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## **Requiem for the Pay Phone**

As Cell Phone Use Increases, an Icon Gradually Dies

By Yuki Noguchi Washington Post Staff Writer Monday, December 30, 2002; Page E01

At one time, voices glanced against its metal walls. Dates were made here, secrets exchanged. Once people lined up, shifting from foot to impatient foot, pointedly lifting their watches, *Hey, lady, how long you gonna talk?* 

But today, the pay phone by the Rodman's grocery store at Randolph and Selfridge roads in Wheaton stands empty, a smelly, rusting piece of metal and plastic. As if to highlight its obsolescence, Andres Castro stands right next to it and dials the office from his Nextel cell phone.

He has come to demolish it.

In Washington, as in other parts of the country, pay phones are disappearing from the landscape. The number of them across the country has dwindled from a high of 2.7 million in the mid-1990s to about 1.9 million now, supplanted by the more personal wireless phones that fit in a pocket. The small companies that maintain them are pulling out of the business. Even at the higher price of 50 cents a call, many phones run at a deficit -- it costs more to clean, maintain and service them -- so people like Castro are yanking them from their sockets, cutting the lines, and pulling them from shopping centers, gasoline stations, restaurants and street corners where they used to turn a booming profit.

"We're just gonna take this one out with brute force," Castro declares before sawing the rusted bolts off the pay phone's aluminum bottom.

The Rodman's phone was installed May 11, 1995, and generated \$27,000 over its lifetime.

Castro dons suede work gloves and pushes the booth sideways, and it cracks. Time of death: 11 a.m., Dec. 13 -- Friday the 13th.

"At first it was fun, because you'd put in a new phone and you'd generate revenue right away of \$600 a month," said Castro, a manager and 11-year veteran at Robin Technologies Inc. in Rockville. Castro empties the coin bin of the dead pay phone, which now averages only \$2.50 a day.

There is an indignity to the way pay phones go. They are covered with detritus -- an empty 750-milliliter bottle of cheap red wine, a wet pack of Marlboro Lights and discarded phone cards. The shiny base of the pay phone shells degrade to a mottled magenta. "Unfortunately, what happens is people urinate on them and they corrode," Castro said.

Robin Technologies once owned or maintained 1,100 pay phones, but a year ago started pulling 10 a month. It now installs satellite dishes, sets up e-mail kiosks

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and sells e-mail marketing to restaurants to make up for lost revenue. Meanwhile, the company's basement storage, the morgue, holds more than 150 old pay phones and their outer casings.

About 75 percent of pay phones are owned and operated by local phone companies such as Verizon Communications Inc. and SBC Communications Inc. Those companies have vast empires with many lines of business, including cell phones, so what is lost in pay phone revenue is made up through other means. But even Verizon has cut back by 25,000 pay phones in the past two years, bringing its total to 425,000 phones around the country. And BellSouth Corp., which managed 143,000 pay phones two years ago, announced then that it would phase out of the business in 2003 because it is not lucrative.

The remaining 25 percent of pay phones are owned or managed by independent operators such as Robin Technologies or U.S. Teleservices Inc., which feel the dramatic erosion of revenue.

U.S. Teleservices is decommissioning pay phones at a rate of 20 a month, or "as fast as we can get to them," said Robert Hayden, president of the Fairfax firm.

"The bulk of our business at one time was indoor [pay] phones, but most of those have really suffered over the last three years," Hayden said. Those used to generate \$150 to \$200 in revenue a month but now are so little-used that they often lose \$20 a month after Hayden pays the \$25 to \$35 monthly line charge to Verizon. That doesn't include other costs incurred for maintenance or cleanup after vandalism.

U.S. Teleservices' monthly revenue has declined to \$20,000 to \$25,000, from nearly \$70,000. Hayden's workforce has diminished to four from 12, and everyone has taken a 30 percent pay cut, while he has stopped taking a salary.

"I'm so mentally out of the pay phone business now," said Hayden, who is replacing pay phones with automated teller machines and selling wireless Internet access. "It's been a long transition, though, because I had to borrow again -- more than \$200,000 -- to reinvest to just get back to the income I had."

It is much easier -- and cheaper -- to dial from a cell phone for customers who can afford one. However, pay phones are still profitable in the lowest-income areas of a city, said Terry Rainey, president of the American Public Communications Council Inc., an industry group representing independent pay phone operators around the country.

"There are a great number of people in this country without a phone," Rainey said -- 4 and 5 percent, which is more than the 1 or 2 percent of the U.S. population that lacks television sets.

"Some lower-income areas rely on [pay phones] for regular communications, as well as, in some cases, emergency calls," said Mason Harris, president of Robin Technologies and of the Atlantic Payphone Association.

That is true for the two pay phones at the gazebo-style bus stop at Potomac Place Shopping Center. Those still ring in \$120 to \$130 every several weeks, mostly because that is the route the hired help take on the way to their clients' palatial houses nearby.

That compares with average revenue of less than \$100 a month for each of the pay phones Harris owns or operates in the Washington area. In the past four years,

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that figure has declined from \$175 a month, he said. With a similar phenomenon affecting a diminishing roster of independent pay phone operators, it's no wonder that all around the city, pay phones are flying off the wall, he said.

"I wish I'd sold two years ago" while the getting was still good, he said. Shopping centers that had four pay phones now have two, Harris said. Pretty soon, pay phones will be a rare breed, he said.

This process of elimination can create its own vicious cycle.

Arlington resident Erik Newton said he finally broke down and purchased a cell phone two and a half years ago after not being able to find a pay phone near the White Flint mall. He couldn't find one at the gasoline station where he'd stopped; the one across the street didn't have one, either.

For some, the pay phone has become untouchably déclassé.

A woman at the Old Ebbitt Grill was asking strangers if she could borrow their cell phones one recent evening. She systematically worked her way through half the people seated at the bar, none of whom had cell phones to lend. Finally, she reached Hayden, who was sipping a beer. He suggested she use the pay phone he maintained in the restaurant. She haughtily replied: "I wouldn't be caught dead using a pay phone."

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