial Service designed specifically for PSPs, with very low rates with over 100 countries under \$0.20 per minute, with extensive fraud protection, daily and monthly reports. XPRESSID: Automated Payphone Signage: 4 color printing signage with very low prices, and sponsorship up to 100% by participating carriers. INFOTECH: 6 Field tests in fewer than 20 seconds. AUTO FLEX ANI: Protect your DAC; overnight FLEX ANI testing and report of your complete route. MEXICOLLECT: Collect Calls to Mexico: New revenue at no cost to you handled by live operators in Mexico with the unique advantage of sharing of revenues for calls made from other locations not subscribed to the product.

PAYTEL COMMUNICATIONS INC.

John Tayloe, vice president, sales
P.O. Box 8179 • Greensboro, NC 27419
Phone: (866) 729-8352 ext. 222
E-mail: john.tayloe@paytel.com
Web site: www.paytel.com

Products and services: PayTel Communications offers complete inmate phone services.

PERSPECTIVES ON PUBLIC COMMUNICATION MAGAZINE

Tracey Timpanaro, publisher
625 Slaters Lane • Ste. 104 • Alexandria, VA 22314
Phone: (281) 646-0051 • Fax: (281) 578-8423
E-mail: tat66@apcc.net
Web site: www.apcc.net

Products and services: *Perspectives* is the official magazine of the American Public Communications Council and is the only national magazine exclusively devoted to the independent payphone industry. The magazine focuses on day-to-day business issues for PSPs, such as route management, technical tips and customer service. *Perspectives* also covers key legal and regulatory topics and gives readers cost-cutting and revenue-generating ideas.

PRIME POINT MEDIA

Sher Wagner, director of industry relations
270 Scientific Dr. #18 • Norcross, GA 30092
Phone: (678) 966-0100 x 318 • Fax: (678) 966-0411
E-mail: swagner@primepointmedia.com
Web site: www.primepointmedia.com

Products and services: Prime Point Media is the recognized industry leader for providing customized payphone advertising programs for many of the world's leading brands, including AT&T, Anheuser-Busch, Coca Cola, Delta Airlines, Ford, General Motors, HBO, MasterCard, McDonalds, Miller Brewing, Nike, PepsiCo, Procter & Gamble, and Verizon. Our wide-ranging payphone locations database and powerful geo-demographic mapping system enables precision-targeted payphone advertising (both regular size payphones and "large-format" kiosks) to reach any audience. There is NO cost to participate in Prime Point Media's network and your locations will be marketed to our leading national advertisers.

PROFITABLE PAYPHONE SERVICES

Molly McClelland, director of marketing
P.O. Box 7606 • San Diego, CA 92167
Phone: (888) 329-8671 • Fax: (619) 923-3194
E-mail: mw@profitablepayphones.com
Web site: www.profitablepayphones.com

Products and services: Profitable Payphone Services offers an alternative to traditional aggregator services in that aggregator revenues, after expenses, are spent to fight the regulatory battles and issues that affect our industry. Take advantage of every possible source of income, including the lowest available dial tone, operator services, and 1+ rates with the highest commissions on every call.

Other products and services: Our programs include local dial tone, 1+ long distance, operator services, and more.

QUORTECH SOLUTIONS INC.

Marilyn Sakelaris, account executive
2520 Manatee Ave. East • Bradenton, FL 34208
Phone: (941) 870-2276 • Fax: (941) 870-3563
E-mail: msakelaris@quortech.com
Web site: www.quortech.com

Products and services: ePrism International Payphone Management System, capable of operating thousands of terminals, is the next level in remote management technology for overseas public payphone networks based on the latest server platforms, Windows Server 2003, and MSSQL database. QuorTech is the first manufacturer to adapt GPRS/EDGE wireless payphone technology (Blackberry, cellular TV features) into its Series 5XG board to manage payphones on high speed GSM-based public telephone networks.

Other products and services: An upgrade to QuorTech payphones providing access to SMS (text messaging), e-mail, and TTY. Eclipse Interactive Digital Billboard, Bluetooth advertising, Facebook, MySpace, Instant Messaging, and e-mail compatible with all payphone locations. Elcotel Series 5 XG board, Gemini III chassis, inmate stainless steel payphones, payphone parts, and subassemblies. A QuorTech Equities company — www.quortechequities.com.

TALK TOO ME & TALKTELIO

Rick Lubbehusen (RL), Andrew Horton (AH), Abbie Forrest (AF)
244 Shopping Ave. • Sarasota, FL 34237
Phone: (866) 900-8255 • (941) 308-8255
Extensions: RL-3250/AH-3150/AF-3300
Fax: (941) 309-8255
E-mail: rickl@talktoome.com; ahorton@talktoome.com; abbie.forrest@talktoome.com
Web sites: www.talktoome.com / www.talktelio.com

Products and services: Talk Too Me is celebrating its 23rd year in business and TalkTelio is celebrating its 11th year in business — the leader in Europe and growing in the USA. Talk Too Me provides the industry's leading domestic and international operator services: calls dialed as 0, 00, 0+ domestic calling and 01+ international operator services calling — all with I-REACH, our patents pending Collect-to-Credit/Debit/SMS calling options with every call. Talk Too Me's domestic and international calls dialed as 1+, 011+ or using 101XXXX and 800 access all with TrueConnect. Talk Too Me calling options include PSTN (public switched telephone network) and VoIP (voice over internet protocol) broadband connections. Talk Too Me also provides 411 services, 611 refund & request services. Talk Too Me also provides expert daily, weekly and monthly pay telephone programming and polling services, including rate file updates for less than a PSP (pay telephone service provider) can do it themselves; and in many cases with better revenue results due to Talk Too Me's expertise as a manufacturer. Talk Too Me and TalkTelio also provide backbone services to inmate correctional institutions and backbone services to inmate service providers.

Other products and services: Talk Too Me EncircleALL solutions including guaranteed revenue increases in combined coin, operator services commission and dial-around compensation revenue for all PSPs. TalkTelio solutions include drastic savings to ISPs (inmate service providers) in the margins of doing business. TalkTelio's business model provides industry-leading profits for all inmate providers and was created based on being the leading service provider in Europe. For PSPs and ISPs the ability to ensure all equipment is working on the street or in the cell remotely guarantees little down time and higher profits...this exclusive I-TEST technology is part of every PSP and

ISP's success when teaming with Talk Too Me and TalkTelio. Regardless of calls dialed from a payphone, hotel, inmate phone, etc...Talk Too Me and TalkTelio provide comprehensive business and financial reporting, customer Service, technical support services, I-FLEX FLEX ANI services, and inmate correctional services that include our exclusive patent-pending Collect to Credit/Debit/SMS Services that we refer to as I-REACH. EncircleALL is the only solution proven to increase PSPs' coin, operator services commission, and dial-around compensation by a minimum of 30 percent, many as much as 60 percent and some PSPs have experienced increases as high as 300 percent! Beyond the pay telephone and inmate services, Talk Too Me provides TSPs (telephone services providers) with comprehensive Broadband Telephone System products and services for residual resale to businesses anywhere. Talk Too Me's BBX (Broadband Branch eXchange) is a separate revenue business unit for Talk Too Me BBX vendors. Contact Talk Too Me @ 1.866.900.8255 or TalkTelio @ 1.877.U.TALK.2.ME.

TELECOM PRODUCTS INC. (TPI)

Bob Silber, general manager
1136 North First St. • Garland, TX 75040
Phone: (972) 276-2901 • Fax: (972) 276-3451
E-mail: telecomswink@aol.com
Web site: www.tpitexas.com

Products and services: TPI is now in full production of our air/vac units. We continue to manufacture air and air/water machines and encourage our customers to use the stand alone vault for additional security of the air/vac units. Inmate enclosures, pedestals, wall mounts, and back plates also are available.

Other products and services: Coin aire vending machines, air & water machines, air/vacs, payphone enclosures, pedestals, inmate enclosures, wall mounts, pedestals and back plates, keypad guards and lock brackets for payphone security.

TRANSACTION NETWORK SERVICES

Anthony DiCola, director of fraud and validation
11480 Commerce Park Dr. • Ste. 600 • Reston, VA 20191
Phone: (703) 453-8432 • Fax: (703) 453-8405
E-mail: adicola@tnsi.com
Web site: www.tnsi.com

Products and services: Transaction Network Services (TNS) is an international data communications company providing networking, data communications and value added services to customers in more than 25 countries. In the United States TNS operates one of the largest unaffiliated Signaling System No. 7 networks, enabling it to provide call signaling and database access services to the domestic telecommunications industry, including local number portability, line information database, caller identification, toll-free number services and fraud prevention and validation services. TNS also offers managed VoIP peering services to enable VoIP network providers to interconnect their networks with traditional telecommunications networks. To find out more, visit us at www.tnsi.com/TelecomSolutions.aspx.

TU LLC

Cheryl Barker, sales
P.O. Box 220 • Southington, OH 44470
Phone: (800) 735-6597; (866) 528-5352
E-mail: dcbarker@aol.com
Web site: www.tulic.us

Products and services: TU LLC offers Protel, Elcotel, and Intellicall payphones, parts, and repair services along with inmate/coinless phones and repairs that offer maximum security for minimal pricing and air/water/vac products.

WRG SERVICES INC.

Steve Farley, sales executive
38585 Apollo Parkway • Willoughby, OH 44094
Phone: (800) 531-1230 • Fax: (440) 954-3670
E-mail: sales@wrgservices.com
Web site: www.wrgservices.com

Products and services: WRG is a full service ATM partner providing equipment, repair, processing, and financing. The Apollo LT ATM, wall mount ATM, is perfect for locations with no room or to fill in empty spots left by removed payphones.

the question

by Dennis Williams

What percentage of your phones are semi-public?

Guide to size

Small PSP – 200 phones or less
Medium PSP – 200 to 1,000 phones
Large PSP – 1,000+ phones

I have been in this business for 30 years and at one time I had 240 phones. Now I have 100 phones and they are all semi-public. I pay \$12.60 per month for dial tone, the cheapest in New York state, and I invoice my customers \$30 per month per phone. Some sites have more than one phone. Many customers were not receptive to me invoicing them to keep the payphone on site. That is why I only have 100 of 240 phones left. One hundred forty sites said no.

Michael Imbasciani
Modern Telephone Co. Inc.
Walden, N.Y.
100 phones

We have about 3 percent of our payphones set up as semi-public, where the customers pay us to have the phone there. All of these sites are in areas where the phones are a convenience for the employees. For example, break rooms and employee lounges.

We removed five phones over the last 3 months after the customer realized the phone was not making any calls. But that is not a big deal for me. We do bill a flat fee on a quarterly basis and to our surprise the customers do pay. It always seems to amaze us that our customers do pay the bill and we do not have to call for the payment. I guess we are pretty lucky.

Mark Toms
Southeast Payphone Inc.
Longwood, Fla.
Medium-sized PSP

About 30 percent of our payphones are semi-public, as one of our large accounts has payphones set up that way. Most of our sites are set up on a monthly billing cycle on a flat fee. But then again, we do have some that are set up with a sliding scale that are revenue-based.

The location owners are mostly not receptive to the idea of paying for the phone. Sometimes it is difficult to get payment and other times the payments arrive promptly. This is a widely variable answer! Some people are as prompt as hell; others we have to track down for payment.

Mark Shmukler
Illinois Payphone Systems
Hickory Hills, Ill.
1,600 payphones

I don't like to deal with semi-public sites, but if I have to, I bill a flat rate of \$50 per phone. I have a problem with getting payment from the site owners. I don't think a lot of them can afford it. They like to have the payphone on site, but when it comes to paying for it, they would rather have it removed. They appear receptive at the beginning, but when the first invoice arrives, they don't want to pay it, and the battle begins.

Ryan Bartula
Crown Correctional Telephone
Granbury, Texas
Large-sized PSP

I have a very low percentage of phones that are semi-public. I have not pushed the issue with my customers. If I start charging them to keep the phone, the next PSP will come along and offer the payphone at no charge. I have not had much interest with this part of the business, as I would assume it would be very difficult to get the money owed from the customer and it would not be worth the headaches.

Hylton Landauer
Commercial Industries
Miami, Fla.

Out of approximately 6,800 payphones, we have about 5 percent that are semi-public. It is written into our contracts that if the phone does less than \$100 in coin, we have the right to bill them up to a maximum of \$50 a month in the AT&T areas. In other areas where the LEC bills are higher, our contract allows us to bill up to a maximum of \$75 a month if the phone does less than \$100 a month in coin.

If a phone is close to the \$100 mark in coin revenue, we don't bill them the maximum; we may only bill them \$15 or \$20 a month. In short, the further away they are from the \$100 mark a month in coin, the higher their monthly billing.

We mostly bill monthly. It is important to do that because we cannot let the customer get too far behind in the payments. It is important to stay on top of the billing. If a customer gets a couple of months behind, it is very difficult to get any payment.

We deal a lot with apartment complexes and swimming pools and don't find them too bad for paying or being receptive. By law they need a payphone, so it is easier dealing with them. Convenience stores, forget it! They are impossible to deal with when it comes to semi-public payphones; they just won't pay.

Ross McEathron
National Extra Effort Payphones
Houston, Texas
6,800 payphones

We call them convenience lines or if you wish, semi-public, and 17 of our 60 payphones are of that type. I believe this is one of the most untapped gold mines left in the payphone industry. For example, AT&T offers a semi-public line to a customer anywhere from \$75 to \$90. That is great for a PSP, as

AT&T charges us much less for a payphone line and we can go to that same customer and charge \$50 for example (a \$25 to \$40 savings) and give them much better service.

If a payphone is rarely serviced and only involves invoicing and payment of the line charge, there is a possibility of 35 percent margins. I wish I had more time to go after this. I would target the site owners who are being overcharged by the telephone companies.

I have no problem whatsoever with payments. I charge \$50 per month, giving the customers an out clause in the contract so they can cancel at any time. If they decide to cancel, I will simply remove the payphone. Fifteen of our semi-public phones pay for over 50 percent of all our operating costs, and it's guaranteed revenue coming in.

We should also note that most semi-public phones used by the telephone companies are dumb phones, but we use the smart phone and communicate with the phone daily to know what the status is. This is a great feature to promote for more sites and increase your semi-public revenue stream.

Jack Servedio
Liberty Bell Telephone Co.
Hillside, Ill.
60 payphones

Eighty-five percent of our payphones are semi-public. We call them private phones, but that's OK, semi-public is good. We started out that way. We don't put any phones on the street. Our phones are installed inside businesses for staff use or employee phones, that sort of thing.

We charge a flat fee of \$25 per phone per month and never had or have problems getting paid. When it comes to removals, we only remove phones from businesses that have closed and not because of lack of payment.

Jack Ray
JLR Communications Inc.
Philadelphia, Pa.
200 phones

Dennis Williams has been involved in the payphone industry for 11 years and is currently operations manager for FCT Communications Inc., which is based in Toronto, Ontario, Canada. He can be reached at dennis.williams@rogers.com.

tech talk

by Dennis Williams

A good fit

Our tech guru discovers two products that would be very handy for PSPs

We are all aware that the payphone industry has been around for decades. This fact can lull many of us into thinking that there is nothing new in terms of products that we can use on our routes.

Think again, Sam. I have recently come across two products that are not new to the marketplace, but I suspect haven't been used in our industry. Just like beer and hockey are a good fit for Canada, these products are a good fit for our industry.

A very handy battery charger

A few months ago, I had to restock one of my service vehicles. I was going through the payphone batteries we have in the warehouse, only to notice that many of them had too low of a charge to deploy in the field.

We use Elcotel (6 volt battery), Protel (4.8 volt battery) and Intellicall (4 volt battery) payphones; therefore, to purchase more stock, I had several types of batteries to buy. And this would also mean that I would have to have three types of battery chargers. But instead, I had a revelation, "What if there were a battery charger that could charge the batteries of all three phones?!"

After a few minutes of searching the beloved Internet, I found the Pinnacle DC 1-14 Cell Peak Prediction Charger (see photos below). Yes, quite a mouthful, eh? But it was the answer to my prayers and it was on eBay for only \$79.99 with free shipping.

This device charges, trickle charges and discharges batteries from 1.2 volts to 16.8 volts, and will also carry the required current from 200mA to



Figure 1

Installation of Snaptoggle® toggle bolts
Source: www.toggler.com/products/snaptoggle/installation.php

5000mA. You power it by connecting it to a 12 volt power source, so I purchased a 12 VDC power supply for a few dollars. So now I have my own multiple-type battery charger for less than a hundred bucks, fantastic!

One of the great features of this device is that it can discharge the battery completely before recharging it. This process only takes a few seconds, but saves valuable life of the battery. All of these payphone batteries will last a lot longer if they are fully discharged before recharging occurs.

The Pinnacle Charger comes with banana plugs and alligator clips, so you'll have to manipulate the battery cables a bit for each type of phone.

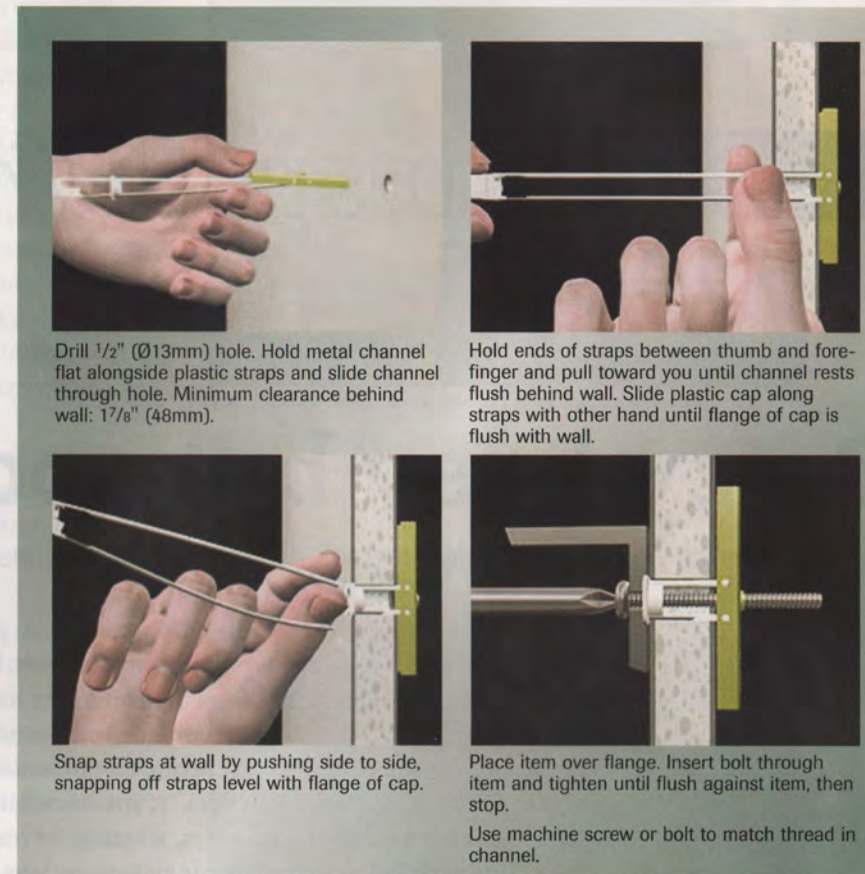
But once the cable is configured, reuse the same cable every time for that particular type of battery.

If you have a little electronics knowledge, another possibility is that you could build a bridge that would feed the different types of batteries and use the same output every time (so you wouldn't have to change the cables). This way, you can charge several batteries at the same time, as long as they are the same type. But this is only required if you have more than one type of payphone deployed.

A magnificent mounting hardware

I discovered a new type of mounting hardware while working in another industry I am involved in, but it works great for payphone installations as well. It must be used in hollow wall installations such as drywall. The name of the product is Snaptoggle, and it is made by Toggler (www.toggler.com).

There are many types of toggles/anchors on the Web site, but my favorite (and the most practical, in my opinion) is the 1/4" — 20 toggle bolt (part # 100BB 24014). See Figure 1 for the installation process. These toggles can hold up to 265 lbs in 1/2" drywall, and can also be used in hollow block, cinder block and various types of paneling.



There are many benefits of these snap toggles.

First of all, they hold up to twice the load of the old-fashioned wing toggles (or butterfly bolts as I call them). Secondly, they are faster to install than the wing toggles. Third, it turns a two-person job into a 1-person job, saving both time and money. Finally, my favorite benefit is that the same toggle and hole is reusable (i.e. remove the bolt without losing the anchor).

So they say you can't teach an old dog new tricks. I would argue differently. Just because you've been in business for a long time doesn't mean you have to operate in a vacuum. I firmly believe we must always be looking for advances in technology and/or products so that we can find ways to enhance our own businesses.

The two examples I've discussed here are just two of many. If you know of a useful product or have an interesting idea to share for this column, I would love to hear from you. ■

Dennis Williams has been involved in the payphone industry for 11 years and is currently operations manager for FCT Communications Inc., which is based in Toronto, Ontario, Canada. He can be reached at dennis.williams@rogers.com.

psp spotlight

by Flori Meeks

Crazy busy but good

Jason Bair loves — and is very devoted to — all four of his business ventures

Jason Bair certainly isn't the only payphone service provider (PSP) out there who has diversified his business to keep profits up. However, he may be the only one with his particular combination of sidelines. In addition to his role as owner of Indiana-based Bair Payphones Inc., Bair is an electronic games vendor, he is a partner in a car restoration business, and he just became an investor in a house flipping venture. "I'm big time into diversifying," Bair says. "If you have a little money that's the way to go."

There have been times, Bair says, when he let his payphone route simmer on the back burner while he focused on his side operations, but that period is over. Last April, he purchased friendly competitor C&J Payphones, bringing his route from 68 payphones to nearly 200. Most are within a 50-mile radius of the company's home base in Fort Wayne. "Obviously, I'm doing a lot with my time right now," Bair says.

Best laid plans

When Bair talks about the history of Bair Payphones, he's quick to point out it was his father, Mike Bair, and his uncles who founded the company. They got the idea for the

business from an Orange Phone ad promising reasonable prices and big profits to entrepreneurs who wanted to enter the payphone industry. "They promised the moon," Bair says.

Convinced they found a great retirement opportunity for their father, Robert Bair, Mike Bair and brothers, Tom, Chuck and Dave Bair, bought 10 phones at \$3,000 a piece. They officially launched Bair Payphones in April 1992.

The brothers' good intentions were not well-received, Mike says. "My dad, as it turned out, didn't want anything to do with it." So the brothers decided to make the most of the situa-

tion and run the company while maintaining full-time day jobs. Bair, who was a high school student, helped from time to time to help with collections and repair runs.

The company opened in the heyday of the independent payphone industry, but getting started was less than easy. Orange Phones had promised the Bair brothers they would be the company's only agent in the Fort Wayne area, but they soon heard from another Orange Phone operator in their community, Paul Riley. The men decided to merge, and Riley worked with Bair Payphone until the company bought him out in 1996.

The first year was tough, but the company did get its breaks, including a contract with the local Hall's Restaurants chain. "That really jump-started the business," Jason says.

Up for a challenge

By 1996, Bair's uncles started growing tired of the payphone industry. That's when Mike Bair asked his son to start helping with the business's daily operations in their place. Bair, who had gone to college and found work as a car salesman, agreed to give it a try. "I remember netting \$250 a week," Bair says. "When I was selling cars I was earning \$40,000 a year, so that was a big adjustment." If he wanted more money, Mike told him, Bair would need to grow the route.

Bair took his father's advice seriously, and he had the contacts to do it. First, his family owned four area Marathon convenience stores and knew most of the competition out there. Plus, as a drummer with a rock band, Bair had met bar owners throughout the city. Bair started making some calls, making some visits and putting the skills he learned on the car lot to work.

He boosted his efforts with a small advertising campaign and signing bonuses. Between 1997 and 1998, the business installed between 60 and 70 additional payphones, bringing the company's total to more than 100. Bair, who was in his early 20s, found himself netting about \$600 a week. "I was a happy young man."

Mike, in the early stages, made a connection that would change the business. Another Orange Phone customer, Greg Hart, owner of Ohio-based Greg Hart Communications, spoke to Mike about the industry and agreed to offer him the benefit of his experiences. Eventually, Hart helped Mike navigate away from Orange Phone and into an all Protel line of phones managed with a Protel system. "Greg really helped us get off the ground," Bair says. "Dad still does accounting for him; they're still friends."



Mike Bair, Jason's father, is one of the company's founders.



Bair was grateful to have his wife Jennifer on board when he started managing a larger route.

In 2000, the company was able to buy out Bair's uncles, and Bair and his dad became partners. Five years later, Bair became the sole owner, although Mike continues to help him with accounting and advice.

Bair says he's stuck to the basics to promote the payphone company's survival. "It's keeping these things serviced and clean, putting on new labels — that helps us keep this going." Bair also pursues revenue-making opportunities. He has hosted payphone advertising and is now launching 25 cents per minute international calling.

"Even though technology keeps progressing as far as you can believe, there's still a need for payphones," Bair says.

Way, way outside the box

Even as Bair was becoming a partner in Bair Payphones, he had a very practical view of his company's prospects. "I just knew the payphone industry would be going downhill," he says. That year, Bair ventured into his first side business: electronic games. Today, he operates digital jukeboxes, trivia games, pool tables and video games at 20 locations.

"Our gaming revenue surpassed our payphone revenue," Bair says. "It has really worked out for us."



Bair started in the payphone business at a very early age.



Bair tests phones in the shop.



TouchTunes digital jukeboxes are part of Bair's electronic games sideline business.



As with many PSPs, the business is all in the family. Jennifer helps with accounts payable and receivable, and 4-year-old Macy makes everyone smile.

Games are a significant investment, he says, but they're not especially different than payphones. "They have coin scanners and computers. Working on them is similar to servicing payphones."

It would be another six years or so until Bair's next venture evolved from a long-time interest to an official business: Big Hemi Customs (bighemicustoms.com). Bair and his partner restore 1960s and '70s muscle cars. The company's services range from



Jim Speaker (right) officially hands the reins of C&J Communications to Bair.

engines and power train upgrades to full blown frame off or rotisserie restorations. The partners also occasionally buy muscle cars, fix them up and re-sell them. "I've played with cars my whole life," Bair says. "Basically, we do restorations, but it's a lot of fun."

Bair's fourth venture is brand new; he became a partner earlier this year with a friend in real estate and his father Mike. He is now an investor in a house-flipping operation. The business just bought its first property, a bank-owned house, and the partners are fixing it up for resale this summer. "We got this home very cheap," Bair says. "I'm pretty excited about this."

Fresh start

But Bair is excited about his payphone route, too. He's been especially enthusiastic about it since he bought C&J Payphones. C&J's former route includes payphones at courthouses and work release centers, sites where cell phone usage is not allowed. "I'm rejuvenated now," Bair says. "We have some really good phones."

Really, C&J has been part of Bair's professional life for years. The company was founded by Cyril Laycoff and run on Laycoff's behalf for the past 10 years by Jim Speaker. Speaker and Bair served together on the Indiana Payphone Association board for years. "We were competitors, but we had an agreement," Bair says. "I won't go after your spots if you don't go after mine."

Laycoff and Bair were friendly, too, and Laycoff promised that Bair would be the first to know when Laycoff was ready to sell his business. Last March, Bair got the call. He was hesitant to make the purchase initially, because he wouldn't be able to offer Speaker a job. But when it became clear Laycoff couldn't find a suitable buyer, Bair decided to move forward. C&J was an all-Protel operation, just like Bair Payphones, and the locations were in Bair's existing service area. "It was an easy fit," Bair says. "On April 15 we took over."



Todd Lowden (left) is Bair's partner in Big Hemi Customs. The company restores '60s and '70s muscle cars like this 1970 Plymouth Roadrunner 440 6 pack.



Bair on the drums; making music is great for stress relief.



Bair plays drums in a band called "Plow" that was featured in *whatzup* magazine after it won a Performer of the Year award.

Still in the family

Bair says he'll always value his family's contributions to his business's success. In addition to the opportunities, advice and support he received from his father and uncles, he said he admires his mother — and his aunts — for their willingness to support the business during its challenging early years.



Big Hemi Customs also did work on this 1970 Hemi Dodge Challenger.



Big Hemi Customs did a full restoration on this 1966 Dodge Coronet 800 HP Hemi. Bair describes the car as "very fast," and we won't ask him how he knows that.

And now his wife, Jennifer Bair, supports his endeavors. Jennifer is an active participant in Bair Payphones and helps with accounts payable and receivable. Her contributions have been especially helpful since Bair started managing a larger route, he says. Their 4-year-old daughter, Macy Bair, is now growing up around payphones, just like her dad. "She's just starting to figure out the payphones a bit," Bair says.

There are still trying moments, Bair says, but he tries to keep a sense of humor about them. "It always seems like certain locations are hit by a car," he says. "Or there's always a phone you collected yesterday, an hour's drive away, that now has a relay jam."

But Bair says he considers himself fortunate to do what he does. "What I enjoy most is just getting out of the office, collecting those payphones and taking to people."

Mike says he's proud of Bair's work with the company. "What amazed me about Jason is he asked questions, but you only had to tell him once," Mike says. "He's done a good job running the business, keeping the customers happy and keeping the location owners happy. I think Jason will do well with this business, but I'm sure he will do well with the other ventures he goes into, too." ■

Flori Meeks is a freelance writer who is based in Houston. She has 21 years of writing and editing experience, and has been writing for *Perspectives* for 10 years.

industry briefs

product news

Alliance Telemedia Inc.

Alliance Telemedia, also known as Payphone211.com, is introducing its new product called "PSP Wireless Connect." This system delivers dial tone to the payphone via a cellular network. Alliance has agreements with several cellular networks throughout the country and can provide wireless dial tone to payphone locations.

According to Rafael Grosvirt, president of Alliance Telemedia, "With the use of this system, there are no more flat rate charges for COPT [coin operated pay telephone] lines from the local exchange carrier (LEC) or competitive LEC (CLEC). The system charges on a low per-minute (pay-per-use) rate, and there is a one-time equipment set-up fee. With this type of product, a low revenue payphone with high line costs actually becomes a money-making payphone."

PSP Wireless Connect provides regular dial tone as well as the necessary voltage and current to power the payphone. Grosvirt said payphone providers would still receive dial-around compensation with the product.

For more information, call (877) 211-9901, or e-mail info@alliancetelemediainc.com.

ARV Corp.

ARV Corp. is now offering payphone service providers (PSPs) opportunities to enter the coin-operated tire inflation industry.

ARV was established in 1981 as AIR-serv by David Bobert and went on to become a major tire inflation and vacuum service company in the United States and Europe. "Nobody had coin-operated tire inflators in the '70s and '80s, so it was a brand new concept," Bobert said. "We created the industry."

By the time Bobert sold the company's assets and name in 1998, AIR-serv had manufactured (and marketed) more than 100,000 tire inflation machines to the retail market.

More than 10 years after retiring, Bobert has decided to return to the tire inflation industry under a new name, ARV Corp.



Bobert said he remembers helping PSPs become AIR-serv dealers. Now, he'd like to see PSPs benefit from his company's new incarnation.

"We see a real opportunity to form an alliance between our company and a select group of payphone service representatives who would be our dealers," Bobert said. "The difference with us is experience. We don't just manufacture machines, we work with our dealers to develop their local market while we develop regional and national accounts."

Bobert already has signed distributor agreements with four PSPs since APCC 2009.

"We're really excited about partnering with the payphone service providers," he said. "It's natural for them. With our national marketing experience and their local ties, we can make great things happen."

ARV Corp. is based in Dennison, Minn. For more information, call (612) 801-5103, or e-mail kkdbobert@aol.com.

PAY-TEL Communications Inc.

PAY-TEL Communications is inviting PSPs to work with the company as agents in the inmate telephone service industry.

PAY-TEL, which is based in Greensboro, N.C., has been a PSP since 1986 and has been in the inmate telephone industry since 1989. "We've been doing this longer than anyone out there," said President Vincent Townsend. "What we bring to the table is knowledge of how the inmate market has developed and an understanding of how to meet the needs of that market today and in the future."

The company is making it a priority to charge reasonable rates for inmate telephone service, Townsend said. Not only is this approach the ethical way to go, he said, it will ensure the company's survival in the market. Townsend said he expects the Federal Communications Commission (FCC) or Congress to mandate significantly lower inmate telephone rates in the near future.

"I think there are a lot of good quality PSPs out there, and they're looking to diversify," Townsend said. "We can offer them a good opportunity. We are getting tariffs filed in every state, and we're doing our market research. We will know when contracts come up for bid, and we will have a marketing plan in place for each state."

For more information about PAY-TEL, call (866) 729-8352, ext. 223, or e-mail agent@paytel.com.

Radical System Solutions Inc.

Radical System Solutions Inc. has recently announced the availability of its PSP-oriented, on-demand inmate telephone service, ITS-QuickConnect.

The ITS-QuickConnect service is designed to provide the PSP with a fast and straightforward connection to inmate telephone system (ITS) functions without the need to purchase special ITS equipment. The ITS-QuickConnect switch is based on Radical's advanced CATS ITS platform, which has been widely installed in prisons and jails across the country for the last 12 years.

ITS-QuickConnect is fully automated and operates from a 24/7 telco data center to ensure maximum reliability. Computer and telephone linkage to the ITS-QuickConnect switch is done via the Web and voice over Internet protocol (VoIP) technologies for the lowest operating costs and fees to the PSP.

Radical operates the switch and provides both automated and live operator service as part of ITS-QuickConnect. Fees for the service are billed on a transaction basis to ensure the PSP pays only for what it needs and uses. Connection is done in several hours with Radical assistance.

Radical has its roots in the development of technologically advanced data and telecommunications applications over local and wide area networks for Fortune 500 companies and the U.S. government. Headquartered in Anaheim, Calif. since 1992, Radical has become one of the nation's largest independent providers of inmate telephone system platforms to the telecommunications industry.

Since the introduction of its Controlled Access Telephony Server (CATS) in 1997, Radical has installed and serviced several hundred systems for correctional facilities in 40 states, Puerto Rico, Guam and the U.S. Virgin Islands. Today, CATS supports some 8,000 inmate phones making 2 million calls each month.

"CATS has led the industry in moving the inmate telephone service platform beyond a simple, PBX-based phone system," said Don Middleton, vice president of business development. "With CATS, the inmate telephone system becomes a fully functioning, data-centric computing system with telephone peripherals. The advantages to such an approach are much greater control, ease of use, complete array of calling options, sophisticated investigative tools and on-demand, comprehensive reporting."

Technology development and service delivery are

the primary focus for Radical's technicians and service staff.

For more information about Radical, contact its Sales & Business Development group at (619) 668-4822.

Network America

Network America, an operator service provider (OSP) based in Bedford, Ind., is now an authorized distributor of AT&T's Collect Calls to AT&T Dial *91 Alternate Platform product.

The program provides commissions for payphone calls placed through the AT&T *91 Alternate Platform.



Callers can use the service for collect calls to land-lines and mobile phones, as well as collect international calls. Customers also have the option of bank card and destination pay.

"It's impossible to lose anything, and if providers are not participating they're giving up a way to gain credibility," said

Operations Director Eldon

Robison. Callers tend to gravitate toward phones with a well-known industry name on their signage, he said.

Network America was established in 1994 as an OSP with direct dial services. Today, the company also offers directory assistance, as well as customized service for payphones, CLECs and incumbent LECs (ILECs).

"A constant factor for us has been the shrinkage of the providers in the payphone industry," Robison said. "I think the way we stayed in business has been paying attention to the fundamentals."

The company has made it a priority to process as many calls as possible for the phones it serves, rather than raising costs to boost revenue and alienating callers, Robison said. "Paying attention to the consumer's experience is a key thing."

The company also emphasizes strong customer support, and works to provide exhaustive, timely, easy-to-understand reporting.

"I would challenge providers who don't use Network America's services to make a few test calls," Robison said. "Until you've done that, it's hard to

know what sort of queue times, and what sort of billing issues the consumer is experiencing.

"What we offer is the transparency that allows the PSPs to know their customers are not being taken advantage of, and out-of-the-box thinking about how to increase overall revenue."

For more information, call (812) 277-1499 or e-mail erobison@networkam.net.

QuorTech Solutions

QuorTech Solutions has introduced the Millennium Multi-Pay Payphone with text messaging capability. According to Al Quiros, vice president of international sales, QuorTech developed the TTY/SMS/e-mail advanced application solution for the Millennium platform as a less expensive and more efficient way to meet standards set by the Canadian Radio-Television & Telecommunications Commission for users who are deaf, hard of hearing or speech-impaired. The product, which is available for the U.S. market as well, also was designed to compete with the clumsy and expensive TTY products in the market today, Quiros said.

A TTY (teletypewriter or text telephone) is a special device that lets people who are deaf, hard of hearing, or speech-impaired use the telephone to communicate, by allowing them to type messages back and forth to one another instead of talking and listening.

The unit developed by QuorTech includes custom software, firmware, and a QWERTY keypad for creating the messages; these messages can be part of a TTY-to-TTY device communication or they can go through an operator relay service. In addition, users can send SMS and e-mail messages from the phone via QuorTech's application management platform.

"For the payphone industry, this is an important development," Quiros said. "Up until now, e-mail and SMS services required 'different and expensive' equipment or full PC-based kiosks, neither of which is familiar to the consumer."

QuorTech has also equipped its Series 5XG prod-



uct line to deliver SMS and e-mail. "This is part of our strategy to provide full GSM cellular compatibility for our payphone users," Quiros said.

"These features of course are packaged in the familiar Millennium and Series 5 telephones familiar to and used by millions of our end users," he continued. "The delivery of TTY/SMS/e-mail applications is but one of the many advanced applications that are possible on the QuorTech platforms. Applications like MySpace, Facebook, Twitter, and LinkedIn are but a few that are currently under development."

For more information, e-mail Quiros at aquiros@quortech.com.

WRG Services Inc.



WRG Services Inc. is introducing its Apollo LT ATM, which was recognized recently as a finalist in Convenience Store/Petroleum Magazine's Retailer Choice Best New Product Contest in the general equipment category.

The Apollo LT ATM is a wall mount, full cash dispensing ATM featuring a 60 millimeter thermal printer, Electronic Journal 2000 transaction memory and a cash dispenser capable of holding up to 1,000 notes. The ATM comes with a spin dial lock with optional key locks and electronic locks available.

The machine is sized for merchants with limited operating space. It can be mounted on a typical payphone pedestal, but it is for indoor use only.

In other news, the company is celebrating 20 years in business. Jim Penza and Mike Stevenson founded WRG in 1989 as a coin-operated amusement company based out of a small warehouse space. Today, the company employs more than 50 people at its new 25,000 square foot headquarters in Willoughby, Ohio.

WRG provides ATM transaction processing services, ATM sales and service, technical support, financing, customer training and credit/debit card merchant services to business owners throughout the United States.

For more information, call (800) 531-1230, ext. 501, or e-mail sales@wrgservices.com.

people & places

Denver Art Museum

The payphone's role in pop culture recently earned it a spot in a Denver Art Museum exhibit.

At the recent "Psychedelic Experience" exhibit this summer, visitors could enter a 1960s style phone booth, dial some numbers on a rotary payphone and record recollections from the psychedelic era with a camera hidden in the phone's 25-cent coin slot.

The recollections could then be uploaded to YouTube.

"We're trying to find ways to make the visitor a part of the museum experience," said Bruce Wyman, the facility's director of technology.

The exhibit also featured 300 posters and the music, art and culture that inspired their design. ■



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last word

Veach addresses attendees at APCC 2009

Veach maintains that payphones are an important part of universal service

Editor's note: At APCC 2009, the association was honored to have as a guest speaker Julie Veach, acting bureau chief of the Wireline Competition Bureau at the Federal Communications Commission (FCC). Before addressing payphone issues, Veach shared some of the commission's current priorities: DTV transition, the Recovery Act, and a national broadband plan. Her speech is excerpted below.

The Wireline Bureau is very familiar with issues that are important to the payphone industry. The goals of the American Public Communications Council Inc. (APCC) and the FCC overlap at a high level. Making sure that telecommunications service is available universally to all customers is obviously something that is very important to us.

Payphones provide an essential service to 5 to 7 percent of households with no home phone. Payphones provide access to the communications network at all time, at all hours, and there are no upfront fees or extra charges.

I'd like to talk about how our view of broadband may relate to our view of payphones. When we look at broadband, we ask questions like why are folks not subscribing to broadband? We're asking lots of questions about cost, and whether consumers understand the value or not. Basically, our spotlight is on the consumer experience.

My hope is that we'll turn a similar focus on the POTS side [plain old telephone service], i.e. what do we do about the 5 to 7 percent of households with no phone? How do we ensure universal service going forward?

Public safety is another common issue here. Some of our role is in assisting providers after a disaster strikes. We work with providers to help plan for disasters. We look at network robustness.

In this regard, payphones play an important role. Payphones have assisted people during times of disaster, and we are very much aware of this fact as we



ADAMIE PHOTOGRAPHY

continue our public safety policy planning efforts. I would like to add that Public Safety is an important bureau; I would encourage you to visit them.

Key issues

We have not addressed some issues that are of acute interest to your industry. There are many important issues that need to be resolved, but please be aware that the FCC is inundated; payphone issues are among thousands it receives.

I would like to be able to tell you when the new services test issue is going to be resolved, but at this point I just don't know. The Universal Service Fund (USF) is broken and it needs to be fixed. The current dial-around compensation system is broken in many places, and we are looking forward to fixing them.

The bureau is very aware of the VoIP signaling issue with all providers and in particular with payphone providers. This is very important to APCC members, and we do look forward to getting these issues addressed.

And finally, something else that is of importance to your industry is the fact that the wireline and enforcement bureaus do talk to each other in a way that has not happened in years.

In closing, I would encourage you to keep up your advocacy. You all have a great group that does that — the APCC. I encourage you to continue to participate in proceedings so we are informed as things happen so we can react to them. I look forward to working with you as we continue the dialogue on important policy questions. ■

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