

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of:)
)
Regulation of Prepaid Calling Card Services) WC Docket No. 05-68

COMMENTS OF VERIZON¹

The Commission should dismiss AT&T’s May 3 “Emergency Petition for Immediate Interim Relief” (“Petition”). The relief requested in the Petition – a declaration that that pre-paid calling cards must contribute to universal service and pay relevant access charges – already is clearly mandated by the Commission’s rules and decisions. Accordingly, the Petition is moot.

AT&T claims that its Petition is necessary because “there decidedly is not a level playing field for prepaid calling services today.” Petition at 2. In particular, AT&T asserts that “there is massive regulatory uncertainty over whether and under what conditions prepaid card services will be classified in ways that subject the services to greatly increased costs (due to USF and intrastate access charge responsibilities).” *Id.* at 3. In reality, the only uncertainty is that created by AT&T itself.

The Commission always has treated pre-paid calling cards as basic telecommunications services, and the recent *AT&T Pre-Paid Calling Order* resoundingly reaffirms that treatment:

AT&T offers its “enhanced” calling card service to customers solely as a telecommunications service. The advertising information it provides is not in any sense an integral or essential part of the service AT&T offers to consumers. Rather, it is completely incidental to that service and therefore not sufficient to warrant reclassification of the service as an information service. *As commenters note, subscribers buy AT&T’s calling cards to make telephone calls, not to listen to advertisements.*

¹ The Verizon telephone companies and long distance companies (collectively “Verizon”) are the affiliated local exchange and interexchange carriers of Verizon Communications, Inc., which are listed in Attachment A hereto.

AT&T Corp. Petition for Declaratory Ruling Regarding Enhanced Prepaid Calling Card Services, FCC 05-41, WC Docket No. 03-133, ¶ 20 (rel. Feb. 23, 2005) (“*AT&T Pre-Paid Calling Card Order*”)(emphasis added); *see also id.*, ¶ 28 (AT&T “is not offering customers an information service that *uses* telecommunications; the service it offers *is* a telecommunications service”).

In addition, as the vast majority of commenters in this proceeding have explained, there can be no serious doubt that the two pre-paid calling card variations being considered in the ongoing phase of this proceeding – one involving optional advertisements and the other involving IP-in-the-middle transport – likewise are telecommunications services.² Indeed, even AT&T no longer contends that the second variation is an information service.

Consequently, providers of pre-paid calling cards have a well-established obligation to (1) pay federal universal service contributions based on their interstate pre-paid calling card revenues, and (2) pay interstate or intrastate access charges, as appropriate, on long distance calls made using the cards. To the extent AT&T asks for this relief, *see* Petition at 7-8, there is no need for further clarification of the applicable requirements. To the extent AT&T seeks to alter

² *See* Comments of American Public Communications Council, DJE Consulting, General Communications, Inc., ITTA/NTCA/OPASTCO/Western Telecommunications Alliance, NASUCA, NECA, New York Department of Public Service, Sprint, USTA, Verizon, and WilTel.

the current rules – such as subjecting all calls made using pre-paid cards to only interstate access charges – such a request is not properly the subject of a request for emergency relief.

Respectfully submitted,

VERIZON

By: /s/ Edward Shakin

Michael E. Glover
Of Counsel

Edward Shakin
VERIZON
1515 North Courthouse Road
Suite 500
Arlington, VA 22201-2909
(703) 351-3099

Jeffrey S. Linder
WILEY REIN & FIELDING LLP
1776 K Street, N.W.
Washington, D.C. 20006
(202) 719-7000

May 10, 2005

Attorneys for the
Verizon telephone companies

THE VERIZON TELEPHONE COMPANIES AND LONG DISTANCE COMPANIES

The Verizon telephone companies are the local exchange carriers affiliated with Verizon Communications Inc. These are:

Contel of the South, Inc. d/b/a Verizon Mid-States
GTE Southwest Incorporated d/b/a Verizon Southwest
The Micronesian Telecommunications Corporation
Verizon California Inc.
Verizon Delaware Inc.
Verizon Florida Inc.
Verizon Maryland Inc.
Verizon New England Inc.
Verizon New Jersey Inc.
Verizon New York Inc.
Verizon North Inc.
Verizon Northwest Inc.
Verizon Pennsylvania Inc.
Verizon South Inc.
Verizon Virginia Inc.
Verizon Washington, DC Inc.
Verizon West Coast Inc.
Verizon West Virginia Inc.

The Verizon long distance companies are the interexchange carriers affiliated with Verizon Communications Inc. These companies are:

Bell Atlantic Communications, Inc. d/b/a Verizon Long Distance
NYNEX Long Distance Company d/b/a Verizon Enterprise Solutions
Verizon Select Services Inc.

CERTIFICATE OF SERVICE

I, Robin Walker, hereby certify that on this 10th day of May, 2005, I caused copies of the foregoing Comments of Verizon to be to be served upon the following parties by first-class mail, postage prepaid:

David W. Carpenter
Sidley Austin Brown & Wood, L.L.P.
Bank One Plaza
10 South Dearborn Street
Chicago, IL 60603

Davod L. Lawson
James P. Young
Paul J. Zidlicky
Sidley Austin Brown & Wood, L.L.P.
1501 K Street, N.W.
Washington, DC 20005

Leonard J. Cali
Lawrence J. Lafaro
Judy Sello
AT&T Corp.
Room 3A229
One AT&T Way
Bedminster, NJ 09721

/s/ Robin Walker

Robin Walker