

BLUMENFELD & COHEN  
SUMNER SQUARE  
1615 M STREET, N.W. SUITE 700  
WASHINGTON, D. C. 20036

202 955-6300  
FACSIMILE 202 955-6460  
<http://www.technologylaw.com>

APR - 7 1998

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

4 EMBARCADERO CENTER  
SUITE 1170  
SAN FRANCISCO, CA 94111  
415 394-7500  
FACSIMILE 415 394-7505

April 7, 1998

VIA MESSENGER

Ms. Magalie R. Salas  
Secretary  
Federal Communications Commission  
1919 M Street, N.W., Room 222  
Washington, D.C. 20554

*Re: CC Docket No. 96-128  
Notice of Ex Parte Presentation*

Dear Ms. Salas:

Over the past week, the International Telecard Association ("ITA") has held meetings with the following Commission staff members regarding the Memorandum Opinion and Order released on March 9, 1998 by the Common Carrier Bureau in the above-captioned proceeding.

<u>Date</u>	<u>Meeting</u>
3/30/98	Kevin Martin, Legal Advisor to Commissioner Furchgott-Roth
4/1/98	Tom Power, Legal Advisor to Chairman Kennard
4/1/98	Paul Gallant, Legal Advisor to Commissioner Tristani
4/2/98	Jim Casserly, Legal Advisor to Commissioner Ness
4/6/98	Kyle Dixon, Legal Advisor to Commissioner Powell

ITA explained that, in its view, the Bureau's decision, issued on delegated authority, was contrary to the record evidence, discriminatory and anticompetitive in light of the need by prepaid phonecard carriers for real-time identification of payphone-originated calls. The substance of ITA's views has been previously set forth in its petition for reconsideration in this docket.

ITA was represented by Howard Segermark, Executive Director, the undersigned counsel, Marianne Townsend of SmarTalk Teleservices, and David Tobin of GTS/Global Link. The attached document was distributed.

Pursuant to Section 1.1206 of the Commission's Rules, an original and one copy of this letter and its attachments are being filed for inclusion in the record.

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If you have any questions regarding this matter, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "GBM", with a long horizontal flourish extending to the right.

Glenn B. Manishin

Enclosure  
GBM:hs

April 2, 1998

Memo to: (legal advisors to members of the Commission)

From: Howard Segermark

Re: The impact of the FCC denial of the ITA petition on info-digits.



The ruling grants another five-month waiver to PSPs and LECs to receive compensation for dial-around calls without having to provide real-time identification codes.

Prepaid card holders can not be billed after the fact. Either the cards must be "decremented" -- reduced in value -- at the time of the call, for use of the payphone, or the overall fees must be increased, or the issuer take the hit.

The ITA surveyed its members and the following are the results of the survey:

1. About 40% of all prepaid phonecard calls are made on payphones or approximately 6-10 million calls on payphones per year.
2. The "07" info-digits includes hotels, homes with no long distance service and other types of no-toll phones. Therefore if you are decrementing a DAC charge on a "07" incoming call, you're over-charging and hurting the consumers.
3. The percentage of "07" ANI info-digits provided is 42% of all payphone calls.
4. If 42% of all those payphone calls are giving "07" info-digits which can not be used for decrementing the DAC, that is 268.8 million calls per year we can not collect on.
5. The FCC waiver gave them five months (March-October) of "freebies." Five twelfths of the year equals 41.7% of those calls or 112,000,000 calls. At \$0.284 per call, that's \$31,800,000 that the prepaid industry can not pass on accurately.
6. The initial waiver -- the subject of the ITA petition -- was also for five months, and cost the prepaid industry an earlier \$31,800,000 for a total of \$63,600,000.

Howard Segermark  
Executive Director,  
904 Massachusetts Ave., NE  
Washington, DC 20002  
Ph: 800 958 7824  
Lcd: 202 544 4448  
Fax: 202 547 7417  
how @telecard.org