



*The Commonwealth of Massachusetts*

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*Department of Public Utilities*

*Leverett Saltonstall Building, Government Center*

*100 Cambridge Street, Boston 02202*

DATE: March 30, 1988  
TO: All Interested Parties  
RE: NEW ENGLAND TELEPHONE COMPANY - D.P.U. 88-45  
Petition for an Advisory Ruling as to the Competitive  
Nature of Public Pay Telephone Service.  
FROM: Robin J. Portnoi, Hearing Officer *RP*

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On November 16, 1987, New England Telephone Company ("NET" or "Company") filed with the Department of Public Utilities ("Department"), a Petition for Advisory Ruling ("Petition"), requesting that its public payphones receive the same regulatory treatment as Customer Owned Coin Operated Telephones ("COCOTs"). Specifically, NET has requested that its public and semipublic payphone services be declared competitive, thereby allowing it flexibility in determining rates at each payphone location. NET claims that pricing flexibility is necessary in order to effectively compete with COCOTs.

The Department hereby solicits comments on NET's petition from interested parties. A copy of the Petition has been enclosed for your review. Comments should be received by the Department no later than the close of business on April 20, 1988.

In addition to the issues addressed in the Company's petition, the Department has become aware of several other issues related to the provision of payphone service which should be examined. These issues include: 1) anti-competitive practices; 2) the effectiveness of the Department's policy regarding designating payphone locations as either public or private; 3) consumer protection issues such as refunds for incomplete calls and proper labeling of COCOTs; 4) the application of directory assistance charges to PAL service customers; 5) the certification process for COCOTs; 6) the ability of COCOTs to access long distance companies other than AT&T; and 7) NET's alleged failure to block the completion of operator assisted calls, third party calls, and collect calls made from COCOTs, even though the COCOT owner has subscribed to NET's blocking service.

Therefore, in addition to the issues presented by the Company's petition, interested parties may comment on these issues as well as any other COCOT related issues by the April 20, 1988 deadline. Should any questions arise, you may contact me at (617)727-3500 or Amy Francis at (617)727-8627.

COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF PUBLIC UTILITIES

PETITION FOR ADVISORY RULING

Pursuant to 220 C.M.R. §2.08, New England Telephone and Telegraph Company ("Company" or "NET") hereby petitions the Massachusetts Department of Public Utilities ("Department" or "DPU") for an advisory ruling declaring that the public telephone service category be classified as "sufficiently competitive" in accordance with orders in D.P.U. 1731, 86-124D and 86-33C. In support of its Petition, the Company presents the following facts for the Department's consideration, together with the Affidavit of Robert P. Perkins which is attached hereto.

In its order in D.P.U. 1731, issued October 18, 1985, the Department determined that "within service classes, some flexibility will be accorded NET in pricing services above incremental costs if market conditions permit" (D.P.U. 1731, p. 39). Moreover, "if an entire service class is determined to be fully competitive by the Department, ... prices set by the market are fair and reasonable" and "minimum statutory rerequirements" would apply (Id. at 39-40). That philosophy was reiterated in the Department's order in D.P.U. 86-33C, issued July 31, 1987, in which the Department supported

relaxed regulation for "sufficiently competitive" service classes (D.P.U. 86-33C, p. 28).

Since the DPU rendered its decision in D.P.U. 86-124D on November 26, 1986, permitting competition in the public telephone market<sup>\*/</sup> in Massachusetts, the nature of that market has changed dramatically. The significant and increasing number of COCOT<sup>\*\*/</sup> providers furnishing pay phone services in the state clearly demonstrates the presence of competition. To date, forty-four COCOT providers<sup>\*\*\*/</sup> have engaged in either the sale or lease of COCOT equipment or services. That figure is growing as new COCOT vendors continue to enter this increasingly competitive market.

Competition in the public telephone market is largely caused by the limited space available to locate pay phones. For example, restaurants, drugstores, and even larger facilities, such as shopping malls, hotel lobbies, hospitals, college dormitories and school or government buildings, have

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The public telephone market, as referred to in this Petition, pertains primarily to coin and coinless pay phone services.

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The term "COCOT" is an acronym commonly used for "customer-owned coin-operated telephone" services.

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It should be noted that ten COCOT providers control more than ninety per cent of the current COCOT business in Massachusetts (See Exhibit A of Affidavit of Robert P. Perkins attached hereto).

limited area for the placement of such phones. Currently, rates and charges associated with NET's provision of public telephone products and services in all pay phone locations are subject to full statutory regulation by the Department.

Unlike NET, the COCOT providers currently doing business in Massachusetts are free to charge what the market will bear for their services. Yet, each of those COCOT providers is in direct competition with NET for the limited space available for pay phone use.

From January 1 to September 30, 1987, more than 1500 COCOT's have been installed within Massachusetts. That figure includes COCOT's which have displaced NET public and semi-public telephones at existing locations as well as COCOT's which have been installed at new sites where NET public or semi-public telephones did not previously exist.<sup>\*/</sup> During that same period, the Company's in-service base of public telephones has decreased by five per cent (See Exhibit B of Affidavit of Robert P. Perkins attached hereto). Accordingly, all of the growth in the public telephone market in 1987 is attributable to COCOT providers. The Company

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Approximately sixty per cent of the more than 1500 COCOT's installed have displaced NET public telephones at existing locations. COCOT's have replaced NET semi-public telephones to a lesser degree (15 per cent). In addition, twenty-five per cent of the COCOT's currently in service are located at new sites.

anticipates continued rapid market penetration and growth by COCOT competitors as evidenced by the continuous upward trend of COCOT installations in 1987 and the fact that COCOT's are currently being installed in Massachusetts at an average rate of ninety stations per week (See id. at Exhibit C).

The rapid migration of customers to COCOT services over the past ten months is caused primarily by the ability of COCOT providers today to charge market rates to consumers and to compensate location owners with greater commissions than the Company is able to offer. This is due, in large part, to the regulatory structure established by the Department for COCOT providers.

In D.P.U. 86-124D, the Department held that a COCOT provider whose services appear to be "clearly private" would not be subject to DPU regulatory jurisdiction (D.P.U. 86-124D, p. 25). By contrast, COCOT services which are considered public in nature would be regulated by tariff<sup>\*/</sup> (Id.). The Department further stated that a determination of whether COCOT services are offered for public or purely private use

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The Department's examples of COCOT's for private use are "single phones located in businesses such as a drug store, a small grocery, or an ice cream parlor" (D.P.U. 86-124D, p. 25). Examples of COCOT's for public use are "COCOTs located in an airport terminal, bus station, train station, or government building or on public property" (Id.).

would be made on a case-by-case basis.

COCOT providers in Massachusetts have installed stations in a variety of locations, as represented by the attached list of COCOT sites<sup>\*/</sup> (See Exhibit D of Affidavit of Robert P. Perkins attached hereto). Despite the DPU's intention to differentiate between public and private use of COCOT's for regulatory purposes, application of the public/private test appears to be administratively difficult. For example, since competition was allowed on December 1, 1986, no COCOT provider has either applied for a Certificate for Public Convenience and Necessity ("CPCN") or filed a tariff with the Department. As a result, COCOT providers currently doing business in Massachusetts are able to charge prices that the market will bear. This enables COCOT providers to apply a range of local pay phone rates<sup>\*\*/</sup> and toll surcharges, thereby allowing them to maximize profits and provide a higher level of agent compensation.

\*/

As indicated on that list, COCOT providers are currently operating in such "public" locations as government office buildings (e.g., City of Northhampton), public libraries and the YMCA.

\*\*/

The majority of COCOT providers are charging twenty-five cents for a local coin message (See Exhibit E of Affidavit of Robert P. Perkins attached hereto).

By contrast, NET remains fully regulated in the public telephone market and is, thus, limited as to what it may charge for its public telephone services. In order for the Company to compete equally and effectively with COCOT providers for the limited space available for pay phone stations, NET must have the same pricing flexibility as its competitors. Price flexibility would enable the Company to offer more incentives to agents who are attracted by the higher compensation levels offered by COCOT providers due to their freedom to charge market rates. Without such price flexibility, the Company is at a competitive disadvantage in the pay phone market. This inherent inequity would ultimately deprive the general public of the full benefits of competition.

Another factor which has contributed to the proliferation of COCOT stations is the pricing arbitrage that presently exists between unlimited and measured business line rates<sup>\*/</sup>. In D.P.U. 86-124D, the Department ruled that NET

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<sup>\*/</sup>

The arbitrage opportunities for COCOT vendors stem from the fact that unlimited or flat rate telephone service is priced on the basis of average usage and, thus, does not reflect the costs associated with the high volumes of usage that would result from the resale of pay phone services. Accordingly, the flat rate compensation NET receives from the resale of PALs at unlimited business rates would not cover the costs of increased usage caused by COCOT customers.

must resell public access lines ("PAL's"), which connect COCOT vendors to the network, at both unlimited and measured business line rates, depending on what is currently available in each exchange.\*/ Recognizing the fact that COCOT providers may take advantage of the unlimited/measured dichotomy, the Department noted that this was merely a temporary condition to be rectified through price restructures in subsequent proceedings. Currently, nearly two-thirds of the COCOT's in service are connected to unlimited PAL's.\*\*/

In conclusion, competition clearly exists in the pay phone market in Massachusetts as evidenced by the numerous COCOT providers currently doing business in the state. In order for NET to compete effectively with the many new entrants in the increasingly competitive pay phone market, the Company must be given the same opportunities as its competitors. Accordingly, the Company respectfully requests that the Department declare NET's public telephone service class as "sufficiently competitive." This would allow the

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In Massachusetts today, the Company offers unlimited business services in 220 of its 261 exchanges. COCOT's are in service in 163 of those 261 exchanges.

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Flat rate PAL's are in service in 132 of the 163 Massachusetts exchanges where COCOT activity exists. Because of the arbitrage advantages; COCOT providers rarely subscribe to measured PAL's when flat rate PAL's are available in an exchange.

Company to seek the pricing flexibility necessary to compete on an equal footing with the growing number of COCOT providers furnishing pay phone services in Massachusetts, thereby bringing the benefits of full and fair competition in this market to the public. For the foregoing reasons, the Company believes that its Petition is reasonable and justified and should be granted.

Respectfully submitted,

NEW ENGLAND TELEPHONE AND  
TELEGRAPH COMPANY

By its Attorneys,

  
Barbara Anne Sousa  
Barbara Anne Sousa  
A. Eric Rosen  
185 Franklin Street, Rm. 1403  
Boston, Massachusetts 02107

Dated: November 16, 1987

2172R

COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF PUBLIC UTILITIES

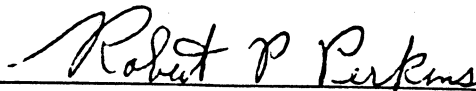
NET PETITION FOR ADVISORY RULING -  
PUBLIC TELEPHONE SERVICES

AFFIDAVIT OF ROBERT P. PERKINS

I, Robert P. Perkins, being first duly sworn, depose and say as follows:

I am a Division Manager -- Pricing for New England Telephone and Telegraph Company. My division is responsible for pricing the Company's public telephone services.

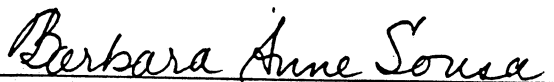
I have reviewed the attached Exhibits A through E presented in support of the Company's Petition for Advisory Ruling, filed November 16, 1987, requesting that NET's public telephone service class be declared as "sufficiently competitive." The data contained in that Petition and attached Exhibits are true and accurate to the best of my knowledge, information and belief.



Robert P. Perkins

Commonwealth of Massachusetts  
County of Suffolk

Subscribed and sworn to before me this 16th day of  
November, 1987.



Barbara Anne Sousa  
Notary Public

My Commission Expires: March 28, 1991

Major COCOT\* Vendors  
Massachusetts 9/87

<u>Vendor</u>	<u>Company Location</u>
IMR Corp.	Newton, Mass
Central Technologies	Dedham, Mass
Maplewood Vending	Somerville, Mass
Atlas Music Co. (Payphone, Inc)	Providence, RI
Melo-Tone Vending	Somerville, Mass
Intertech	Albany, NY
CIC	Lynbrook, NY
Communications Technology Inc.	Brighton, Mass
Dow Communications	Burlington, Mass
Omega Communications	Brookline, Mass

These ten major vendors have collectively marketed over 1,400 COCOT stations in Massachusetts during 1987.

\*COCOT vending currently is comprised of the sale of COCOTS or, more commonly, leasing of the sets

PUBLIC AND SEMIPUBLIC TELEPHONE SERVICE  
IN SERVICE AND MOVEMENT STATISTICS  
STATE OF MASSACHUSETTS

14:56 FRIDAY, NOVEMBER 6, 1987 1

----- YEAR=1985 -----

TYPE	ITEM	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
PUBLIC	IN-SERV	29,850	29,832	29,838	29,805	29,823	29,847	29,916	29,910	29,932	29,922	29,955	29,938	-
PUBLIC	IN MOVEMENT	92	103	153	134	202	149	169	165	125	132	133	90	1,647
PUBLIC	OUT MOVEMENT	125	127	154	176	187	137	148	168	102	151	103	107	1,685
SEMIPUBLIC	IN-SERV	25,027	25,041	25,014	25,033	25,058	25,147	25,135	25,093	25,010	24,960	24,787	24,772	-
SEMIPUBLIC	IN MOVEMENT	220	220	255	276	312	354	260	266	241	279	206	240	3,129
SEMIPUBLIC	OUT MOVEMENT	276	206	282	257	287	265	271	308	324	329	261	255	3,321
CHG-A-CALL	IN-SERV	4,355	4,293	4,293	4,281	4,273	4,244	4,194	4,203	4,224	4,205	4,198	4,203	-
CHG-A-CALL	IN MOVEMENT	13	12	27	16	27	20	22	18	29	19	14	17	234
CHG-A-CALL	OUT MOVEMENT	19	19	20	19	33	39	25	11	8	31	18	12	254

----- YEAR=1986 -----

TYPE	ITEM	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
PUBLIC	IN-SERV	29,886	29,900	29,914	29,934	30,029	30,087	30,055	30,000	30,024	30,097	30,113	30,125	-
PUBLIC	IN MOVEMENT	82	86	128	143	221	177	144	114	140	195	125	117	1,672
PUBLIC	OUT MOVEMENT	144	99	115	124	126	117	176	178	116	125	110	118	1,548
SEMIPUBLIC	IN-SERV	24,709	24,682	24,695	24,717	24,805	24,931	24,948	24,892	24,835	24,783	24,760	24,690	-
SEMIPUBLIC	IN MOVEMENT	223	197	230	271	329	383	293	250	273	275	236	203	3,163
SEMIPUBLIC	OUT MOVEMENT	286	224	216	249	241	257	276	306	330	327	212	273	3,197
CHG-A-CALL	IN-SERV	4,186	4,155	4,143	4,100	4,111	4,090	4,081	4,034	4,027	3,994	3,982	3,965	-
CHG-A-CALL	IN MOVEMENT	10	5	11	20	37	8	11	7	13	6	4	17	149
CHG-A-CALL	OUT MOVEMENT	17	9	23	63	26	31	21	45	18	36	15	22	326

----- YEAR=1987 -----

TYPE	ITEM	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
PUBLIC	IN-SERV	30,142	30,116	30,005	29,930	29,742	29,518	29,178	28,947	28,721	0	0	0	-
PUBLIC	IN MOVEMENT	130	94	144	172	133	158	115	164	269	0	0	0	1,379
PUBLIC	OUT MOVEMENT	114	129	257	252	316	380	388	398	494	0	0	0	2,728
SEMIPUBLIC	IN-SERV	24,639	24,551	24,518	24,443	24,389	24,560	24,502	24,452	24,344	0	0	0	-
SEMIPUBLIC	IN MOVEMENT	224	219	275	175	293	390	230	240	268	0	0	0	2,314
SEMIPUBLIC	OUT MOVEMENT	275	233	309	250	325	290	288	290	372	0	0	0	2,632
CHG-A-CALL	IN-SERV	3,944	3,944	3,928	3,909	3,912	3,902	3,877	3,828	3,779	0	0	0	-
CHG-A-CALL	IN MOVEMENT	13	12	13	35	22	23	23	20	25	0	0	0	186
CHG-A-CALL	OUT MOVEMENT	33	12	26	52	19	31	48	66	75	0	0	0	362

EXHIBIT CMASSACHUSETTS COCOTS  
MONTHLY GAIN ACTIVITY  
1987

<u>MONTH</u>	<u>FLAT RATE PAL</u>	<u>MEASURED PAL</u>	<u>TOTAL</u>
January 1987	7	6	13
February 1987	2	9	11
March 1987	57	19	76
April 1987	105	52	157
May 1987	115	63	178
June 1987	109	92	201
July 1987	155	91	246
August 1987	208	86	294
September 1987	225	103	328
October 1987			
November 1987			
December 1987			
YEAR TO DATE 1987	983	521	1,504

MASSACHUSETTS  
\*SAMPLE OF PAL ACTIVITY

<u>NAME</u>	<u>ADDRESS</u>
The Union Station	34 Depot, Pittsfield
Berkshire County SoftBall	1789 East, Pittsfield
Holyoke Hospital	575 Beech, Holyoke
City Of Northampton	210 Main, Northampton
J.P. Car Wash	3540 Washington, Jam. Plain
Rossmore Maytag Laundermat	7 Rossmore, Jam. Plain
Quincy Bay Inn	29 Hancock, Quincy
Burger King	Highland, Seekonk
Ron's Mobile Svc. Ctr.	Turnpike Rd, Westboro
Millis Bowl	1170 Main, Millis
Hudson Public Library	Wood Sq., Hudson
Convenient Food Mart	492 Walpole, Norwood
Ritz Carlton	15 Arlington, Bos
Highway Svc., Inc.	10 Dykeman, Stoughton
Highland Ave. Mobil Svc.	978 Highland, Medford
Babson College	Wellesley Ave, Wellesley
Dipping Donuts	1459 Dorchester Ave, Dor.
Franklin Pk. Mobile	783 Blue Hill Ave, Dor.
Goldstein's Five/Ten	430 Bay Ave, Taunton
Jose's Mexican Food	2366 Mass. Ave, Cambridge
Morton Blue Hills Svc. Sta.	1178 Blue Hill Ave, Mattapan
Santoro's	50 Northern Ave, Boston
Stardust Motor Inn	900 Washington, Wrentham
Sportsmen Tennis Ctr.	930 Blue Hill Ave, Dorchester
Gov. Dummer Academy	Elm, Byfield
Play It Again Sams	1314 Commonwealth, Brookline
YMCA	63 No. Main, Attleboro
City Hospital Pharmacy	748 Tremont, Boston
Travelers Stop	6 Claflin, Boston
Central 16 Fuel Terminal	Buzzard Bay Rotary, Buzz, Bay

\*This list was compiled subjectively for illustrative purposes only. It is not purported to be a statistically valid, randomly generated sample.

25 CENT LOCAL RATE CONFIRMED AT THE FOLLOWING COCOT LOCATIONS

Woodman's Hall	127 Main Street	Essex
Sorenti Bros.	Sagamore Rotary	Sagamore
Santoro's	50 Northern Ave.	Boston
Ritz Carlton Hotel	15 Arlington St.	Boston
Quincy Bay Inn	29 Hancock Street	Quincy
99 Restaurant	2 Accord Park Drive	Norwell
Page's Harborside Rest.	7 North Street	Hingham
King Arthur's	200 Bencham	Chelsea
Cory's	930 Providence Hwy	Dedham
Cherrystone's Rest.	100 Atlantic Ave.	Boston
Burger King	Mid Cape Hwy. Rotary	W. Barnstable
Totten Pond Shell	1 Totten Pond Rd.	Waltham
Chestnut Hill Gulf	1195 Boylston	Brookline
Legal Sea Food	43 Boylston	Brookline
Papa Gino's	216 Needham Street	Newton
Convenient Food Mart	390 Washington Street	Braintree
House of Pancakes	669 Highland Ave.	Needham
Kape Bargain Center	111 Main Street	Bourne
Grandma's Rest.	Bourne Circle	Buzzards Bay
Antonio's Grinders	770 Bay Street	Springfield
Feeding Hills Pharmacy	1350 Springfield Street	Feeding Hills
Hollow Pine Shopping Ctr.	499 Springfield Street	Feeding Hills
The Corner Shops	525 Springfield Street	Feeding Hills
Carver Package Store	472 No. Main Street	Carver
Burger King	22 Beaver	Milford
Sears Roebuck	Worcester Rd.	Natick
Mikes Truck Stop	600 Washington Street	Wrentham



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The Department's examples of COCOT's for private use are "single phones located in businesses such as a drug store, a small grocery, or an ice cream parlor" (D.P.U. 86-124D, p. 25). Examples of COCOT's for public use are "COCOTs located in an airport terminal, bus station, train station, or government building or on public property" (Id.).

would be made on a case-by-case basis.

COCOT providers in Massachusetts have installed stations in a variety of locations, as represented by the attached list of COCOT sites<sup>\*/</sup> (See Exhibit D of Affidavit of Robert P. Perkins attached hereto). Despite the DPU's intention to differentiate between public and private use of COCOT's for regulatory purposes, application of the public/private test appears to be administratively difficult. For example, since competition was allowed on December 1, 1986, no COCOT provider has either applied for a Certificate for Public Convenience and Necessity ("CPCN") or filed a tariff with the Department. As a result, COCOT providers currently doing business in Massachusetts are able to charge prices that the market will bear. This enables COCOT providers to apply a range of local pay phone rates<sup>\*\*/</sup> and toll surcharges, thereby allowing them to maximize profits and provide a higher level of agent compensation.

\*/

As indicated on that list, COCOT providers are currently operating in such "public" locations as government office buildings (e.g., City of Northhampton), public libraries and the YMCA.

\*\*/

The majority of COCOT providers are charging twenty-five cents for a local coin message (See Exhibit E of Affidavit of Robert P. Perkins attached hereto).

By contrast, NET remains fully regulated in the public telephone market and is, thus, limited as to what it may charge for its public telephone services. In order for the Company to compete equally and effectively with COCOT providers for the limited space available for pay phone stations, NET must have the same pricing flexibility as its competitors. Price flexibility would enable the Company to offer more incentives to agents who are attracted by the higher compensation levels offered by COCOT providers due to their freedom to charge market rates. Without such price flexibility, the Company is at a competitive disadvantage in the pay phone market. This inherent inequity would ultimately deprive the general public of the full benefits of competition.

Another factor which has contributed to the proliferation of COCOT stations is the pricing arbitrage that presently exists between unlimited and measured business line rates<sup>\*/</sup>. In D.P.U. 86-124D, the Department ruled that NET

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<sup>\*/</sup>

The arbitrage opportunities for COCOT vendors stem from the fact that unlimited or flat rate telephone service is priced on the basis of average usage and, thus, does not reflect the costs associated with the high volumes of usage that would result from the resale of pay phone services. Accordingly, the flat rate compensation NET receives from the resale of PALs at unlimited business rates would not cover the costs of increased usage caused by COCOT customers.

must resell public access lines ("PAL's"), which connect COCOT vendors to the network, at both unlimited and measured business line rates, depending on what is currently available in each exchange.<sup>\*/</sup> Recognizing the fact that COCOT providers may take advantage of the unlimited/measured dichotomy, the Department noted that this was merely a temporary condition to be rectified through price restructures in subsequent proceedings. Currently, nearly two-thirds of the COCOT's in service are connected to unlimited PAL's.<sup>\*\*/</sup>

In conclusion, competition clearly exists in the pay phone market in Massachusetts as evidenced by the numerous COCOT providers currently doing business in the state. In order for NET to compete effectively with the many new entrants in the increasingly competitive pay phone market, the Company must be given the same opportunities as its competitors. Accordingly, the Company respectfully requests that the Department declare NET's public telephone service class as "sufficiently competitive." This would allow the

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<sup>\*/</sup>

In Massachusetts today, the Company offers unlimited business services in 220 of its 261 exchanges. COCOT's are in service in 163 of those 261 exchanges.

<sup>\*\*/</sup>

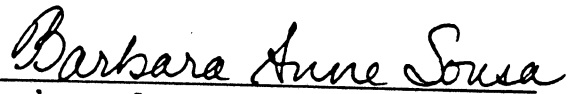
Flat rate PAL's are in service in 132 of the 163 Massachusetts exchanges where COCOT activity exists. Because of the arbitrage advantages, COCOT providers rarely subscribe to measured PAL's when flat rate PAL's are available in an exchange.

Company to seek the pricing flexibility necessary to compete on an equal footing with the growing number of COCOT providers furnishing pay phone services in Massachusetts, thereby bringing the benefits of full and fair competition in this market to the public. For the foregoing reasons, the Company believes that its Petition is reasonable and justified and should be granted.

Respectfully submitted,

NEW ENGLAND TELEPHONE AND  
TELEGRAPH COMPANY

By its Attorneys,



Barbara Anne Sousa  
A. Eric Rosen  
185 Franklin Street, Rm. 1403  
Boston, Massachusetts 02107

Dated: November 16, 1987

2172R

COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF PUBLIC UTILITIES

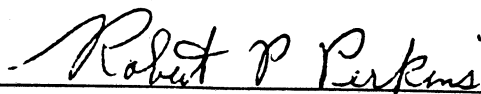
NET PETITION FOR ADVISORY RULING -  
PUBLIC TELEPHONE SERVICES

AFFIDAVIT OF ROBERT P. PERKINS

I, Robert P. Perkins, being first duly sworn, depose and say as follows:

I am a Division Manager -- Pricing for New England Telephone and Telegraph Company. My division is responsible for pricing the Company's public telephone services.

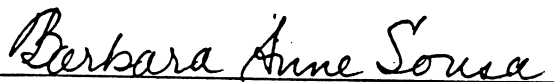
I have reviewed the attached Exhibits A through E presented in support of the Company's Petition for Advisory Ruling, filed November 16, 1987, requesting that NET's public telephone service class be declared as "sufficiently competitive." The data contained in that Petition and attached Exhibits are true and accurate to the best of my knowledge, information and belief.



Robert P. Perkins

Commonwealth of Massachusetts  
County of Suffolk

Subscribed and sworn to before me this 16th day of  
November, 1987.



Barbara Anne Sousa  
Notary Public

My Commission Expires: March 28, 1991

Major COCOT\* Vendors  
Massachusetts 9/87

<u>Vendor</u>	<u>Company Location</u>
IMR Corp.	Newton, Mass
Central Technologies	Dedham, Mass
Maplewood Vending	Somerville, Mass
Atlas Music Co. (Payphone, Inc)	Providence, RI
Melo-Tone Vending	Somerville, Mass
Intertech	Albany, NY
CIC	Lynbrook, NY
Communications Technology Inc.	Brighton, Mass
Dow Communications	Burlington, Mass
Omega Communications	Brookline, Mass

These ten major vendors have collectively marketed over 1,400 COCOT stations in Massachusetts during 1987.

\*COCOT vending currently is comprised of the sale of COCOTS or, more commonly, leasing of the sets

PUBLIC AND SEMIPUBLIC TELEPHONE SERVICE  
IN SERVICE AND MOVEMENT STATISTICS  
STATE OF MASSACHUSETTS

14:56 FRIDAY, NOVEMBER 6, 1987 1

YEAR=1985

TYPE	ITEM	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
PUBLIC	IN-SERV	29,850	29,832	29,838	29,805	29,823	29,847	29,916	29,910	29,932	29,922	29,955	29,938	-
PUBLIC	IN MOVEMENT	92	103	153	134	202	149	169	165	125	132	133	90	1,647
PUBLIC	OUT MOVEMENT	125	127	154	176	187	137	148	168	102	151	103	107	1,685
SEMIPUBLIC	IN-SERV	25,027	25,041	25,014	25,033	25,058	25,147	25,135	25,093	25,010	24,960	24,787	24,772	-
SEMIPUBLIC	IN MOVEMENT	220	220	255	276	312	354	260	266	241	279	206	240	3,129
SEMIPUBLIC	OUT MOVEMENT	276	206	282	257	287	265	271	308	324	329	261	255	3,321
CHG-A-CALL	IN-SERV	4,355	4,293	4,293	4,281	4,273	4,244	4,194	4,203	4,224	4,205	4,198	4,203	-
CHG-A-CALL	IN MOVEMENT	13	12	27	16	27	20	22	18	29	19	14	17	234
CHG-A-CALL	OUT MOVEMENT	19	19	20	19	33	39	25	11	8	31	18	12	254

YEAR=1986

TYPE	ITEM	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
PUBLIC	IN-SERV	29,886	29,900	29,914	29,934	30,029	30,087	30,055	30,000	30,024	30,097	30,113	30,125	-
PUBLIC	IN MOVEMENT	82	86	128	143	221	177	144	114	140	195	125	117	1,672
PUBLIC	OUT MOVEMENT	144	99	115	124	126	117	176	178	116	125	110	118	1,548
SEMIPUBLIC	IN-SERV	24,709	24,682	24,695	24,717	24,805	24,931	24,948	24,892	24,835	24,783	24,760	24,690	-
SEMIPUBLIC	IN MOVEMENT	223	197	230	271	329	383	293	250	273	275	236	203	3,163
SEMIPUBLIC	OUT MOVEMENT	286	224	216	249	241	257	276	306	330	327	212	273	3,197
CHG-A-CALL	IN-SERV	4,186	4,155	4,143	4,100	4,111	4,090	4,081	4,034	4,027	3,994	3,982	3,965	-
CHG-A-CALL	IN MOVEMENT	10	5	11	20	37	8	11	7	13	6	4	17	149
CHG-A-CALL	OUT MOVEMENT	17	9	23	63	26	31	21	45	18	36	15	22	326

YEAR=1987

TYPE	ITEM	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
PUBLIC	IN-SERV	30,142	30,116	30,005	29,930	29,742	29,518	29,178	28,947	28,721	0	0	0	-
PUBLIC	IN MOVEMENT	130	94	144	172	133	158	115	164	269	0	0	0	1,379
PUBLIC	OUT MOVEMENT	114	129	257	252	316	380	388	398	494	0	0	0	2,728
SEMIPUBLIC	IN-SERV	24,639	24,551	24,518	24,443	24,389	24,560	24,502	24,452	24,344	0	0	0	-
SEMIPUBLIC	IN MOVEMENT	224	219	275	175	293	390	230	240	268	0	0	0	2,314
SEMIPUBLIC	OUT MOVEMENT	275	233	309	250	325	290	288	290	372	0	0	0	2,632
CHG-A-CALL	IN-SERV	3,944	3,944	3,928	3,909	3,912	3,902	3,877	3,828	3,779	0	0	0	-
CHG-A-CALL	IN MOVEMENT	13	12	13	35	22	23	23	20	25	0	0	0	186
CHG-A-CALL	OUT MOVEMENT	33	12	26	52	19	31	48	66	75	0	0	0	362

EXHIBIT CMASSACHUSETTS COCOTS  
MONTHLY GAIN ACTIVITY  
1987

<u>MONTH</u>	<u>FLAT RATE PAL</u>	<u>MEASURED PAL</u>	<u>TOTAL</u>
January 1987	7	6	13
February 1987	2	9	11
March 1987	57	19	76
April 1987	105	52	157
May 1987	115	63	178
June 1987	109	92	201
July 1987	155	91	246
August 1987	208	86	294
September 1987	225	103	328
October 1987			
November 1987			
December 1987			
YEAR TO DATE 1987	983	521	1,504

MASSACHUSETTS  
\*SAMPLE OF PAL ACTIVITY

<u>NAME</u>	<u>ADDRESS</u>
The Union Station	34 Depot, Pittsfield
Berkshire County SoftBall	1789 East, Pittsfield
Holyoke Hospital	575 Beech, Holyoke
City Of Northampton	210 Main, Northampton
J.P. Car Wash	3540 Washington, Jam. Plain
Rossmore Maytag Laundermat	7 Rossmore, Jam. Plain
Quincy Bay Inn	29 Hancock, Quincy
Burger King	Highland, Seekonk
Ron's Mobile Svc. Ctr.	Turnpike Rd, Westboro
Millis Bowl	1170 Main, Millis
Hudson Public Library	Wood Sq., Hudson
Convenient Food Mart	492 Walpole, Norwood
Ritz Carlton	15 Arlington, Bos
Highway Svc., Inc.	10 Dykeman, Stoughton
Highland Ave. Mobil Svc.	978 Highland, Medford
Babson College	Wellesley Ave, Wellesley
Dipping Donuts	1459 Dorchester Ave, Dor.
Franklin Pk. Mobile	783 Blue Hill Ave, Dor.
Goldstein's Five/Ten	430 Bay Ave, Taunton
Jose's Mexican Food	2366 Mass. Ave, Cambridge
Morton Blue Hills Svc. Sta.	1178 Blue Hill Ave, Mattapan
Santoro's	50 Northern Ave, Boston
Stardust Motor Inn	900 Washington, Wrentham
Sportsmen Tennis Ctr.	930 Blue Hill Ave, Dorchester
Gov. Dummer Academy	Elm, Byfield
Play It Again Sams	1314 Commonwealth, Brookline
YMCA	63 No. Main, Attleboro
City Hospital Pharmacy	748 Tremont, Boston
Travelers Stop	6 Claflin, Boston
Central 16 Fuel Terminal	Buzzard Bay Rotary, Buzz, Bay

\*This list was compiled subjectively for illustrative purposes only. It is not purported to be a statistically valid, randomly generated sample.

25 CENT LOCAL RATE CONFIRMED AT THE FOLLOWING COCOT LOCATIONS

Woodman's Hall	127 Main Street	Essex
Sorenti Bros.	Sagamore Rotary	Sagamore
Santoro's	50 Northern Ave.	Boston
Ritz Carlton Hotel	15 Arlington St.	Boston
Quincy Bay Inn	29 Hancock Street	Quincy
99 Restaurant	2 Accord Park Drive	Norwell
Page's Harborside Rest.	7 North Street	Hingham
King Arthur's	200 Benham	Chelsea
Cory's	930 Providence Hwy	Dedham
Cherrystone's Rest.	100 Atlantic Ave.	Boston
Burger King	Mid Cape Hwy. Rotary	W. Barnstable
Totten Pond Shell	1 Totten Pond Rd.	Waltham
Chestnut Hill Gulf	1195 Boylston	Brookline
Legal Sea Food	43 Boylston	Brookline
Papa Gino's	216 Needham Street	Newton
Convenient Food Mart	390 Washington Street	Braintree
House of Pancakes	669 Highland Ave.	Needham
Kape Bargin Center	111 Main Street	Bourne
Grandma's Rest.	Bourne Circle	Buzzards Bay
Antonio's Grinders	770 Bay Street	Springfield
Feeding Hills Pharmacy	1350 Springfield Street	Feeding Hills
Hollow Pine Shopping Ctr.	499 Springfield Street	Feeding Hills
The Corner Shops	525 Springfield Street	Feeding Hills
Carver Package Store	472 No. Main Street	Carver
Burger King	22 Beaver	Milford
Sears Roebuck	Worcester Rd.	Natick
Mikes Truck Stop	600 Washington Street	Wrentham

2.

S-244

Comm. from the DPU Re: petition of New England Telephone Co. for an advisory ruling from the DPU requesting that its public payphones receive the same regulatory treatment as customer coin-operated telephones.

In City Council,

April 11, 1988

4-11-88

Placed on file. Copy to  
the City Manager.

copy sent to the City Manager  
4/13/88 mlh