

WASHINGTON -(Dow Jones)- A letter signed by 61 members of Congress demands the Federal Communications Commission delay a scheduled Nov. 4 vote on sweeping changes to a multi-billion phone payment system.

Written by Reps. Rick Boucher, D-Va., and Lee Terry, R-Neb., the letter said the changes being discussed at the commission need to be made public because of their breadth.

A wide array of companies and organizations that would be affected by the proposal have made similar requests. In keeping with tradition at the FCC, only commissioners and FCC staffers have seen written proposal.

The lawmakers' letter also suggests that some of the changes proposed by FCC Chairman Kevin Martin reside under Congress's jurisdiction, not the FCC's.

The FCC faces a Nov. 5 court deadline when it must justify a small portion of its rules governing how phone companies pay one another to transfer calls. Martin wants to use that court deadline to put in place broader reform.

The lawmakers' letter said Martin's proposal extends far beyond the dial-up Internet rules being reviewed in court. "It is essential that you place the proposal before the public for review and comment before acting."

Martin wants to lower to almost nothing the rates phone carriers pay each other to transfer calls, and at the same time allow companies losing money to raise their monthly subscriber rates by \$1.50 for residential phone lines. Businesses could increase their rates by as much as \$5 per month.

Verizon Communications Inc. (VZ) and AT&T Inc. (T) have urged the commission not to delay the vote. Analysts say those phone giants stand to gain millions of dollars annually from the proposed change.

Martin also wants to revise the way carriers receive government subsidies for offering phone service in hard-to-reach, rural areas. Currently, all carriers are given subsidies based on an incumbent phone company's costs.

Under Martin's proposal, those universal service subsidies would be given only to companies that promise to offer high-speed Internet service to all their customers within five years and can prove that they would lose money by providing the service.

Boucher and Terry's letter said that proposal may be better addressed by Congress. "While we share the Commission's interest in making much needed changes to the universal service fund, elected and accountable representatives in Congress should properly design the reform," the letter said.

The current phone exchange payment system, which dates back to the breakup of the Bell system in 1984, is widely divergent, with some carriers charging a fraction of a penny per minute for outside calls to their customers, and others charging hundreds of times that for much the same service. The FCC for years has called for reform, but has been unable to resolve disagreements in the industry about how a new system should look.

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