

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
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
RCN TELECOM SERVICES, INC.

RCN Telecom Services, Inc. and its affiliates (collectively "RCN"), by undersigned counsel, and pursuant to the Federal Communications Commission's ("Commission") Public Notice released March 25, 1999, hereby respectfully submits Reply Comments to the Further Notice of Proposed Rulemaking in the above-referenced proceeding.¹

I. INTRODUCTION

As demonstrated by the initial comments submitted in this proceeding, carriers throughout the industry overwhelmingly support using the Internet as a means to change an authorized carrier, or to request or lift a preferred carrier ("PC") freeze. As recognized by numerous carriers, the Internet is an exciting new medium with unlimited potential for not only increasing customer choices, but for permitting carriers to provide a greater selection of services to its customers.

¹ *In the Matter of 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, Second Report and Order and Further Notice of Proposed Rulemaking, CC Docket No. 94-129 (rel. Dec. 23, 1998) ("Report and Order" or "FNPRM").*

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Moreover, the concerns raised by some carriers regarding the Internet could be easily addressed with modest regulations. Accordingly, RCN urges the Commission to adopt the view of the majority of the industry and to permit customers to use the Internet to change carriers and to initiate or lift PC freezes without "off-line" verification.

RCN also notes that the majority of carriers support maintaining the current third party verification regulations and refraining from further regulating the verification process. Although RCN agrees that the third party verifier must be independent, telemarketers should be permitted to remain on the line in order to answer any questions or provide necessary clarifications to the customer.

II. The Commission Should Permit Carrier Changes/PC Freezes Using the Internet

RCN wholeheartedly agrees with the vast majority of carriers that urge the Commission to permit the Internet to be used more extensively by the industry.² As expressed by the overwhelming number of carriers in all segments of the industry, the Commission should embrace the possibilities of the Internet, and permit carriers to use the Internet to either: (1) change a customer's authorized carrier; or (2) initiate or lift a PC freeze. The concerns raised by certain commenters regarding the Internet can be easily addressed. The Commission should not be persuaded by these negative comments, but should look toward continuing to develop additional communication modes for the public. The Internet is plainly an important element in today's communication and the Commission should not permit fear of the unknown to hinder the expanding possibilities the Internet provides.

² See, e.g., Cable and Wireless Comments, at 2-5; Comptel/ACTA Comments, at 3-6, CoreComm Comments, at 2-3; TRA Comments, at 24.

As a number of carriers stated, the Internet has thrived because it has remained unregulated.³ Indeed, the current uncertainty in Commission policy is stifling the development of Internet-based marketing and ordering. RCN agrees with many carriers that in implementing a carrier change or initiating or lifting a PC freeze over the Internet, either a digital signature should suffice, or carriers should simply require verifying information as confirmation of their order.

The carriers opposing the use of the Internet to enact carrier changes claim that their concern is with the difficulty in identifying the person requesting the change and suggest that third party verification or other more extensive methods of verification be used prior to permitting carrier changes over the Internet.⁴ RCN urges the Commission to reject these arguments. As recognized by many parties, carrier changes over the Internet are no less reliable than those by telephone or by written LOAs.⁵ Indeed, as easily as an unscrupulous carrier could fraudulently initiate a carrier change by using the Internet, the carrier can forge an LOA. Yet the Commission does not require additional third party verification for written LOAs. Requiring third party verification or other more extensive verification for Internet carrier changes would eliminate or sharply reduce the convenience of the Internet to consumers. Even worse, imposing third party verification for Internet carrier changes could limit customer choice by inserting an additional layer of unnecessary and burdensome regulation for the customer.

As noted by many carriers, the concerns regarding the unknown of the Internet could easily be resolved by requiring carrier changes submitted over the Internet to include certain personal

³ See, e.g., Qwest Comments, at 16; MCI WorldCom Comments, at 23; Tel-Save Comments, at 7.

⁴ See, e.g., Bell Atlantic Comments, at 6.

⁵ Ameritech Comments, at 16; Tel-Save Comments, at 13-16; CoreComm Comments, at 4.

information, such as a social security number or birth date to ensure that only the subscriber may change his or her own carrier.⁶ RCN agrees with the commenters that either requiring such personal information as verification, or requiring a credit card number would serve as sufficient evidence to ensure that customers actually intend to change their carrier.

III. The Commission Should Not Further Regulate Third Party Verification

RCN agrees with the commenters that urged the Commission to permit reasonable options for third party verification. As RCN stated in its initial comments, it agrees with the Commission's clarification that the independent third party verifier must be truly independent from both the carrier and the telemarketer soliciting subscriber carrier changes.⁷ However, RCN agrees with the commenters that note that the Commission has established sufficient guidelines for third party verification. At this time, the Commission should not limit the options available and impose unreasonable burdens on carriers and customers. For example, many carriers agree with RCN's position that telemarketers should continue to be allowed to play a limited role in the verification process and remain on the line during the verification. Further, carriers as varied as SBC, Qwest and Sprint agree that it is reasonable for the telemarketer to remain on the line during verification.⁸ Opposing carriers argue that the telemarketer on the line somehow compromises the independence of the verification process.⁹ However, as long as the telemarketer is only on the line to answer questions, there is no reason for independence to be compromised. The Commission has already addressed the potential pitfalls of third party verification and has established guidelines to ensure that

⁶ Excel Comments, at 4; CoreComm Comments, at 4; TRA Comments, at 24-25.

⁷ RCN Comments, at 5.

⁸ SBC Comments, at 10; Qwest Comments, at 12-13; Sprint Comments, at 7.

⁹ *See, e.g.*, Bell South Comments, at 2.

the third party verifier has no financial or other incentive to approve a carrier change. Merely having the telemarketer on the line should not negate the independence of the third party verifier. Indeed, as noted by the Commission and a number of commenters, "using a three-way call is often the most efficient means by which to accomplish third party verification."¹⁰

Moreover, RCN supports the commenters that urge the Commission to permit automated third party verification.¹¹ Although RCN prefers live telemarketer and third party verifiers that are available to answer questions, automated third party verification, as long as it is taped, provides an additional viable option for carriers.

¹⁰ *FNPRM*, at ¶ 166.

¹¹ Comments of Cable & Wireless, at 19; Qwest Comments, at 13-14.

IV. CONCLUSION

RCN agrees with the majority of the industry that the Commission should permit carriers to use the Internet to implement a carrier change and/or initiate or lift a PC freeze. Although there is valid concern with using the Internet, the potential for fraud is no greater with the Internet than with other carrier change methods, including telephone solicitation and written LOAs. With appropriate verification procedures, customers should be able to use the Internet to implement a carrier change.

In addition, RCN agrees with the commenters that urge the Commission to refrain from further regulating third party verification. RCN believes that the current third party verification rules serve the public interest and the Commission should not place further restrictions on carrier practices.

Respectfully submitted,



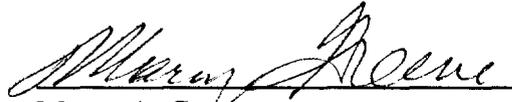
William Fishman
Pamela Arluk
Swidler Berlin Shereff Friedman, LLP
3000 K Street, NW, Suite 300
Washington, DC 20007
(202) 424-7500

Counsel for RCN Telecom Services, Inc.

Dated: May 3, 1999

CERTIFICATE OF SERVICE

I, Marcy A. Greene, hereby certify that on this 3rd day of May, 1999, a copy of the foregoing Reply Comments of RCN Telecom Services, Inc. was served on the parties on the attached list via first-class mail, postage pre-paid.


Marcy A. Greene

