

Calls Made from Payphones

In order to encourage competition and the continued availability of payphones, Congress in 1996 required that payphones no longer be regulated. The Federal Communications Commission determined that deregulating local payphone rates and allowing the market to set the price of local payphone calls was an essential step to achieving the goals set by Congress. Nevertheless, with the widespread use and availability of wireless telephones, the use of payphones has decreased.

Emergency and Toll Free Calls

Calls made to emergency numbers, such as 911, and local calls to Telecommunications Relay Services (TRS) – services that enable calls to or from persons who are deaf, hard of hearing, or speech disabled – are free of charge at payphones. You can also reach an operator without depositing a coin.

Toll free calls, including calls billed to calling cards or credit cards, also do not require a coin. The Communications Act, however, requires the FCC to establish a per-call compensation plan to ensure that all payphone service providers (PSPs) are fairly compensated for every completed intrastate and interstate call using their payphones. The toll free number provider or calling card service generally pays this compensation, but they may pass this cost on to users in the rates charged.

How Payphone Service Providers Are Compensated

FCC rules require that long distance telephone companies compensate PSPs for all calls completed from payphones. The per-call compensation rate can be reduced or increased at any time through an agreement between the long distance company and the PSP. In the event the parties cannot agree, the FCC has established a default rate. The FCC encourages long distance companies and PSPs to contract with each other for more economically efficient compensation rates.

Some long distance companies are falsely advising consumers that the FCC requires consumers making calls from payphones to pay a per-call charge to compensate the PSP. The FCC has not imposed such a requirement. Instead, it allows each long distance company to make a business decision about whether to pass its cost of compensating PSPs on to its customers or not.

Tips for Consumers

- Numerous states continue to regulate the rates for local collect calls. Check with your state public utility commission or local phone company for rates in your area.
- If you think that the rate for placing a call from a payphone is too high, a less expensive payphone could be around the corner. Also, let that PSP know that the rates are too high. It is in a PSP's best interest to meet the needs of its customers. The PSP's number should be on the payphone.
- Contact your preferred long distance provider and ask for instructions on how to place a call using your provider from a payphone. Also, ask what your long distance provider charges for calls placed from payphones. Let the company know if you believe its rates are too high.

Filing a complaint

You have multiple options for filing a complaint with the FCC:

- File a complaint online at <https://consumercomplaints.fcc.gov>
- By phone: 1-888-CALL-FCC (1-888-225-5322); TTY: 1-888-TELL-FCC (1-888-835-5322); ASL: 1-844-432-2275
- By mail (please include your name, address, contact information and as much detail about your complaint as possible):

Federal Communications Commission
Consumer and Governmental Affairs Bureau
Consumer Inquiries and Complaints Division
445 12th Street, S.W.
Washington, DC 20554

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