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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

EX PARTE PRESENTATION

1850 M Street, N.W., Suite 1100
Washington, DC 20036

July 24, 1997

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Re: CC Docket No. 93-292

Dear Mr. Caton:

Today, representatives of the Interexchange Carrier Industry Committee ("ICIC"), including Lilli Calcara of Sprint, Peter Coulter of AT&T, David Jordan of MCI and Doug Brent of WorldCom, together with Rick Whitt of WorldCom and Mike Fingerhut and the undersigned of Sprint, met with John Muleta, Michael Carowitz, Rose Crellin and Bob Spangler of the Common Carrier Bureau Enforcement Division, and Anna Gomez and David Ward of the Bureau's Network Services Division. The ICIC representatives described various types of toll fraud that are occurring today and that are expected to arise in the near future. The ICIC members also volunteered to assist the Commission's staff in responding to any technical questions that may arise concerning toll fraud. During the meeting, a copy of the attached letter was distributed.

An original and one copy of this letter are being filed.

Sincerely,

Richard Juhnke
General Attorney

- c: Michael Carowitz (w/o attach.)
Rose Crellin (w/o attach.)
Anna Gomez (w/o attach.)
John Muleta (w/o attach.)
Robert Spangler (w/o attach.)
David Ward (w/o attach.)

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The TFPC believes that it would be appropriate for the Commission to prohibit the storage of PIN digits in CPE without consent of either the card issuer or the card holder. The Commission has previously taken action to amend Part 68 in order to eliminate known fraud problems. In 1990, the Commission adopted a new section in Part 68 which requires that PBX's and similar systems return answer supervision when DID calls to stations connected to the PBX are answered by the station, an attendant, a recorded message or dialing prompt, or are routed back to the public switched network. See 47 C.F.R. section 68.314(h); In the Matter of Petition for Adoption of a New Section 68.314(h) of the Commission's Rules, 5 FCC Rcd. 6202 (1990).

In the referenced rulemaking, the Commission found that a Part 68 change was necessary because the record showed that some CPE was causing telephone company billing equipment to malfunction, permitting callers to avoid lawful charges for completed calls. Similarly, the present situation involving calling card abuse may require a rule change to prohibit storage of calling card numbers in pay telephones and other aggregator CPE, including call processing equipment ancillary to PBXs. The Toll Fraud Prevention Committee is willing to assist the Commission and to provide additional information or draft language as part of the Committee's mission to improve the security of the national network.

Sincerely yours,

Richard P. Harrison
Moderator