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March 8, 2012

VIA ELECTRONIC FILING

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

Re: *Ex Parte* Presentation; In the Matter of Empowering Consumers to Prevent and Detect Billing for Unauthorized Charges ("Cramming"), CG Docket No. 11-116; In the Matter of Consumer Information and Disclosure, CG Docket No. 09-158; In the Matter of Truth-in-Billing Format, CC Docket No. 98-170

Dear Ms. Dortch:

The Coalition for a Competitive Telecommunications Market ("CCTM"), by its undersigned attorneys, respectfully submits the following in accordance with Section 1.1206 of the Federal Communications Commission's ("FCC's") rules.[1] On March 6, 2012, representatives of the CCTM,[2] along with its undersigned attorneys, met with Angela Kronenberg, Wireline Legal Advisor to Commissioner Clyburn. The participants discussed issues related to the above-captioned proceeding on cramming, including some of the positions advanced by the CCTM in its comments and reply comments filed in CG Docket No. 11-116.[3] Enclosed is a copy of the handout utilized during the meeting.

We explained the importance of third-party billing to the business models of CCTM members and other 1+ long distance resellers, as well as the importance of consolidated billing options for consumers of 1+ long distance services. If third-party billing were eliminated, 1+ resellers (and other small businesses that rely upon third-party billing) would have to incur a daunting (and duplicative) cost burden in order to create a direct billing infrastructure. In addition to these costs, 1+ resellers would lose the ability to offer a consolidated local and long distance billing option, which is a key selling point of 1+ services that is often demanded by consumers. Elimination of third-party billing would also have other devastating repercussions

[1] 47 C.F.R. § 1.1206.

[2] The following CCTM members were present: Scott White, President of Legent Communications Corporation; Jan Lowe, President of Long Distance Consolidated Billing Co.; Tom Resch, President of Affordable Long Distance LLC and Protel Advantage, Inc. (d/b/a Long Distance Savings).

[3] The CCTM filed, in CG Docket No. 11-116, initial comments on October 24, 2011 and reply comments on December 5, 2011.

such as: destruction of the 1+ resale industry; diminished competition; elimination of jobs; elimination of valuable services desired by consumers; and the creation of another significant barrier of entry for new market entrants.

We expressed our position that an outright third-party billing, or even less restrictive measures, would have potential anti-competitive effects. An outright ban on third-party billing would mean that only local exchange carriers would be able to offer a consolidated local and long distance service billing option to consumers. A default block on third-party billing, where consumers would have to opt-in to third-party charges, would create an additional impediment to consumers wanting to change presubscribed 1+ service providers. Even optional blocking of third-party billing, which is a process that is not subject to any control or verification mechanisms (*i.e.*, the local exchange carriers have unilateral control), creates opportunities for anti-competitive behavior. We discussed situations in which a 1+ provider was not able to provide services to customers because a local exchange carrier notified the 1+ provider that certain customers requested a block on third-party charges. Customers later contacted the 1+ provider to indicate that they had not requested a "block" or that they had not even contacted the local exchange carrier at all.

We also advanced that solutions to cramming should include: (a) targeting specific cramming violators rather than the industry as a whole; and (b) working with industry to develop better guidelines. Although the CCTM is generally opposed to <u>any</u> restrictions on third-party billing, any potential requirements should exclude traditional telecommunications carriers, especially presubscribed 1+ resellers. Accordingly, third-party billing of both toll and fixed charges associated with 1+ long distance services, provided by telecommunications carriers, should not be subject to any prohibitions or restrictions. 1+ resellers are telecommunications carriers subject to significant federal and state regulations, including "slamming" requirements, which help to ensure only authorized 1+ services can be billed. The record fails to indicate in any way that 1+ services contribute to the cramming problem.

Sincerely,

/s/ Thomas K. Crowe
/s/ Cheng-yi Liu

Counsel for the Coalition for a
Competitive Telecommunications
Market

Enclosure

cc: Angela Kronenberg

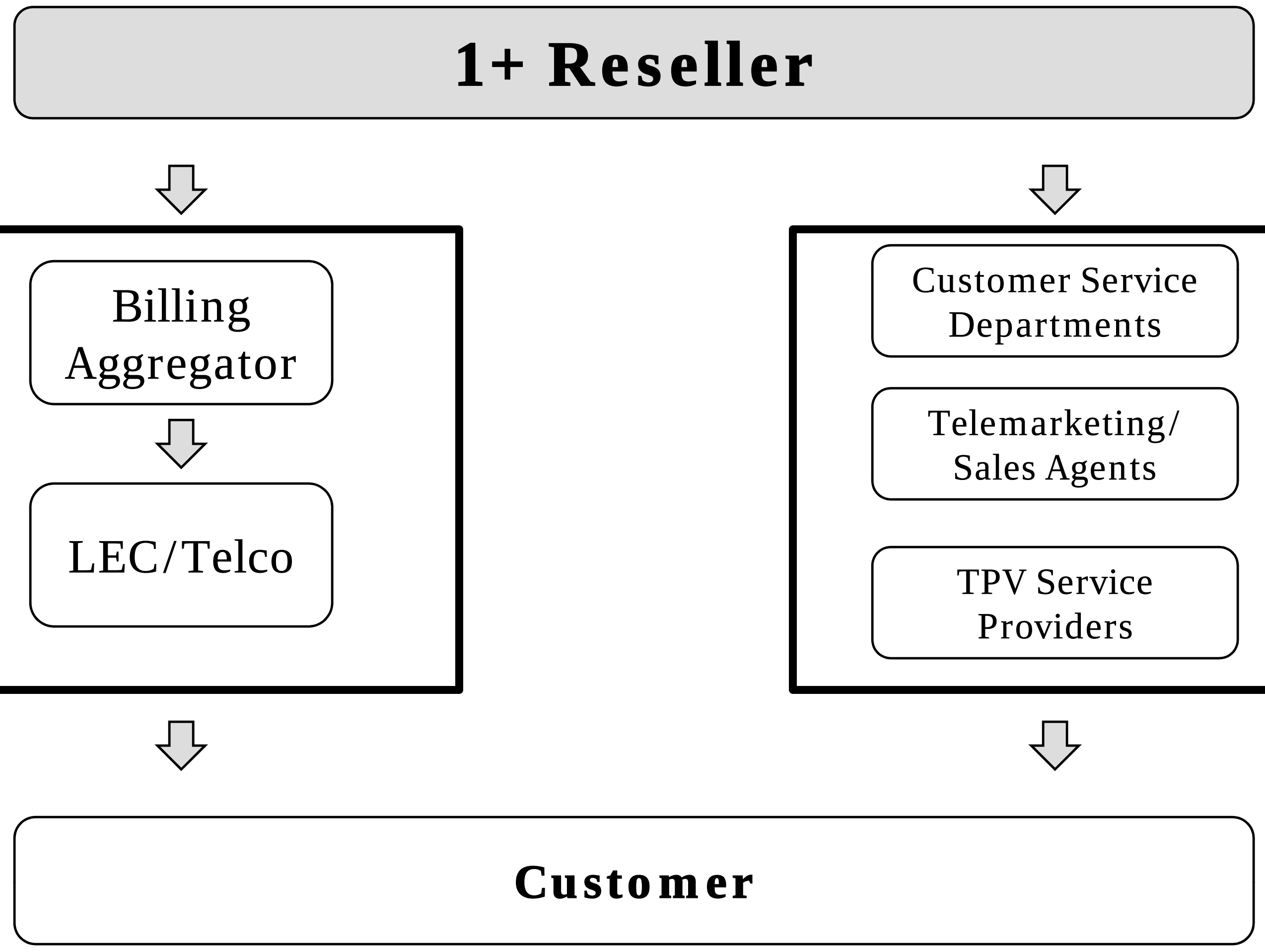
Empowering Consumers to Prevent and Detect Billing for Unauthorized Charges ("Cramming")	)))))	CG Docket No. 11-116
Consumer Information and Disclosure	)))	CG Docket No. 09-158
Truth-in-Billing and Billing Format	))	CC Docket No. 98-170

Approaching Third Party Billing

THE COALITION FOR A COMPETITIVE TELECOMMUNICATIONS MARKET

MARCH 6, 2012

1+ RESELLER BILLING SYSTEM



COSTS FROM 3RD PARTY BILLING BAN/RESTRICTION

A. Purchase Direct Billing Software
   ($220,000 minimum)

B. Create Billing/Collections Departments

C. Costs of Sending Invoices/Reminders

D. Establish Tax Collection/Remittance Departments

ANTI-COMPETITIVE EFFECT

A. Complete ban: only LECs would have capability to offer consolidated billing options, perpetuating their historical monopoly advantage. (Single bill is key selling point for 1+ services.)

B. Default blocking: creates another impediment to customers wanting to change 1+ LD services. Creates opportunity for LECs to interface with customers and dissuade the switch of service.

C. Optional blocking: creates opportunity for anti-competitive behavior. Creates same opportunity as above, plus no way to verify a customer actually chose to block third party charges.

1+ LONG DISTANCE ALREADY REGULATED TO AVOID CRAMMING

A. Carrier Change Rules [47 C.F.R. §64.1100 *et. seq*.] ensure only authorized 1+ services can be billed

B. State PUC certification process and FCC Section 214 licensing

C. Added Safeguard: PIC Freezes