

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20024

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In the Matter of)
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)
Implementation of the Subscriber Carrier)
Selection Changes Provisions of)
the Telecommunications Act of 1996)
)
)
Policies and Rules Concerning)
Unauthorized Changes of Consumers')
Long Distance Carriers)
_____)

CC Docket No. 94-129

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REPLY COMMENTS OF TELTRUST, INC.
ON THE FURTHER NOTICE OF PROPOSED RULEMAKING

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SUMMARY

The Commission has tentatively concluded that carrier changes made via the Internet should be accompanied by measures to ensure that consumers are provided the same safeguards to prevent slamming as are mandated for other forms of carrier solicitations. This conclusion has gained substantial support among commenters who argue that on-line carrier changes are susceptible to fraud and deception. Teltrust believes that independent third-party verification (“TPV”) provides the most reliable protection against slamming and that TPV is adaptable to the Internet environment. The current TPV system has proven its value to carriers and consumers alike. The FCC should not create loopholes in its anti-slamming regulations for carrier-changes that occur over the Internet.

The Commission has asked for comment on whether a third-party administrator is needed to perform carrier-change functions. In addition, a coalition of carriers has proposed the establishment of a third-party administrator to resolve consumer slamming complaints. If the Commission decides to direct the creation of a third-party administrator to execute carrier-change requests and/or to resolve slamming disputes, the Commission must preserve the independence of TPV providers. Combining verification and adjudicative functions would undermine the independence of the TPV provider and could result in the coercion of carriers to use the adjudicator’s TPV services. Importantly, replacing the competitive market among TPV providers with a required monopoly TPV structure would not enhance the public interest.

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The Commission has tentatively concluded that changes of telecommunications carriers made via the Internet should be accompanied by the same safeguards to prevent slamming as the FCC mandates for other forms of carrier-change solicitations. Several commenters note that Internet transactions, including Internet carrier changes, are susceptible to fraudulent and deceptive practices. Therefore, the FCC should apply much-needed consumer protections for changes of telecommunications carriers and services that occur over the Internet. New loopholes in the Commission's anti-slamming rules will disserve consumers and carriers alike. Some commenters argue that the FCC's ability to "regulate" the Internet is limited. However Teltrust shows that the FCC has statutory authority, under Section 258 of the Communications Act, to apply its slamming protections to carrier changes made via the Internet.

The FCC has asked for comment on the need for a third party administrator to execute carrier changes^{2/} and a coalition of carriers has proposed the creation of a third party administrator to resolve consumer slamming complaints.^{3/} If the Commission decides to create a third-party administrator for carrier changes or for the resolution of slamming complaints, it must ensure that TPV remains independent of any third-party administrator. Combining TPV with adjudicative functions could undermine the independence of the TPV process and could result in the coercion of carriers to use the adjudicator's TPV services. Furthermore, the Commission would not enhance the public interest by replacing a vibrant competitive TPV market with a monopoly-provided verification function.

^{2/} *Further Notice* at ¶¶ 183-84.

^{3/} MCI Worldcom, et al., *Joint Petition for Waiver*, CC Docket No. 94-129, filed March 30, 1999.

II. The FCC Should Require Independent Third Party Verification of Telecommunications Carrier Selections and Freezes Made via the Internet.

Unscrupulous individuals who try to slam consumers have no reason to distinguish between data and voice lines. Neither should the FCC. If on-line carrier changes are exempted from independent, third-party verification requirements, unscrupulous operators will gravitate to this loophole to launch new, low-cost deceptive practices against American consumers. Requiring independent, third-party verification of on-line carrier changes will protect consumers, protect the integrity of Internet commerce, and substantially reduce the number of disputes that carriers and regulatory agencies must resolve.

A. Allowing Internet Carrier Changes Will Greatly Enhance the Ability of Sales Agents To Submit Carrier-Change Requests Without A Customer's Authorization.

On-line carrier changes promise not only to revolutionize consumers' access to competitively priced telecommunication services, but also to greatly increase consumers' vulnerability to fraudulent practices of sales agents. Several commenters observe that Internet transactions remain peculiarly susceptible to fraud.^{4/} The American Association of Retired Persons ("AARP"), for example, is concerned that use of the Internet for carrier change transactions may increase incidences of slamming.^{5/}

As United States Assistant Attorney General James K. Robinson has cogently stated, "the very factors that make the Internet so attractive as a medium for legitimate commerce —

^{4/} See *Comments of Telecommunications Reseller's Association* at 24 ("TRA"). As Excel points out, "[t]he dangers of Internet commerce . . . are . . . being discovered daily as unscrupulous individuals find new ways to exploit consumers." *Comments of Excel Telecommunications, Inc.* at 3 ("Excel").

^{5/} *Comments of American Association of Retired Persons* at 4 ("AARP").

communications that are global, instantaneous, . . . virtually cost-free, [rapid, and relatively anonymous] — make it equally attractive as a medium for fraud."^{6/} Similarly, in his March 22, 1999 testimony before congress, Richard J. Hillman, Associate Director of the Securities and Exchange Commission, warned that “[f]raudulent operators find the Internet attractive because they can instantly communicate with millions of potential victims . . . at a far lower cost than traditional means of communication, such as the telephone.”^{7/} Low entry and exit costs, and easy means of disguising themselves, have attracted waves of “fly-by-night” companies to this medium.^{8/} In one sign of consumers’ vulnerability, reports of Internet-based fraud have jumped more than 600 % in one year — from 1,280 in 1997 to 7,752 in 1998.^{9/}

^{6/} *Feds Work on Plan To Cut 'Net Fraud*, Associated Press, Telegraph-Herald, March 6, 1999, at National/World Section p. 7. See, e.g., *TRA* at 24 (“the very ease with which a carrier change may be made using the Internet makes the Internet fertile ground for slamming”); *AARP* at 4 (same); *Surfing Among Sharks: How to Gain Trust in Cyberspace*, THE FINANCIAL TIMES, March 15, 1999, at 5 (discussing rapid growth of Internet fraud); Henry Gilgoff, *Dragnet for Net Fraud*, NEWSDAY, March 21, 1999, at A47 (discussing increase in Internet fraud reports from 1997 to 1998); Andrew J. Glass, *Senator Fighting Net Stock Fraud With More Powerful Legislation*, THE ATLANTA JOURNAL AND CONSTITUTION, March 24, 1999, at 2D (discussing the “flood of consumer complaints charging securities fraud on the Internet” and proposed legislation to deal with the problem); *Fighting Crime in the Virtual World*, THE ASSOCIATED PRESS STATE & LOCAL WIRE, March 22, 1999, BC cycle (discussing growth of “rip-offs and abuses” in the Internet and Michigan's new computer crime unit).

^{7/} See Statement of Richard J. Hillman, Associate Director, Financial Institutions and Market Issues, General Government Division, Securities and Exchange Commission, Before the U.S. Senate Committee on Governmental Affairs Subcommittee on Investigations, GAO/T-GGD-99-34 (March 22, 1999).

^{8/} *Surfing Among Sharks: How to Gain Trust in Cyberspace*, THE FINANCIAL TIMES, March 15, 1999, at 5.

^{9/} Henry Gilgoff, *Dragnet for Net Fraud*, NEWSDAY, March 21, 1999, at A47 (documenting the increase in complaints reported to Internet Fraud Watch, a program of the National Consumers’ League, based in Washington, D.C., between 1997 and 1998).

In spite of the dangers of on-line carrier changes, some commenters incorrectly characterize the application of slamming rules to on-line changes as "regulation" of the Internet. Ignoring the strong likelihood of fraud, these parties essentially ask the FCC to exempt Internet carrier-change transactions from the anti-slamming rules.^{10/} Lifting these anti-slamming safeguards in an on-line environment, however, will place consumers at risk.^{11/}

B. The FCC Should Adopt Third Party Verification Measures To Combat On-Line Slamming Practices.

The FCC should treat carrier-changes that occur via the Internet like any other carrier changes and require some form of verification, such as independent third-party verification ("TPV"). Virtually every consumer-advocacy organization and at least one carrier agree that the Commission should not exempt Internet carrier changes from existing consumer safeguards.^{12/}

^{10/} See, e.g., *Comments of Qwest Communications Corporation* at 16-21 ("Qwest").

^{11/} *Comments of Price Interactive, Inc.* at 15-17 ("Price Interactive"); *Comments of the New York State Department of Public Service* at 7-8.

^{12/} See, e.g., *Price Interactive* at 15-16 ("carrier changes submitted over the Internet cannot be considered a valid LOA under the Commission's rules"); *Comments of Montana Public Service Commission* at 3 ("certainly Internet solicitations to consumers should comply with the FCC's [anti-slamming] rules") ("*Montana PSC*"); *Comments of the New York State Department of Public Service* at 7 ("requests to change telecommunications services or carriers over the Internet should be subject to applicable state or federal verification requirements"); *Comments of the National Ass'n of State Utility Consumer Advocates* at 12 ("we are concerned that [Internet carrier changes] do [] not provide any independent means to assure verification . . . and [therefore] suggest that . . . a customer's contractual assent given over the Internet should be verified by a third party") ("*NASUCA*"); *Comments of the Florida Public Service Commission* at 6 ("the customer should be given the option of . . . requesting someone (independent third party verifier) to contact them and verify the carrier change request"); *Comments of Bell Atlantic on Further Notice* at 6 ("[g]iven the current state of technology, it is very difficult to verify the identity of a person making a carrier change request over the Internet. For this reason, Bell Atlantic does not accept electronic mail messages to remove freezes or make preferred carrier changes") ("*Bell Atlantic*").

Section 258 of the Communications Act directs the FCC to adopt verification procedures for carrier changes. Section 258(a) provides that "[n]o telecommunications carrier shall submit or execute a change in a subscriber's selection of a provider of telephone exchange service or telephone toll service except in accordance with such verification procedures as the Commission shall prescribe."^{13/} This Section does not distinguish among the various methods of effecting a carrier change — whether in person, by telephone or via the Internet. Because the Act does not distinguish among the various methods by which a consumer can change telecommunications carriers, the Commission may adopt verification procedures that would apply regardless of the means of changing carriers. At a minimum, therefore, Section 258 grants the Commission the legal authority to adopt anti-slamming safeguards for carrier change transactions that occur over the Internet.

In addition, the 1997 presidential directive on electronic commerce expressly directs all federal agencies, including the FCC, “to promote efforts domestically and internationally to make the Internet a secure environment for the transaction of commerce.”^{14/} Although the

^{13/} 47 U.S.C. § 258(a).

^{14/} See President, William J. Clinton, Office of the Press Secretary, *Memorandum for the Heads of Executive Departments and Agencies Concerning Electronic Commerce*, at ¶ 12 (July 1, 1997) (“*Presidential Directive*”), available at <www.ecommerce.gov/presiden.htm>. According to the *Presidential Directive*, these consumer protections include “ensuring secure and reliable telecommunications networks; ensuring an effective means for protecting the information systems attached to those networks; ensuring an effective means for authenticating and guaranteeing confidentiality of electronic information to protect data from unauthorized use; and providing information so that Internet users become well-trained and understand how to protect their systems and their data.” *Id.* The U.S. government working group on electronic commerce affirmed these goals in 1998. See United States Working Group on Electronic Commerce, First Annual Report (Nov. 30, 1998), available at <www.doc.gov/ecommerce.gov>.

presidential directive has been portrayed as wholly deregulatory by some commenters,^{15/} the presidential directive does not require the FCC to ignore existing consumer protections against fraud and misrepresentation. On the contrary, the presidential directive recognizes that “[i]n some areas, government involvement may prove necessary to facilitate electronic commerce and protect consumers.”^{16/} It notes that, where promoting commerce and protecting consumers requires government rules, the “aim should be to support and enforce a predictable, consistent, and simple legal environment for commerce.”^{17/}

The best way to promote a predictable and consistent environment is for the FCC to apply uniform rules for carrier-change interactions. Allowing changes in carriers or services to be made via the Internet without applying at least the same level of verification protections would defeat these goals. Indeed, consumers accustomed to TPV protections would not know whether, or how, their carrier preference might change merely by visiting a carrier’s web site.^{18/} Disparate rules for carriers’ telemarketing solicitations and their on-line solicitations would prove to be chaotic. And rather than create a simple legal environment, the FCC would unnecessarily

^{15/} See, e.g., *Comments of Tel-Save.Com, Inc.* at 7-8 n.7 (quoting only deregulatory portions of presidential directive) (“*Tel-Save.Com*”).

^{16/} *Presidential Directive* at Preamble.

^{17/} *Id.*

^{18/} Some commenters, for example, have asked the FCC to leave on-line verification decisions to each carrier. See, e.g., *Comments of Cable and Wireless USA, Inc.* at 11 (“[t]he Commission should not proscribe acceptable verification methods but should rely on the commercial market to determine what is reasonable and verifiable”) (“*Cable & Wireless*”). The patchwork of consumer protection efforts that would result would not only fail to protect consumers fully, but also might lull them into believing that regulatory protections apply by law rather than by a carrier’s caprice.

complicate the carrier-change process, which would all but invite unscrupulous carriers to devise new, electronic means of defrauding consumers.

Consumers should not be stripped of basic anti-slamming protections the moment they log on to the Internet. Other agencies, such as the Internal Revenue Service and the Securities and Exchange Commission ("SEC"), have begun planning consumer protections for on-line transactions. The SEC, for example, has already "established an office to coordinate the agency's response to Internet fraud, provide training to SEC staff on monitoring the Internet, and develop guidance for SEC staff to follow when investigating Internet fraud cases."^{19/}

Here, some commenters simply assert that the FCC should wait until more information is available concerning how on-line carrier change requests would function before it acts to protect consumers.^{20/} Even commenters that are not sure exactly how the on-line process will function, however, concede that the FCC will need to proscribe certain forms of on-line presentations, such as combining an authorization screen with other offers.^{21/}

The FCC has not yet adopted a plan to combat fraud on-line that implicates its rules for carrier changes. Until it does, the FCC should affirm the application of well-established TPV

^{19/} See Richard J. Hillman, Associate Director, Financial Institutions and Market Issues, General Government Division, Securities and Exchange Commission, *Statement Before the U.S. Senate Committee on Governmental Affairs Subcommittee on Investigations*, GAO/T-GGD-99-34 (March 22, 1999).

^{20/} See, e.g., *Comments of GTE Service Corp.* at 11-12 (noting that GTE continues to try to establish "an efficient net based provisional process with adequate controls," and that, "[a]s GTE works through its Internet plans, it will have more to say to the Commission regarding the types of rules, if any, that might be necessary to protect consumers") ("*GTE*"); *MCI Worldcom* at 23-24.

^{21/} See *Competitive Telecommunications Association/America's Telecommunications Association* at 6-7 ("*CompTel/ACTA*").

protections to on-line selections of telecommunications carriers and carrier freezes. Teltrust urges the Commission not to carve out an exception to its anti-slamming rules for transactions that occur on the Internet. Consumers would become confused and justifiably angry when they found that no recourse exists against “cyber slammers” because the FCC’s rules extend only to carrier-change transactions made in person and via the telephone.

C. Independent Third Party Verification Can Protect Consumers from Fraudulent Transactions Conducted via the Internet, Without Undue Interference, in the On-Line Environment.

Teltrust provides a variety of TPV services, including live and automated TPV. A carrier can choose which of these option best suits its needs and budget. Whether live or automated, independent TPV provides consumers with comprehensive protection against slamming and gives carriers an independent evidentiary record to rely upon in the event of a consumer complaint.

1. Independent Third-Party Verification Provides the Most Comprehensive Protection Against On-Line Slamming.

Teltrust’s TPV procedures are readily adaptable to the on-line environment. The current procedures generally operate as follows. After the carrier’s sales agent completes the sale of telecommunications products or services, the carrier’s sales agent establishes a connection with a specially trained TPV professional at Teltrust. Once the sales agent leaves the line, the TPV agent then asks the consumer a series of questions to confirm the carrier change and listens carefully to the consumer's replies to ensure that the consumer understands the carrier-change process. Teltrust has enhanced the accuracy and efficiency of this live conversation by offering real-time data transfers that provide each TPV agent with instant access to basic carrier information.

As the TPV agent verifies the consumer's information, Teltrust deploys a state-of-the-art digital recording system. Teltrust indexes the digital recording to permit rapid retrieval of the conversation and verification information in the event of a dispute. Teltrust formats the customer data and creates three separate records of the telephone conversation: (1) an electronic report for the sales agent; (2) a verified record to send to the carrier; and (3) an internal digital record for Teltrust to retain.

Teltrust can bring the benefits of TPV to on-line carrier changes and preferred carrier freezes by employing methods of establishing live contact with service personnel that are now used for Internet purchases. In this scenario, a consumer's telephone number could be transmitted over the Internet to the third party verification entity's calling center. A TPV agent would promptly call the consumer and explain that the carrier change or carrier freeze is not effective until it is confirmed by an independent TPV entity.^{22/} The TPV agent would conduct the verification procedure described above. This procedure would provide the same quality of third party verification to consumers who choose to conduct carrier changes over the Internet. It also would provide assurance that the party changing carriers is an adult who is responsible for the telephone number involved in the carrier change.

Alternatively, as proposed in Teltrust's initial comments, on-line changes of carriers or services, and preferred carrier freezes, could be confirmed by having the consumer call the TPV

^{22/} If the TPV entity fails to reach the customer, the TPV entity could leave a voice mail message and send an electronic mail message stating that the customer must call the TPV entity within 24 hours to confirm the transaction or the transaction will be void. The TPV entity could leave its toll-free telephone number in these messages to facilitate the consumer's contact with the TPV entity.

entity's toll-free telephone number. For a verification using a toll-free number, the soliciting carrier would post on its website the toll-free number(s) of the TPV entity, along with an explanation that the change of providers or purchase of services cannot take effect until confirmed by an independent TPV entity. Once connected with the TPV entity, the verification would proceed as outlined above.

As with carrier changes made by a telemarketer, Teltrust's TPV techniques would provide a high level of protection for on-line transactions. A live TPV agent can assess a consumer's understanding of the carrier-change procedure by listening to the consumer's answers and tone of voice. Moreover, a live TPV agent who receives an ambiguous or questionable response can quickly respond to the consumer's specific needs by asking the consumer to clarify his response and providing the consumer with additional information. The TPV agent could return the consumer directly to the carrier if it appears that the consumer is confused about the transaction or requires information beyond that which the TPV agent is authorized to provide. Finally, by maintaining a large staff of bilingual and multilingual agents, Teltrust helps ensure that consumers receive protection from slamming, regardless of the consumer's native language. No other means of verification provides the same level of security, accuracy, neutrality, and reliability.

2. Electronic Letters of Agency and Other Less-Comprehensive Verification Methods Proposed for On-line Transactions Will Not Adequately Protect Consumers Against Slamming.

To the extent carriers have proposed consumer protection measures for on-line transactions, the modest measures advanced will not adequately protect consumers. Several

commenters have suggested that electronic letters of agency should qualify as adequate verification of a consumer's desire to change carriers.^{23/} These arguments, however, lose sight of the fundamental purpose of the Commission's anti-slamming rules: to protect consumers.

While an electronic signature may create a legal contract, depending on the laws of a particular state, the electronic signature cannot adequately protect consumers against fraud and deceit. First, Internet users may inadvertently select a carrier change simply by entering a contest, joining a mailing list, or managing their account on-line.^{24/} Second, other people in a household, including minors, may change carriers without the subscriber's authorization.^{25/} Third, computer hackers could gain access to a consumer's telephone number and other identifying information to change his carrier. Fourth, unscrupulous carrier operators might take advantage of a consumer's use of their site to effect a carrier change.^{26/} Simply typing one's name onto an electronic form does not adequately double-check a consumer's desire to change carriers.^{27/}

^{23/} See, e.g., *CompTel/ACTA* at 6-9.

^{24/} See, e.g., *New York Department of Public Service* at 7.

^{25/} See, e.g., *Comments of New York Department of Pub. Serv.* at 7; *NASUCA* at 12.

^{26/} See, e.g., *New York Department of Public Service* at 7-8 (noting its receipt of multiple "complaints that Internet users have clicked on icons to obtain information about a telecommunications service and found that the carrier accessed over the Internet changed their preferred carrier").

^{27/} See, e.g., *Missouri PSC* at 2; *New York Department of Public Service* at 8; *Price Interactive* at 16.

Some commenters contend that on-line transactions require more deliberate action by the consumer than traditional methods of changing carriers.^{28/} However, merely requiring a few mouse clicks prior to changing carriers does not offer much protection to consumers, particularly when a carrier entices consumers with voice, video, or other promotional materials in adjacent frames.^{29/} Similarly, verifying electronic transactions through a consumer's credit card, as some commenters have suggested,^{30/} raises new and unexamined concerns about security and privacy of consumer information.

Therefore, the Commission should provide consumers who make carrier changes via the Internet with the same anti-slamming protections afforded to consumers making their carrier selections over the telephone. While on-line transactions may promise a faster and cheaper method of changing carriers, the FCC should not unnecessarily create loopholes in much-needed slamming regulations and thereby fail to address the possible risks associated with these transactions.

^{28/} See *CompTel/ACTA* at 7; *Tel-Save.Com.* at 13; *Cable & Wireless* at 8.

^{29/} See, e.g., *New York Department of Public Service* at 7-8.

^{30/} See, e.g., *Comments of Frontier Corporation* at 7-8; *Excel* at 3-4; *Comments of CoreComm Ltd.* at 4.

III. The FCC Should Ensure that Third Party Verification Remains a Function Independent of any Third Party Administrator that May Be Established.

The Commission has asked for comment on the establishment of a third-party administrator to handle the carrier-change process.^{31/} Also, at the Commission's suggestion, a coalition of carriers has proposed a third-party administrator to resolve consumer slamming disputes.^{32/} Teltrust takes no position on the creation of a third party administrator for either the processing of preferred carrier changes or the resolution of slamming complaints. Nevertheless, if the Commission decides to create a third-party carrier-change administrator or a third party administrator for the resolution of slamming complaints, it must ensure that TPV remains independent of any third-party administrators.

TPV entities and the proposed third-party administrators serve entirely separate functions. TPV entities independently confirm at the point of sale that the consumer wishes to change carriers or institute a preferred carrier freeze. The TPV entity also creates a neutral record for consumers and carriers to use in the event of a dispute.

The proposed complaint-resolution administrator, by contrast, would review all relevant evidence (for example, the TPV record), showing either that the carrier change was authorized or unauthorized, and would issue a decision. Including TPV among the functions of a third party adjudicator would harm consumers and carriers alike by removing a neutral entity from the

^{31/} Many commenters oppose the creation of a third party administrator for carrier changes. *Montana PSC* at 3-4; *AARP* at 6; *Missouri Public Service Commission* at 3-4; *GTE* at 15. Others favor a third party administrator over the current process for effecting carrier changes. *NASCUA* at 18; *CompTel/ACTA* at 14; *Qwest* at 26-27.

^{32/} *Public Notice, Common Carrier Bureau Announces Deadline for Filing Comments on MCI Worldcom's Joint Petition for Waiver of Slamming Liability Rules and Third Party Administrator Proposal*, CC Docket No. 94-129, DA 99-683, released April 8, 1999.

carrier-change transaction. In essence, the Commission would be replacing a robustly competitive TPV market with a required monopoly TPV provider (the administrator), thus contravening Congress' efforts to open all telecommunications services markets to competition.

Were a slamming adjudicator to also perform TPV functions, it could not be expected to remain neutral in the resolution of the complaint. Such an administrator is extremely unlikely to provide independent judgment regarding the consumer's slamming complaint when the adjudicator itself previously verified the consumer's carrier change. The structure of a combined adjudicator/TPV entity would encourage bias against the consumer and toward the carrier that used its TPV services.

Moreover, including TPV among the slamming adjudicator's functions -- but not LOA or electronic verification -- would create a strong incentive for the administrator to pressure carriers to use its TPV services instead of the other two FCC-approved verification methods. For example, the adjudicator/verifier could coerce carriers that rely on written LOAs to use the slamming adjudicator's TPV services instead, by signalling that it is more lenient on carriers using its TPV services. Thus, consolidating verification and adjudication functions into a single entity could create new problems of bias and a dangerous potential for coercion.

TPV also should remain independent of any administrator established to process carrier changes. As Teltrust noted in its initial comments in this proceeding, the current independent TPV system works. While most commenters remain silent on the different roles of TPV and the proposed processing administrator, the commenter that squarely addressed the subject agrees that TPV should remain independent from the services that any third party administrator may

perform.^{33/} Well-established TPV providers such as Teltrust are independent of the carriers that solicit the consumer to change carriers. Indeed, the FCC has commendably strengthened the requirements that TPV providers must meet to ensure their independence from carriers. Moreover, TPV functions currently do not suffer from conflict-of-interest allegations that have been leveled against the execution of carrier changes and freezes by the local exchange carriers.

The FCC should not endanger a successful TPV function by authorizing a costly and disruptive exercise in consolidation.^{34/} Consumers and carriers benefit by continued separation of verification from slamming adjudication and execution functions. No compelling reason exists to change the current TPV structure.

^{33/} See *TRA* at 27 (noting that "verification of carrier changes would not be an appropriate function for such an entity").

^{34/} In addition, including TPV among the functions of a third party administrator would require the abrogation of carriers' existing contracts with TPV entities.

IV. Conclusion

For the foregoing reasons, the FCC should apply its consumer protection measures to carrier changes and carrier-selection freezes that occur via the Internet. The FCC also should ensure that TPV remains independent of any adjudicative or executory carrier change functions.

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May 3, 1999

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I, Roberta L. Lindsay, do hereby certify that on this 3rd day of May, 1999, I caused a copy of the foregoing Reply Comments of Teltrust, Inc. to be served upon each of the parties listed below:

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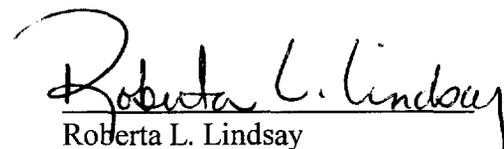
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