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Pumping Life Into the Pay Phone By Elisa Batista

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When was the last time you used a pay phone?

If you are one of the 137 million people in this country with a cell phone, chances are you haven't in a very long time.

That's why pay-phone operators are trying to call you back: They are offering free perks like wireless Internet access, while other companies are proposing to turn pay phone booths into charging stations for your cell phone.

Regular pay-phone operators are willing to cater to your wireless impulses, but they need your money, too.

"The pay phone is an important communications device for our customers," said Don Blair, a spokesman for Bell Canada. "It's not a growth area, but definitely a revenue generator."

Bell Canada has also discovered that the pay phone is a convenient way to offer passersby wireless Internet access.

In a pilot program that will run until sometime this spring, Bell Canada is offering customers in Toronto, Montreal and Kingston free Wi-Fi wireless Internet access. Sixteen booths, sprinkled in airports, hotels, libraries, train stations and other public transit locations, will provide the service. As with regular Wi-Fi access, customers must be within 100 feet of the booth to get a signal.

The booths look like covered-up pay phones with "AccessZone" printed on them. But instead of a tethered phone, they have a wireless modem inside, Blair said.

Although he did not give an exact number of people who use the service, Blair said that his company was pleased by the response so far.

"We've received phone calls and e-mails from people using the service," he said. "They are very positive responses from users, as well as a lot of calls from location providers -- people wanting to offer (wireless Internet) hotspots to their customers."

Another company with new ideas for the old pay phone is InfiniTec. The company, based in Singapore, is currently looking for U.S. partners to help roll out booths that let people charge their cell phones when they run out of juice. These booths look a lot like oversized mobile phones, so they're easy to spot.

The [Yuki Charger](#), designed to be compatible with most mobile phones, lets users deposit coins -- as they would in a normal pay phone -- and then recharge their phones. The company says its booths in China have been successful.

"The number of mobile phone users is always on the increase, and people often buy additional adapters to use in their offices," said Max Ho, the sales manager at InfiniTec. "There are just not enough sockets around. Therefore, there is a demand for the product."

Still, despite the spike in cell-phone use in recent years -- there are currently 137 million cell-phone users in the United States (close to 50 percent of the population), according to the [Cellular Telecommunications and Internet Association](#) -- even CTIA isn't convinced that people want to be connected to their cell phones or wireless laptops all the time.

Spokesman Travis Larson said the CTIA tradeshow in New Orleans this week doesn't have a cell-phone charging station for its thousands of visitors because most travelers bring their own cell-phone chargers. Plus, he said, "most wireless phones have well over a day's worth of battery life ... and many phones, much longer than a day -- depending, of course, on the talk time."

There will be free Wi-Fi Internet access for reporters, though, Larson said.

"Wireless phone penetration in the United States is hovering right around 50 percent," he said. "That means one-half of people don't have wireless phones, so many of those people still rely on pay phones. I think the pay phone still has a long life ahead of it."

How long, however, is the question that looms over the tethered-line industry. According to one Associated Press report, the number of pay phones nationwide dwindled from 2.6 million in 1996 to 2.1 million in 2001. Blair said Bell Canada's pay-phone business has not been hurt as much as in the United States, but it isn't a growing market, either.

"Bell Canada is in the same boat as a lot of these other pay-phone owners in that cell phones are eating their lunch," said Rufus Connell, an analyst with market research and consulting firm Frost & Sullivan. "They have all of this money invested in the actual pay phones and all of this great real estate."

"They are rethinking another revenue stream with the real estate that they own."

In Bell Canada's case, it's pursuing revenue from the Wi-Fi hotspots. But wireless industry analysts, who estimated that sales of Wi-Fi gear totaled \$1.4 billion worldwide last year, aren't sure that Bell Canada will get the kind of return it expects on its investment.

Companies like [Boingo Wireless](#), [T-Mobile](#) and other wireless phone carriers are already offering Wi-Fi hotspots in heavily trafficked locations at prices they call competitive. Plus, if Bell Canada is piggybacking off the pipelines provided by a tethered-line pay phone, as it appears it is, then that will prove to be a challenge, one analyst said.

Most pay phones are located in highly congested areas where there is rarely a place to sit, much less room for a customer to set up a laptop to check e-mail, he said.

"If you are a bank and you have two pay phones outside, do you want four or five people standing outside of your bank?" asked Wai Sing Lee, another analyst with Frost & Sullivan. "You really need a place to sit down. It might work, but it would be limited in terms of location."

Blair said Bell Canada would decide sometime in the spring if it is worth continuing the program.

In the meantime, dozens of Wi-Fi providers will be gathering in New Orleans this week for the CTIA show, where many new cell phones, widgets and wireless trends are often introduced. CTIA runs from Monday through Wednesday.



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