

#1A

Steve
Littlejohn

Payphone Benefits

Why Payphones Matter

Comments from Community Service Groups

Why Payphones Matter

Closing the Demographic Divide

The Telecommunications Act of 1996, and specifically Section 276, imposed regulations mandating open and fair competition throughout the telecommunications industry. Over the past few years, however, hundreds of thousands of public payphones have been removed across the country and many independent Payphone Service Providers (PSPs) have been forced out of business. Unfortunately, the disconnected payphones tend to be located in low-income and rural areas where they play a critical role in providing access to social services. The reality is, not only is the payphone industry severely suffering, but consumers who rely on payphones are disproportionately being harmed. Here are some of the basic facts:

- Approximately 5.1 million American households do not have residential phone service.
- Low-income households are much less likely to have home phones than those with higher incomes. Of households with annual incomes under \$5,000, nearly 20% were without home phone service at the end of 2002. In contrast, 99.3% of households with annual incomes of \$75,000 or more had home phone service.
- Roughly one in four poor Americans living in rural areas (about 23%) lack basic home telephone service.
- Despite the fact that many Americans now use wireless phones for convenience and emergencies, 86% of rural households and 92.2% of poor households nationwide do not own a cellular phone.
- Results from a survey on independent payphones disconnected in nine states between January 1998 and July 2000 showed that areas with high minority zip codes experienced roughly double the amount of disconnected payphones than the rest of the states' populations.
- The telephone penetration rate for unemployed adults is 92.5%, while the rate for employed adults is 96.7%.
- According to industry sources, there are approximately 1.5 million payphones available nationwide.
- Payphone providers lose an estimated \$300 million a year due to uncollectible dial-around compensation.

Statistics were compiled from data taken from the FCC's Telephone Subscriber Report, released November 2003, and from APCC statistical data.

Comments from Community Service Groups

"Part of universal service is having payphones available to people who don't have phones in their home or phones they carry with them. It's worrisome to think that this could become a marginal business and payphones could become rare."

Martin Cohen, Executive Director of the Citizens Utility Board, a Chicago-based consumer advocacy group

"Many of our callers are homeless, without their own telephone to call us for information about finding housing...[other] callers are victims of domestic violence or mothers with young children or disabled people. Being able to call us for referrals and then being able to call the appropriate agency may be a matter of life or death."

Beth McKee-Huger, Greensboro Housing Coalition in North Carolina

"As a center for drug and alcohol test collections many of our clients must use payphones to contact us or their prospective employers...Often these people do not have telephones or are unable to call from their homes due to the issues they are facing there."

Jon P. Speckman, MSM, CCAS, Alcohol & Drug Abuse Testing Center of Charlotte, North Carolina

"Removing payphones from many residential areas may cut off poor people from access to police intervention...For victims of domestic violence, home is not a safe place, and I feel positive there are circumstances when battered women use payphones on the corner to summon help, and I hate to see us remove that safety net."

Patty Neal Dorian, Executive Director of the North Carolina Coalition Against Domestic Violence, a Durham-based non-profit group

"Many low-income people do not have a phone in their homes and must rely on payphones. People, whether adults or children, who must leave their homes under emergency circumstances, such as threats of bodily harm, must have access to phones to summon help."

Nancy Moore, Executive Director of the Child Abuse Prevention Coalition in Montgomery County, Virginia

"We serve victims of domestic violence in an 11-county area. Victims who are running for their lives often have no other way of communicating to law enforcement

or to the shelters except by payphones. Public access to payphones really is a matter of life or death."

Becky Sims, Director of the Domestic Abuse Family Shelter in Laurel, Mississippi

"Without payphones on rural Cherokee Tribal lands in North Carolina, most of our Tribal members will be without access to phone service away from home, and many will still be without any telephone service at all...This is a problem everywhere you have poor people who do not have a phone in their home or people who do not own a cellular phone."

Leon D. Jones, Principal Chief of the Eastern Band of Cherokee Indians based in Cherokee, North Carolina

"I am concerned about the imminent danger many people would be faced with if payphones were not readily available. Payphones are the lifeline to the world for thousands of citizens in our city. Having access to a payphone is critical for the single mother (like dozens who stay at our shelter) who may have a sick child at home and needs to call the doctor and call work to say she will be late. For someone who is homeless and without personal transportation, having access to a payphone serves as their connection to the world."

Spencer Bradford, Executive Director of the Durham Community Shelter for H.O.P.E. in North Carolina

"Many of Wisconsin's public schools, libraries, parks and rural communities are dependent on the services of a payphone...These phones are essential to those consumers that do not have the means to purchase cell phones or even have a telephone in their home."

Stephen J. Hiniker, Executive Director of the Citizen's Utility Board in Madison, Wisconsin

"We see and experience the importance of the public telephone system since our toll free 800 number is displayed on many telephone booths in the state where people of all ages have access to our service in obtaining help with drug abuse, domestic violence, school violence, and suicide. We are able to help many people who would not have access to the 800 number other than through a public phone."

Fred M. Davis, President and Executive Director of Parents Against Teen Suicide, based in Clyde, North Carolina
