Date: July 17, 2008

To: Payphone Service Providers

From: AT&T California

Subject: California Public Utilities Commission Decision Regarding Elimination of the Payphone Enforcement Program Surcharge assessed to Payphone Service Providers

On June 11, 2008, the California Public Utilities Commission issued an Interim Decision in Rulemaking 06-05-018 eliminating the Payphone Enforcement Program surcharge assessed to Payphone Service Providers (PSPs). This decision became effective on June 12, 2008.

Until such time as AT&T California can implement a billing change, PSPs will continue to see the surcharge on their monthly bills. However, any charge assessed after June 12, 2008 will be credited once the surcharge has been eliminated. We appreciate your patience.

Questions may be directed to the Payphone Service Center at 800-924-3666.