

December 21 2004

Michael K. Powell, Chairman
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Dear Chairman Powell:

It is our understanding that an issue is before the Commission that could have far reaching ramifications. This concerns the matter of Voice Over Internet Protocol (VOIP) as it relates to switch network access rates. Some argue that basic telephone rates in Florida may be increased without any action by our state's Public Service Commission if VOIP providers are exempted from access charges.

It must be made clear that this office is not urging the Commission to require access charges. Instead, our only mission is to represent the consumers of Florida and to promote competition in the telephone industry, which I believe means keeping rates low. We are asking that you consider the circumstances of the citizens of the State of Florida in any decision that you make.

At this time, there is an appeal before the Florida Supreme Court involving telephone basic rate increases by telephone companies. This stems from legislation passed by the Florida Legislature in 2003 allowing the companies to raise rates provided they are revenue neutral and that consumers benefit. It is our contention that the increases proposed and approved by the Public Service Commission are inconsistent with that legislation.

There is concern that the same legislation may permit the increases to occur should the FCC rule that access fees do not apply to VOIP. We in the Attorney General's office do not accept that premise, but some are making that argument

Should the Commission members or staff have any questions on these issues, please contact us. We appreciate the important role played by the Commission on behalf of the citizens it serves.

Sincerely,

Charlie Crist

CC:bls