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Federal Communications Commission
Office of the Secretary

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

In the Matter of)
)
Petition of STi Prepaid, LLC for Declaratory)
Ruling, or In the Alternative, Petition for Waiver)
_____)

cc Docket No. 96-115
WC Docket No. 04-36

**PETITION FOR DECLARATORY RULING,
OR IN THE ALTERNATIVE, PETITION FOR WAIVER**

Pursuant to Sections 1.2 and 1.3 of the rules and regulations of the Federal Communications Commission ("Commission"), 47 C.F.R. §§ 1.2, 1.3, STi Prepaid, LLC ("STi Prepaid"), by its attorneys, respectfully requests that the Commission issue a declaratory ruling confirming that telecommunications carriers providing service via prepaid calling cards satisfy the requirement to authenticate a customer under the Commission's customer proprietary network information ("CPNI") rules when the customer can provide the personal identification number ("PIN") associated with the long distance services and related CPNI. In the alternative, STi Prepaid respectfully requests that the Commission find good cause to waive its CPNI rules to allow telecommunications carriers providing services through the use of prepaid calling cards to use a customer-provided PIN as authentication of that customer in satisfaction of the Commission's requirements.

BACKGROUND AND SUMMARY

STi Prepaid is a New York-based telecommunications carrier offering interstate and international services on a prepaid basis. Prepaid calling cards allow consumers to pay a fixed dollar amount in return for obtaining long distance calling capabilities. A consumer may receive

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the prepaid service in the form of a plastic card, a paper receipt, or virtual card on the Internet.¹ STi Prepaid's calling cards are PIN-based, meaning that the consumer must enter the PIN associated with the prepaid calling card to access STi Prepaid's long distance services. The PIN is available for use once the calling card is activated. After purchase of a plastic card, the consumer must remove the protective covering from the card to reveal the PIN. When cards are purchased electronically, the consumer receives the PIN upon confirmation of the transaction.

In recent months, STi Prepaid has received numerous requests from consumers using its prepaid long distance services for the call detail information associated with that consumer's long distance service as identified by the PIN number. These requests are often associated with court and other legal or governmental proceedings. Given the nature of prepaid long distance services, STi Prepaid does not have sufficient information regarding the consumers using its long distance services to "authenticate" customer-initiated telephone requests for call detail information as required by the Commission's CPNI rules.²

Accordingly, STi Prepaid respectfully requests that the Commission issue a declaratory ruling confirming that telecommunications carriers satisfy the authentication requirement when customers using prepaid calling cards seek call detail records for the prepaid long distance service associated with the PIN. In the alternative, STi Prepaid requests that the Commission waive the authentication requirement and allow telecommunications carriers to supply call detail records in response to customer-initiated inquiries when the consumer provides the PIN associated with the long distance services and CPNI requested.

¹ For the purposes of this filing, all forms of prepaid service will be referred to as "cards."

² 47 C.F.R. § 64.2010; *see also Implementation of the Telecommunications Act of 1996: Telecommunications Carriers' Use of Customer Proprietary Network Information and Other Customer Information*, 22 FCC Rcd 6927 (2007) ("CPNI Pretexting Order").

REQUEST FOR DECLARATORY RULING OR WAIVER

Under the Commission's rules, declaratory rulings are appropriate to terminate a controversy or remove uncertainty.³ In the alternative, the Commission's rules permit waiver of any of its rules for good cause shown.⁴ The Commission has broad discretion to decide whether a declaratory ruling is necessary or whether a waiver grant would adequately address an issue.⁵ In this case, either a declaratory ruling or rule waiver is appropriate to ensure that telecommunications carriers like STi Prepaid may respond to customer-initiated inquiries while remaining compliant with the Commission's CPNI regulations.⁶

As a telecommunications carrier, STi Prepaid is subject to the Commission's CPNI rules. Under the Commission's CPNI rules, carriers are prohibited from releasing call detail information⁷ based on a customer-initiated telephone contact without properly authenticating the customer prior to the disclosure of the call detail records.⁸ The preferred method of such authentication is for the customer making the inquiry to provide the carrier with a pre-established password associated with the customer's account.⁹ If, however, the customer cannot provide

³ 47 C.F.R. § 1.2.

⁴ 47 C.F.R. § 1.3.

⁵ *Telephone Number Portability; BellSouth Corporation Petition for Declaratory Ruling and/or Waiver*, 19 FCC Rcd 6800, ¶ 20 (2004).

⁶ *WAT Radio v. FCC*, 418 F.2d 1153, 1159 (D.C. Cir. 1969) (Commission may exercise its discretion to waive a rule where particular facts would make strict compliance inconsistent with the public interest).

⁷ Call detail information is defined as "[a]ny information that pertains to the transmission of specific telephone calls, including, for outbound calls, the number called, and the time, location, or duration of any call and, for inbound calls, the number from which the call was placed, and the time, location, or duration of any call." 47 C.F.R. § 64.2003(d).

⁸ 47 C.F.R. § 64.2010(a).

⁹ 47 C.F.R. § 64.2010(b).

such a password, the carrier may either send the information to the customer's "address of record"¹⁰ or call the customer at its "telephone number of record" to provide the information.¹¹

The Commission's CPNI rules define a "customer" as "a person or entity to which the telecommunications carrier is currently providing service."¹² Telecommunications carriers like STi Prepaid, however, do not have "customers" in the traditional sense. STi Prepaid does not have a dedicated customer base because its long distance services can be used by any person at any time after purchase of a calling card and activation of the associated PIN. STi Prepaid has no knowledge of the identity of the persons that utilize its services, and has no pre-established, direct relationship with the person utilizing the telecommunications services.

The Commission has previously recognized that carriers relying on prepaid calling cards to provide telecommunications services do not have established relationships with consumers. In April 2005, for example, a carrier providing telecommunications services via prepaid calling cards filed a petition for discontinuance with the Commission and stated that it did not know the identity and address of the end users of its long distance services and thus it would be effectively impossible to provide written notice of the discontinuance of service to each affected cardholder as required under the Commission's rules. The Commission put the application on public notice (noting the carrier's statement regarding customer notice) and granted the discontinuance within the normal course without comment.¹³ The Commission has likewise approved transactions

¹⁰ "Address of record" is defined as "an address that the carrier has associated with the customer's account for at least 30 days" and may be either postal or electronic. 47 C.F.R. § 64.2003(b).

¹¹ 47 C.F.R. § 64.2010(b). "Telephone number of record" is defined as the "telephone number associated with the underlying service, not the telephone number supplied as the customer's 'contact information'." 47 C.F.R. § 64.2003(q).

¹² 47 C.F.R. §64.2003(f).

¹³ *Comments Invited on Application of Transcommunications Incorporated to Discontinue Domestic Telecommunications Services*, WC Docket No. 05-161, Public Notice, DA 05-999 (rel. Apr. 4, 2005).

involving the transfer of prepaid calling card assets without requiring strict adherence to the Commission's customer notification rules.¹⁴

STi Prepaid and other long distance service providers that use prepaid cards to provide service do not have "customer accounts" as contemplated by the Commission's CPNI rules.¹⁵ Therefore, these carriers do not have the ability to "authenticate" customer-initiated requests for call detail information in the manner required under the Commission's rules.¹⁶

Telecommunications carriers using prepaid calling cards to provide long distance services can, however, authenticate a customer-initiated request for call detail information by requiring the caller to provide the PIN associated with the long distances services. In the *CPNI Pretexting Order*, the Commission recognized that randomly-generated PINs may be used to authenticate a customer prior to the customer establishing a password.¹⁷ Randomly-generated prepaid calling card PINs may likewise be used to authenticate requests for call detail records associated with long distance services. These PINs meet the Commission's requirements for password-based authentication because they are not associated with readily available biographical information or account information, and cannot be easily circumvented by pretexters.¹⁸

Allowing the PINs associated with long distance services provided to a customer to be used to authenticate customer-initiated requests for call detail information will serve the public

¹⁴ *Notice of Domestic Section 214 Authorization Granted*, Public Notice, DA 07-1082 (Mar. 8, 2007) (approving transfer of prepaid calling card assets without comment based on statements that carrier could not provide customer notice because it did not know the identity and address of the consumers using its prepaid telecommunications services).

¹⁵ 47 C.F.R. § 64.2003(a) (defining "account information" to be "information that is specifically connected to the customer's service relationship with the carrier, including such things as an account number or any component thereof, the telephone number associated with the account, or the bill's amount").

¹⁶ Nor do telecommunications carriers offering services via prepaid calling cards have the option of requiring consumers to access data online or visit a retail location. *Cf. CPNI Pretexting Order* at n.53.

¹⁷ *CPNI Pretexting Order* at n.57.

¹⁸ *CPNI Pretexting Order* ¶ 15.

interest by ensuring that consumers' privacy interests are protected while not unduly burdening carrier-customer relations,¹⁹ unnecessarily inconveniencing customers, or impairing customer service systems.²⁰ In adopting the authentication requirements, the Commission specifically noted the need to balance "consumers' interests in ready access to their call detail, and carriers' interests in providing efficient customer service, with the public interest in maintaining the security and confidentiality of call detail information."²¹ Grant of the instant request achieves this balance.

¹⁹ *CPNI Pretexting Order* at n.47

²⁰ *CPNI Pretexting Order* ¶ 16.

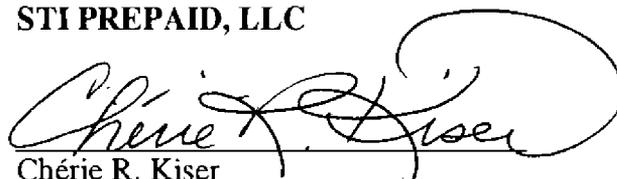
²¹ *CPNI Pretexting Order* ¶ 17.

CONCLUSION

For the reasons described above, the Commission should act promptly to confirm that telecommunications carriers providing telecommunications services via prepaid cards satisfy the Commission's authentication requirements for access to call detail information when such carriers require the consumer to provide the PIN associated with the long distance service and related CPNI. In the alternative, the Commission should waive its authentication rules to allow carriers to supply call detail information in response to customer-initiated inquiries when the consumer provides the PIN associated with the long distance services provided in connection with that PIN.

Respectfully submitted,

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