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Ex Parte

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: Implementation of the Telecommunications Act of 1996; Telecommunications Carriers' Use of Customer Proprietary Network Information and Other Customer Information, CC Docket No. 96-115; Petition for Rulemaking to Enhance Security and Authentication Standards for Access to Customer Proprietary Network Information, RM-11277

Dear Ms. Dortch:

In considering appropriate and secure methods for authenticating customers who are establishing online access to accounts containing CPNI, the Commission should balance the twin policy objectives of improving CPNI safeguards while avoiding customer frustration and confusion. Consistent with these principles, companies should not be precluded from authenticating customers using an account code, which is unique to the customer and delivered to the billing address of record. If the Commission requires customer authentication when establishing an online account by means other than account code, such as a unique PIN, it should implement the new requirement in a customer-friendly manner.¹ PIN protection should apply only when customers are establishing online access to call detail records, the information of greatest interest to pretexters. The vast majority of customers establishing online accounts do so to check their balance, pay their bills, or purchase new services – not to view call detail records. Those customers should not have to wait to receive a PIN in the mail, before they can establish online accounts to complete these routine functions. Consequently, the Commission should give

¹ Verizon has had to make certain assumptions about what safeguards the Commission may impose. See Letter from Donna Epps, Vice President, Verizon, to Marlene H. Dortch, Secretary, FCC (Dec. 22, 2006). If the Commission adopts rules that contain requirements different from these assumptions, the implications for Verizon's systems and the impact on customers may be different than described herein.

carriers the option of allowing customers to establish an online account using a customer-specific account code for these routine functions, provided that those customers could not view call detail information. If, however, the customer seeks to view call detail information, he or she would have to wait for the carrier to send a PIN that could then be used by the customer to access an expanded view of the online account (including the call detail information). Carriers should also be permitted to provide a PIN, along with account codes, in or as part of customer bills delivered to the billing address of record. Such an approach maintains security while minimizing disruption to legitimate customer activities.

Verizon² currently authenticates customers establishing an online account through use of, among other data, a customer-specific account code. The Commission should continue to allow carriers to authenticate such customers by means of an account code delivered to the billing address of record. Account codes are secure against pretexter incursions for two reasons. First, the account codes are unique and customer-specific. They are not publicly available and may not be derived from publicly available information. Second, Verizon provides account codes to customers in bills delivered in a sealed envelope to the subscriber at the billing address of record. The Commission has previously recognized the obvious security benefits of providing information to a customer's billing address.³ Moreover, delivery of account codes to the address of record significantly enhances protection against pretexters. Obtaining unauthorized access to a bill containing an account code requires physical proximity, *e.g.*, "dumpster diving," whereas the evidence before the Commission suggests that pretexters operate through deception and impersonation, *e.g.*, by misrepresenting themselves as legitimate customers in calls to carrier customer service.

If the Commission requires a separate PIN for customers establishing online accounts, PIN protection should apply only when customers are establishing online access to obtain call detail records, the information of greatest interest to pretexters, so that customers that do not need access to such information (for example, customers who only wish to pay their bills or to

² The Verizon companies participating in this filing ("Verizon") are the regulated, wholly owned subsidiaries of Verizon Communications Inc.

³ See *Implementation of the Telecommunications Act of 1996; Telecommunications Carriers' Use of Customer Proprietary Network Information and Other Customer Information*, NPRM, FCC 06-10 (rel. Feb. 14, 2006), ¶ 13 ("Do carriers take any routine confirmatory steps after disclosing CPNI to a person they believe to be a customer? For instance, do carriers contact the customer through a means that is highly likely to reach the real customer to confirm for that customer that his or her CPNI has been disclosed, such as by notifying the customer of such disclosure at his or her assigned telephone number and/or via regular mail at that customer's home address?") and ¶ 22 ("For example, should we require carriers to take extra precaution to verify the authenticity of requests that data be sent somewhere other than the mailing address where the account is registered or a known e-mail address, or requests that originate from a number other than a telephone number listed on the customer's account?").

order new services) are least affected by new and additional layers of authentication.⁴ Carriers should also be permitted to provide a PIN, along with account codes, in or as part of customer bills delivered to the billing address of record. Such an approach maintains security while minimizing disruption to legitimate customer activities. An approach that requires a PIN to be mailed separately would increase consumer frustration without increasing security, potentially cause customers to incur late fees or experience service disruptions given normal patterns of online account usage, and may also violate the First Amendment.

Verizon has looked at the general patterns of the approximately 85 million customer logons to the Verizon.com website during 2006 and has determined that, in over three-quarters of those logons, call detail records were *not* accessed at all. Instead, customers performed other basic actions, such as paying their bills or adding new features or services to their account. Many new services can only be ordered on line if a customer establishes an online account. Having an online account in order to perform actions such as adding new features is important because Verizon's systems can thereby verify that there is no conflict between the customer's requested service and his or her existing services.

For these reasons, if the Commission decides to require the use of PINs in connection with setting up online accounts, PINs should only be required for the minority of transactions in which call detail records are viewed online. This would permit customers to access their bill balance, pay their bills, or order new service on-line without a PIN, increasing efficiency for both customers and Verizon. By empowering customers in this way, customers have more flexibility about accessing their account balance and expediting bill payment. A requirement that customers use a PIN, in contrast, may compel customers to pay bills by mail, possibly causing customers to incur late fees, which can be expected to erode consumer goodwill. Requiring PINs only for call detail information will increase usage of online accounts, reducing "hold" times and customer care costs. Finally, such an approach is narrowly tailored to provide more protection for the information pretexters are most likely to want. Indeed, pretexters seek call detail records and are not typically interested in the types of services a customer has. Narrowly tailoring any online PIN requirement to call detail records would be an important factor in deciding whether it passes constitutional muster.

In addition, carriers should be permitted to include a PIN on a customer bill, which would yield a number of additional consumer benefits. It increases the likelihood the PIN will be available to the customer when the customer elects to establish an online account. As a practical matter, busy customers are more likely to retain and have access to a single document containing all information necessary to set-up an account than two separate documents. Customers are in the habit of retaining bills and are more likely to have continuing access to information included there. Indeed, Verizon's bills are mailed in envelopes of a distinctive size and with unique markings to help customers distinguish bills from other Verizon mailers. While this practice

⁴ The Commission should give carriers the flexibility to choose to require PINs for all access to online accounts, including access to non-call detail information.

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increases the security of customer bills, it also increases the likelihood other Verizon mailers may be discarded.

Finally, a rule that requires Verizon to authenticate customers establishing online accounts by means of a unique PIN is not “narrowly tailored” because authentication by means of a unique customer account number or requiring a PIN only for online access to call detail records are both equally effective in preventing pretexting and less burdensome on protected speech.⁵

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We welcome the opportunity to discuss these issues further. Please do not hesitate to contact us if you have any questions.

Respectfully submitted,

A handwritten signature in black ink that reads "Donna Epps". The signature is written in a cursive, flowing style.

⁵ See Letter from Donna Epps, Vice President, Verizon, to Marlene H. Dortch, Secretary, FCC (Jan. 29, 2007).