

Pay phones' future uncertain in digital world

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They sit, silent and unnoticed, amid crowds of people rushing by. You may never notice them, but payphones still lurk in public areas. And every once in a while, they get called into action.

Ron Szulwach, who flew from Texas to Atlanta last month, discovered upon landing that his [cellphone service](#) didn't work at Hartsfield-Jackson International Airport. "So out of desperation, I'm using a payphone," he said after dropping the receiver back on its hook. The last time he remembers using a pay phone: 2005, in war-torn Iraq, while with the Texas National Guard.

Many are wondering what role pay phones should play in today's wireless world. A decade or two after cellphone technology has passed them by, the number of pay phones is dwindling.

In 1998, there were more than 2 million pay phones in the United States. That has plummeted to 243,000 pay phones nationally, according to the [Federal Communications Commission](#). Industry estimates paint a slightly brighter picture of about 400,000 pay phones nationally, though those figures also represent a drastic decline.

Some still see a need to keep the anachronistic connection available for the elderly, the poor and others without a working phone.

Even people with cellphones may someday find themselves in a need of a pay phone, say industry leaders, who point to disasters like Superstorm

Sandy last year when cellphones went dead and people in the Northeast found themselves lining up at pay phones to keep in touch with friends and family.

Yet there is scant demand to keep pay phones profitable. Many major phone companies have left the pay [phone business](#). Verizon last June sold off its last batch of pay phones, which dotted the streets of New York City.

"It just wasn't germane to our business strategy," said Verizon spokesman Bob Elek.

Many of the last holdouts are in places like truck stops, convenience stores and some hotels.

"They are still a pretty critical piece of the infrastructure, especially for the poor in American society," said Randy Nichols, president of the American Public Communications Council. He said the image of pay phones as crime magnets is a "perception issue." Disposable cellphones are the preferred communications device of drug dealers, Nichols said, because pay phones can be tapped and convenience stores may have security cameras.

"Any self-respecting criminal knows that," he said.

Instead of instruments of ill-doing, Nichols sees pay phones as "a critical part of the communications infrastructure for the country." He said they can work during natural disasters as long as the local telephone company switch is above water.

More than a decade ago, it wasn't uncommon to see banks of pay phones everywhere. But, along with the rise of cellphones, the 1996 Telecommunications Act laid a piece of the groundwork that put a stake

through the heart of the pay phone business - the prohibition of "cross-subsidizing" pay phones with revenue from regular phone bills, according to Nichols.

"So the pay phones had to stand on their own to prevent (the Bells) from being able to frustrate competition by subsidizing the business," Nichols said. Pay phone use declined, and the Bells "ultimately made the decision to abandon the pay phone business." That has left pay phones mostly in the hands of small businesses that, in many locations, struggle to cover connection charges of \$25 or \$30 a month with the paltry quarters and card charges coming in.

Pay phones are still an affordable way to make 50 cent local calls. But rates for long distance vary widely, depending on which long distance provider the caller chooses, and high prices can be an unpleasant surprise for infrequent pay phone users.

"Our industry has gone to hell in a handbasket," said James R. Kelly III, whose Atlanta-based firm KELLE Communications operates pay phones at Hartsfield-Jackson and several other airports. His company has removed thousands of its pay phones across the country and entirely pulled out of more than 15 airports.

Others are trying ideas to transform the pay phone. New York has launched a program to reinvent pay phones as Wi-Fi hotspots. Denver International Airport in November launched free landline phones to be supported by ads on LCD screens on each phone.

At Hartsfield-Jackson, more than 1,100 pay phones have been pulled out, relegated to warehouses before being junked.

"You cannibalize them for parts and then you toss them. And even after a while, there's more parts than you need," Kelly said.

With pay phone revenue down, the airport and KELLE Communications were unable to come to an agreement for a new contract.

Some airports have done away with pay phones altogether. But at Hartsfield-Jackson, Miller sees a need for them for customer service and plans for the airport to subsidize the cost of installing phones when striking its next contract. He said that's because pay phone providers won't spend money to provide the service when they can't make much money doing it.

"People are sitting around in the telephone booths and they're talking on their cellphone," Miller said. "That's common at airports across the country."

In the pay phone business, "The Atlanta airport is one of the last airports to fall," said Kelly. International flights help, with travelers from abroad seeking to avoid international cellphone charges. Hartsfield-Jackson's international terminal opened last year has no pay phones, but Miller plans to add that in a new contract.

Some who grew up in the cellphone age, like 21-year-old University of Georgia law student Alex Carteret, have never even used a pay phone.

"Nobody even thinks about pay phones anymore," he said.

Fellow UGA law student Sven Boesing countered: "Nobody ever thinks about them until you need one. And then you think, 'Damn, why don't we have them anymore?'"

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