Date: August 20, 2008

To: Payphone Service Providers in California

From: AT&T California

Subject: Update 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.

Effective August 25, 2008, AT&T California will reduce the rate for the surcharge to $0.00. Charges assessed between June 12, 2008 and August 25, 2008 will be credited. This pro-rated credit will appear as other compensation in the Payphone Compensation section of the bill

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