

FACTS:

1. FreeConferenceCall.com used to be a welcome business partner of the large carriers until they switched their business model to *unlimited* calling plans. Carriers used to get paid for carrying telephone traffic, hence the name *carrier*. **Now, because of unlimited calling plans where consumers pay one price no matter how long or how much telephone service they consume, the large carriers make the most money when they carry NO traffic at all.** The large carriers now have the economic incentive to stifle telephone traffic and with it the efficiencies and productivity that have been of paramount importance to our economic growth.
2. The large telephone carriers are complaining that FreeConferenceCall.com terminates its traffic in high-paying, high-cost rural locations. FreeConferenceCall.com terminates telephone traffic in tier-one metro locations *and* in rural locations. FreeConferenceCall.com *can move* from rural locations, but the cost is significant because it entails providing customers with new phone numbers that they must then give out to all of their conferencing partners. This is very destructive because many customers are lost in the process.
3. The highest rural phone company tariff charged in the most expensive location where FreeConferenceCall.com operates is 5¢ per minute, and FreeConferenceCall.com is paid a fraction of that amount, less than 1¢ per minute in almost all locations.
4. **The large carriers argue that they are subsidizing the cost of free conferencing services. This is NOT TRUE!** Each and every customer pays for their service themselves when they pay their telephone bill. The carriers are obligated, by law, to collect the money from the customer and distribute the money to the intermediate carriers and telephone companies whose networks they use. Most large carriers have stopped paying, illegally, in order to drive out competition.
5. Large carriers used to charge as much as 25¢ per minute for their competing conferencing services. Because of companies like FreeConferenceCall.com, the large carriers have reduced their prices to as little as 8¢ per minute for their competing services. This fight is about healthy competition, not traffic pumping.
6. Large carriers have commercial agreements in many of the rural locations where FreeConferenceCall.com operates, thereby acknowledging the legitimacy of FreeConferenceCall.com traffic, and these carriers have negotiated the rate they pay down to approximately 1/3 of the tariff, proving that market forces are working to normalize rates.
7. Large carriers boast about their increasing profits from unlimited calling plans while they charge the consumer add-on subsidies for using services like FreeConferenceCall.com, claiming that they are losing money due to free conferencing services when they are not, and using this excuse as a veil to charge more money to the very consumers that signed up for the *unlimited* calling plans so that they *could* use services like FreeConferenceCall.com. *And*, most of the calling plans of the large carriers do not allow the consumers to change plans without incurring very expensive exit or change fees. Consumers are lured in with the promise of unlimited service, they are locked in to a plan, and then they are denied, blocked, or charged a subsidy for that very service.
8. AT&T argues that unlimited calling plans are better for the consumer, but AT&T wants to price data traffic by the byte. The Public Switch Telephone Network is a pay-per-minute system and the Internet is not. Why is AT&T pushing for pricing plans that are diametrically and economically opposed to the models under which they operate? These policies will stifle economic growth and productivity...but these policies will generate the highest margins for AT&T.
9. **FreeConferenceCall.com offers up its financial information and pricing policies for public scrutiny, but not a single large carrier will agree to back up its claims with facts about its pricing. Not a single large carrier will prove to you, or even tell you, how much money it makes per minute of telephone traffic.**

FreeConferenceCall.com does generate telephone traffic. That is because consumers love the service. Not a single FreeConferenceCall.com customer will complain that they are paying too much for the service. In fact, many are quite willing to pay subsidies added on to their calling plans. **The fear is that you, the VOICE OF THE PEOPLE, will impose legislation that will put an end to access revenue for information services, thereby putting companies like FreeConferenceCall.com out of business.** Before you do something so drastic, I ask that you consider that FreeConferenceCall.com is used by Fortune 500 companies, medium and small businesses, network marketers, political campaigns, nonprofits, churches, and community groups, just to name a few.

American Indian Tribes are now developing tribally owned telephone companies and using the revenues generated by information services to provide reservation residents with modern telecommunication services including broadband Internet access. They are using the revenues to provide valuable social services, jobs are being created, and tribally based economies are growing where there once was nothing but unemployment (**97% unemployment!**). The American Indians are doing this without the help of the Federal Government and their business model is self-sustaining and does not require continued subsidies or *Stimulus*. FreeConferenceCall.com started down this path of working with the American Indians long before the *Stimulus Plan* came about because FreeConferenceCall.com saw an economic need and an economic opportunity. This is what makes for good and lasting business relationships and economic growth. It detracts from the impact when you say it yourself, but I am proud to say that FreeConferenceCall.com has always been a socially conscious and responsible company.

In conclusion, I would like you to know that it has always been our mission at FreeConferenceCall.com to provide our clients with the best conferencing experience available. In fact, we even build our own conferencing equipment because we have found that nothing else available lives up to our high quality and capacity standards. Our sister company, WYDE Voice, won the Innovator of the Year Award for developing the first High-Definition, fully-scalable, software-based conferencing bridge. We are dedicated to our customers and promise to always strive to offer them the best quality, the most attentive customer service, the most extensive product offerings, and the most dynamic conferencing experience available. I implore you to please take a deeper look at FreeConferenceCall.com and the business model before you make a decision that will kill my company, hurt my customers, and ultimately cost your constituents more money.

ASK THE PEOPLE FOR THEIR OPINION. I WILL COME TO WASHINGTON ANY TIME. I WILL ANSWER ANY QUESTION. GET THE FACTS!

Please see the enclosed *Fact Report: The Economic Impact of Free Conference Calling Services* for more details and facts, as explained by the renowned economist, Alan Pearce, who served as Chief Economist with the Federal Communications Commission.

Sincerely,

David C. Erickson, President and CEO
FreeConferenceCall.com