

**STATEMENT OF
CHAIRMAN AJIT PAI**

Re: *Protecting Consumers from Unauthorized Carrier Changes and Related Unauthorized Charges*,
CG Docket. No. 17-169.

What's worse than getting a marketing call just as you are about to sit down for dinner with your family? Answering that call and having snippets of the conversation taken out of context to justify switching your telephone carrier without your consent or adding unwanted charges to your phone bill.

If that's ever happened to you, then you were the victim of slamming or cramming—two egregious ways in which unscrupulous companies exploit unsuspecting consumers. “Slamming” involves changing a consumer's phone provider without his or her permission. “Cramming” occurs when unauthorized line item charges are placed on a consumer's phone bill.

In the past, the FCC has attacked cramming and slamming by interpreting section 201(b) of the Communications Act, which prohibits unjust and unreasonable practices, to forbid misrepresentation on sales calls and billing practices. Today, we take even stronger measures to combat these practices.

First, we adopt a specific rule to prohibit cramming. This is the first time in the agency's history we've done so. Combined with our existing truth-in-billing rules, which help deter and detect cramming, this new bright-line rule will make clear to every wireline and wireless carrier what the law is, and will enhance the FCC's enforcement efforts against cramming.

Second, we adopt a rule that a subscriber's authorization to switch carriers will be deemed invalid if a material misrepresentation is made during a sales call. The reason is simple: Carriers shouldn't be able to deceive consumers into switching providers.

We also streamline and strengthen the third-party verification process, or TPV, which involves a recorded conversation between an independent third-party verifier and a consumer about switching carriers. For example, no longer will carriers selling more than one service be required to ask consumers if they want to switch individual services based on arcane regulatory classifications—like interLATA or intraLATA calls—that are confusing to consumers and more outdated in today's market. We also take an important step to crack down on those carriers that abuse the TPV process, such as when a caller cuts and edits audio from a conversation with a consumer to create a fraudulent TPV purporting to be the consumer's approval to switch carriers. From now on, upon a finding that the carrier has abused the TPV process, that carrier will be suspended from using TPV as a means of verifying consumer switches for five years. Together, these changes will help ensure that the TPV process remains an effective tool for good actors but isn't misused by bad ones.

As with many of our consumer protection initiatives, this was a collaborative, team effort. Thank you to Rebecca Hirselj, Richard Smith, Kurt Schroeder, Nancy Stevenson, Mark Stone, Patrick Webre, and Kimberly Wild in the Consumer and Governmental Affairs Bureau; Malena Barzilai, Ashley Boizelle, Rick Mallen, Linda Oliver, and Bill Richardson in the Office of General Counsel; Erica McMahon, Phil Rosario, David Strickland, and Kristi Thompson in the Enforcement Bureau; Belford Lawson in the Office of Communications Business Opportunities; Eric Burger, Jerry Ellig, and Chuck Needy in the Office of Strategic Planning and Policy Analysis; and, last but not least, Madeleine Findley and Dan Kahn in the Wireline Competition Bureau.