

**STATEMENT OF
COMMISSIONER JONATHAN S. ADELSTEIN**

Re: AT&T Corp. Petition for Declaratory Ruling Regarding Enhanced Prepaid Calling Card Services, WC Docket Nos. 03-133, 05-68 (FCC 05-41).

This Order clarifies that the Commission's existing rules for telecommunications services apply to calling card services even when consumers are played a recorded advertising message. This result is the most logical reading of our rules and best preserves our universal service policies. Accordingly, I support the Order.

I have concern, however about the scope of the issues we address here. In particular, I am concerned that the Commission defers ruling and instead seeks comment through a Notice of Proposed Rulemaking on two alternative forms of calling card services, which the petitioner in this case now uses to provide service. Indeed, commenters have raised the possibility that a significant portion of the multi-billion dollar calling card industry may use these alternative forms of service.

By not addressing these two alternative forms of calling card services here, we leave for another day questions about whether these calling card services must also contribute to the universal service fund and how these services are classified for purposes of our intercarrier compensation rules. This ambiguity may be read by providers to signal a regulatory edge for one form of technology over another, despite the fact that the services appear functionally the same from the perspective of the consumer. Alternatively, when the Commission finally does address these other forms of service, a portion of the calling card industry may face the same sort of liability contemplated in this Order. Either way, I am concerned that we perpetuate a marketplace dynamic where success is significantly affected by tolerance for regulatory risk. As policymakers, and as stewards of universal service, we should move to address these issues quickly and comprehensively.