ATTENTION PAYPHONE SERVICE PROVIDERS: This Notice Applies Only To Payment of Payphone Per Call Compensation and the New Per Call Compensation Rate Effective September 27, 2004.

In accordance with the FCC's Report and Order of August 12, 2004 (FCC 04-182/WC Docket No. 03-225), in the Matter of Request to Update Default Compensation rate for Dial-Around Calls From Payphones, effective September 27, 2004, the rate of compensation for each qualified call is now $.494.

In all SBC 13-States, the rate of $.24 per call will be applied to all qualified calls for which the SBC Companies[1] are responsible up to and including September 26, 2004. Compensation will be credited on your bill for the access line or paid as it is normally.

In the SBC-West and Midwest Regions and in Connecticut, the rate of $.494 per call will be applied to all qualified calls for which the SBC Companies are responsible beginning on September 27, 2004. The compensation for these calls will also appear on your next bill or will be paid, as usual. In SBC Southwest, the qualified calls compensated at the higher rate of $.494 after September 27, 2004, will not be credited on the initial bill, but will be credited on the following month's bill. Thereafter all qualified calls for which the SBC Companies are responsible in all SBC Regions will be compensated at the $.494 per call rate, and will be credited on your monthly bill or paid as usual.

Reminder: The above timing applies to all intraLATA completed eligible 8YY calls that originate in the SBC Companies' territory and terminate in the Verizon companies' territory. These calls will be paid by the SBC Companies. Calls terminating in the SBC Companies' territory that originate in the Verizon companies' territory (intraLATA, 8YY calls) will be paid by the Verizon companies. The timing that is discussed above does not apply to the calls paid by the Verizon companies. The arrangement between the SBC Companies and the Verizon companies continues the pre-July 1, 2004 process between the SBC Companies and the Verizon companies per mutual agreement.

For additional information or assistance, please send an email to PCCDISPUTE@SBC.COM or call (866) 556-5055.

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1 The SBC Companies referred to in this notice are "SBC 13STATE" shall be defined as Southwestern Bell Telephone, L.P. d/b/a SBC Arkansas, SBC Kansas, SBC Missouri, SBC Oklahoma and/or SBC Texas; Pacific Bell Telephone Company d/b/a SBC California; Nevada Bell Telephone Company d/b/a SBC Nevada; Illinois Bell Telephone Company d/b/a SBC Illinois; Michigan Bell Telephone Company d/b/a SBC Michigan, The Ohio Bell Telephone Company d/b/a SBC Ohio, Indiana Bell Telephone Company Incorporated d/b/a SBC Indiana; Wisconsin Bell, Inc. d/b/a SBC Wisconsin, and The Southern New England Telephone Company, d/b/a SBC Connecticut, insofar as those companies are ILECs providing local telephone exchange service in the SBC states of Texas, Oklahoma, Arkansas, Missouri, Kansas, California, Nevada, Illinois, Michigan, Ohio, Wisconsin, Indiana, and Connecticut. They do not include the SBC entities ("SBC Long Distance") that carry calls on an interLATA basis.