

# AT&T Sues Prepaid Card Provider for Access Charges

July 28, 2009

As we discussed [previously](#), AT&T has been sending threatening letters to prepaid card providers who offer local telephone numbers as an alternative to 1-800 access. In our last post, we noted that the parties were far apart in their legal positions and we warned you to "stay tuned" for developments. That warning proved appropriate, for on July 2, 2009, AT&T brought suit against a prepaid provider for failing to pay access charges on calls originated through local telephone numbers.

AT&T brought its lawsuit in federal district court against IDT Telecom, Inc. and Entrix Telecom, Inc., an affiliate of IDT. The complaint alleges three counts (violations): 1. Violation of the AT&T LECs' federal tariffs; 2. Violation of the AT&T LECs' state tariffs; and 3. Unjust Enrichment.

It is noteworthy that AT&T chose not to bring claims against the CLEC(s) that provided the local numbers to IDT. Instead, AT&T is suing IDT, even though IDT did not receive traffic directly from AT&T. The lack of a direct relationship will make it harder for AT&T to establish that IDT is a customer under either the federal or state tariffs alleged to be violated.

Presumably, IDT will move to refer the case to the FCC under the doctrine of primary jurisdiction. If IDT is successful, the FCC will have to decide what, if any, access charges apply when customers dial local numbers to reach a prepaid card provider. That question has been before the Commission since 2006, but the FCC has not yet made a decision.

The complaint is [available here](#).