

July 20, 2004

Federal Communications Commission  
445 12th Street, SW  
Washington, DC 20554

Dear Commissioners:

Many of my constituents use prepaid calling cards to control monthly telephone expenses. Consumers can shop for the best price and monitor the minutes remaining on cards. It's a good way to ensure that telephone costs remain under budget each month.

With so many other uncertainties in the business world right now, consumers like being able to count on the consistent expense control mechanisms available through pre-paid calling cards. For this reason, I'm very concerned about the Bell Companies plan to add additional charges to pre-paid calling cards, which will ultimately increase rates by approximately 20 percent.

The Bells are arguing that pre-paid card calls should be considered in-state calls and taxed the same way. In fact, many calls made with prepaid cards are long-distance calls. Pre-paid calling card calls should be assessed only interstate access charges, not the higher in-state access charges. The in-state fees that the Bell Companies are seeking bear no resemblance to the Bells' actual costs; they are exorbitant and unnecessary.

I agree that only interstate access charges should apply to pre-paid calling card calls, not in-state fees. If interstate charges are protected, long-distance phone companies can continue to offer small businesses and consumers' low rates for pre-paid calling cards, a nice respite from inflationary prices in other markets. The FCC should reject the Bells' proposal for adding in-state fees to pre-paid calling cards.

Sincerely,

Annie L. Key  
State Representative  
11<sup>th</sup> House District

State Government  
(Ranking Member)  
Criminal Justice  
Transportation and Public  
Safety  
Municipal Government  
and Urban Revitalization  
Ethics and Elections  
Subcommittee