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295 North Maple Avenue  
Basking Ridge, NJ 07920

June 16, 1994

William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M. Street, N.W. - Room 222  
Washington, DC 20554

**RECEIVED**

**JUN 16 1994**

**FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY**

Re: Ex Parte Presentation  
CC Docket No. 93-292 - Toll Fraud

Dear Mr. Caton:

On June 16, 1994, Peter Coulter and I met with Linda DuBroof, Domestic Facilities Division, to review AT&T's position on the above reference proceedings.

Two copies of this Notice were submitted to the Secretary of the FCC in accordance with Section 1.1206(a)(1) of the Commission's Rules.

Sincerely,

A handwritten signature in cursive script, appearing to read "Frank Simone".

Frank Simone  
District Manger  
Federal Government Affairs  
(908) 221-7206

Attachments

cc: P. Coulter  
L. DuBroof

No. of Copies rec'd 0+1  
List ABCDE



295 North Maple Ave.  
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### **AT&T EXPANDS AND RE-PRICES ITS TOLL FRAUD SERVICE**

For Release Wednesday, May 18, 1994:

**BASKING RIDGE, N.J. — AT&T announced today that it has expanded its NetPROTECT service to offer the industry's first across-the-board liability limit to help protect customers against toll fraud through their telephone systems.**

**AT&T's NetPROTECT(sm) Basic Service will now provide a \$25,000 liability limit for virtually all AT&T business customers who use on-site telephone systems, such as PBXs or key systems. In addition, for customers who detect and report the fraud first, the liability limit will be automatically cut in half, to a maximum of \$12,500 for any one incident of fraud.**

**"With this enhanced offer, we're encouraging our customers to work even more closely with us to further reduce the problem of toll fraud nationwide," said Kathy Lyons, NetPROTECT product manager. "The more we can do to eliminate the unauthorized use of long-distance services, the better for everyone involved -- except for hackers and toll-call thieves, of course."**

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AT&T business long-distance customers with premises systems will receive the new Basic coverage automatically. They will also have the option, under AT&T's NetPROTECT(sm) Plus Service, to purchase coverage that limits their liability to \$7,500. Once again, if the customer detects the fraud first, the liability limit will be automatically cut in half; in this case to \$3,750.

Under a third option, known as NetPROTECT(sm) Premium, customers can purchase coverage that offers zero liability, where they are fully protected against all incidents of telephone system toll fraud. This coverage will stay the same under the expanded NetPROTECT Service. However, some pricing changes will be made to both the Premium and Plus services.

For NetPROTECT Plus, AT&T will change its current installation charge of \$25 per customer location to a three-tiered pricing arrangement: \$100 for the first 100 locations; \$75 for the next 100 locations; \$50 for all additional locations.

For NetPROTECT Premium, AT&T is eliminating its current five-tier monthly pricing in favor of three lower-priced tiers: \$200 a month for the first 100 customer locations; \$150 a month for the next 100 locations; \$100 a month for all additional locations. AT&T is also introducing three-tiered pricing for installation of Premium service: \$300 for the first 100 locations; \$250 for the next 200 locations; \$200 for all additional locations.

AT&T plans to discontinue offering its fourth coverage option, known as NetPROTECT(sm) Advanced Service, because customers will now receive virtually the same coverage at no charge through NetPROTECT Basic Service.

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All NetPROTECT options include computerized monitoring -- 24 hours a day, seven days a week -- of customer calls to high toll-fraud areas, as well as inbound long-distance calls. If suspicious calling patterns are detected, customers are notified so that they can take action to stop the fraud. Once AT&T provides customer notification, the NetPROTECT liability cap stops; customers are then responsible for securing their telephone systems against further break-in.

AT&T also works directly with telephone system manufacturers to help identify and stop break-ins. For instance, the company now offers an on-line transfer service that automatically connects AT&T Global Business Communications Systems PBX customers to an agent from the company's Fraud Intervention Center to assist in shutting down illegal calling.

A tariff has been filed with the Federal Communications Commission to cover the new NetPROTECT liability caps and pricing. The offer is expected to be approved and available within two weeks.

Since its introduction in 1992, AT&T NetPROTECT Service has been highly successful against telephone system toll fraud. The average size of an incident of fraud against AT&T business customers has been reduced 75 percent. Currently, the company notifies more than 1,000 customers a month of suspicious calling activity.

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