



401 9th Street, NW, Suite 400
Washington, DC 20004

May 21, 2004

Marlene H. Dortch
Secretary
Federal Communications Commission
TW-A325
445 12th St., SW
Washington, D.C. 20554

**Re: Ex Parte Presentation - AT&T Corp. Petition for Declaratory Ruling
Regarding Enhanced Prepaid Card Services, WC Docket No. 03-133**

Dear Ms. Dortch:

On May 10, 2004, AT&T filed its 10-Q form with the Securities and Exchange Commission, in which it acknowledged that it has avoided approximately \$140 million in Universal Service Fund (USF) contributions since the beginning of 1999, by claiming that its "enhanced" prepaid calling card service is an information service, and thus exempt from mandatory interstate USF contributions.¹ Sprint and other parties have opposed AT&T's petition, in part because grant of this petition would have such a deleterious impact on the interstate USF. To help ensure the viability of the USF, the Commission should rule that AT&T's prepaid calling card service constitutes telecommunications, subject both prospectively and retroactively to the same federal USF contributions applicable to all other interstate and international telecommunications services.

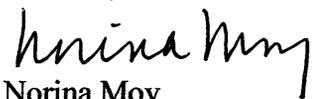
In its 10-Q, AT&T also indicated that it has been able to offer its "enhanced" prepaid card service at low rates in large part because of \$355 million in unpaid fees (intrastate access charge "savings" of \$215 million since the third quarter of 2002 and the \$140 million in avoided USF contributions noted above) associated with such traffic. AT&T should not be allowed to continue an approach to the regulatory process that lacks substantive support and results in an unfair and material competitive advantage. Accordingly, Sprint urges prompt Commission action to deny AT&T's petition.

I request that this letter, which is being filed electronically, be placed in the file for the above-captioned proceeding.

¹ See "Notes to Consolidated Financial Statements," #10, Commitments and Contingencies.

Please contact me at (202) 585-1915 with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Norina Moy". The signature is written in a cursive style with a large, sweeping "M" at the end.

Norina Moy
Director, Federal Regulatory
Policy and Coordination

c: B. Maher
T. Preiss
S. Morris
E. Einhorn