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June 22, 2005

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW, Room TWB-204
Washington, DC 20554

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

In the Matter of Developing a Unified Intercarrier Compensation Regime,
WC Docket 01-92

Dear Ms. Dortch:

Yesterday Robert Quinn and I met with Scott Bergmann, Legal Advisor to Commissioner Adelstein, to discuss issues related to AT&T's Emergency Petition for Immediate Interim Relief filed in the above-referenced proceeding. In particular, we stressed the need for swift action on this Petition affirming that USF should be assessed on prepaid card services, with an exception for those cards sold to the military, and that the Commission should revoke the Enhanced Service Provider exemption from the payment of switched access charges for all prepaid card services until the Commission ultimately determines whether the services at issue are telecommunications services or information services in the underlying rulemaking. We also urged the Commission to recognize that these services are interstate in nature such that 100% of revenues would be subject to USF assessment and interstate access charges would apply to all prepaid calls.

Alternatively, should the Commission conclude that access charges be based on the basis of the originating and terminating telephone numbers, we urged the Commission to take action to ensure the enforceability of its mandate. Specifically, we urged the Commission to require all prepaid card service providers to certify to the Commission that they have provided the underlying carrier (e.g., interexchange carriers and/or LECs) from whom they purchase services, the correct percentage of interstate versus intrastate minutes for prepaid calls. In addition, the

Commission should require those providers to certify the percentage of revenues found to be interstate and thus subject to universal service assessment. Only by requiring the prepaid card providers to supply certification will the Commission ensure compliance with its rules.

We also explained that AT&T had contemplated requesting a CPN ruling similar to the GCI request, however, we had concluded that such a ruling would not solve the fundamental problem of ensuring that prepaid card providers are properly informing interexchange carriers from whom they purchase services of the correct percentage of interstate versus intrastate calls based on originating and terminating telephone number. First, the GCI request would appear to place the onus for missing CPN on the underlying carrier (e.g., interexchange carrier or LEC), neither of whom is necessarily capable of populating the CPN/ANI data. Second, IXC's do not terminate calls to LECs on "prepaid only" trunks. Consequently, the CPN ruling could have the potential impact of subjecting more than just prepaid traffic to this ruling. For example, as we had previously identified, some domestic prepaid calls had been routed out of the country and came back into the United States on foreign carrier trunks. GCI's request could mean that an IXC would be required to pay intrastate access on all incoming calls from international trunks that have no CPN/ANI. As a result of these concerns, AT&T concluded that certification was the best path towards enforceability of the USF and access mandate. And the key principle to properly resolving this issue is to require that the certification come from prepaid card providers. That requirement would greatly reduce the incentives and opportunity to evade the Commission's ruling.

As part of this discussion, we also explained how the Intercarrier Compensation Forum ("ICF") Plan solves the problems in the current intercarrier compensation system and eliminates uneconomic arbitrage opportunities created by existing regulations. More importantly, we discussed the necessity of eliminating the terminating monopoly and adopting the compensation structures that have made the Internet and wireless industry profoundly competitive.

One electronic copy of this Notice is being submitted to the Secretary of the FCC in accordance with Section 1.1206 of the Commission's rules.

Sincerely,

A handwritten signature in black ink, appearing to read "Amy J. Alvarez". The signature is written in a cursive, flowing style with a large, sweeping flourish at the end.