



**Opposition of General Communication Inc. to  
AT&T's Prepaid Calling Card Petition for Declaratory Ruling**  
WC Docket 03-133  
FCC Meeting 2/25/04

**Background**

- AT&T seeks a declaratory ruling that by placing an unsolicited advertisement into the call set-up of its prepaid calling card service it has transformed a call between two parties within the same state into an interstate call. All of AT&T's theories to support this finding are without merit.
  - AT&T filed its Petition in reaction to an on-going Regulatory Commission of Alaska (RCA) case in which the RCA found that AT&T's advertisement in association with its intrastate long distance service is not an enhanced service and does not change the jurisdictional nature of the call. The RCA directed AT&T to pay access charges on its Alaska-to-Alaska pre-paid card calls and to make a compliance filing demonstrating that such fees have been appropriately paid.
  - What AT&T really seeks is regulatory cover for an action it has already taken – reclassifying its prepaid calling card services within a single state as “interstate” in order to avoid intrastate access charges.
  - AT&T should not be rewarded for its legally unsustainable self-help. The FCC must deny AT&T's request without delay in order to stop on-going harm to carriers in Alaska.
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- **Intrastate Jurisdiction is Clear and Warrants Dismissal of AT&T's Petition Outright.**
    - Jurisdiction is determined by the originating and terminating points of the call, not the routing.
    - The FCC has determined that a debit card call that originates and ends in the same state is an intrastate call. This precedent applies to AT&T's placement of an unsolicited advertisement into its prepaid calling card service set-up.
    - The RCA has rejected the argument that an Alaska-to-Alaska prepaid card call placed through an 800 number is an interstate call.
    - AT&T has argued in other Alaska proceedings that a debit card call that originates and terminates within a single state is intrastate.
    - AT&T's service is not analogous to an ISP call where the end point is not identifiable.



- **The Inclusion of a Commercial Message Into the Calling Card Set-Up Does not Make AT&T's Service an Enhanced or Information Service.**
  - AT&T simply cannot meet the definition of an enhanced or information service.
    - There is no interaction, storage, transformation, utilization, or processing of subscriber information.
    - Even AT&T does not believe its theory; its offers the service in Alaska pursuant to intrastate tariff. If AT&T really believed it offered an enhanced service, then it would not pay any access charges at all.
  
- **FCC Must Act Now to Stop Harm to the Alaskan Market**
  - Failure to immediately deny AT&T's Petition would detrimentally affect the access charge system in Alaska. The status quo is harming other carriers, and granting AT&T's petition would only institutionalize and perpetuate the harm.
  - Examples of On-going Harm:
    - Bulk Bill Recovery of the Common Line: Non-traffic sensitive costs are pooled and charged via a "bulk bill" which is divided among the IXCs according to market share. AT&T's misdeeds have wrongly imposed additional costs on GCI.
    - Traffic Sensitive Rates: AT&T's current actions to mischaracterize all prepaid card traffic as interstate results in excessive traffic sensitive rates.
    - Persistent damages: Persistent damage results from AT&T's practices because, by its own admission, its data is unreliable. FCC inaction delays state resolution of the past harm, making it increasingly more complex.
    - Threat of Preemption: Granting AT&T's request would effectively preempt the RCA's authority. The RCA has stayed AT&T's obligation to pay intrastate access charges on Alaska-to-Alaska prepaid card calls until the FCC acts on this Petition. The RCA required AT&T to establish an escrow to ensure payment of those unpaid access charges.
  
- **Failure to Stop AT&T's Practice Could Result in a Domino Effect**
  - Potential for avoidance of access charges and USF obligations may lead carriers to include extraneous or unsolicited information on prepaid cards, wireless networks, and all types of telecom services just to reduce costs.
  
- **AT&T's Request is Devoid of Industry Support**
  - AT&T has no support for its scheme to avoid intrastate access by mischaracterizing traffic contrary to FCC precedent.
  - Intercarrier comp or USF reforms should occur in the appropriate dockets and cannot be accomplished through ad hoc self-help.