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EX PARTE

VIA ECFS

December 11, 2012

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

Re: *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*

Dear Ms. Dortch:

On November 21, 2012, CenturyLink filed a request for a waiver of the implementation date for a portion of the Commission's *2012 Cramming Order*.¹ CenturyLink requested an extension of time to complete separation of third-party charges into telecommunications and non-telecommunications categories. The new rules require complex IT work to implement, and subsequent testing to ensure billing accuracy. An extension until May 30 would ensure consumers' bills were not compromised by hasty changes to CenturyLink's multiple billing systems.

This letter provides some additional details about CenturyLink's third-party billing, following informal questions from the Consumer Policy Division. Accordingly, CenturyLink provides this further information that supplements the company's request.

CenturyLink would like to provide more information about its commitment to restrict the scope of its billing for third parties and the approximate number of CenturyLink customers that receive third-party charges on their invoices. As the Commission itself noted in the *2012*

¹ Separation of Telecommunications Versus Non-Telecommunications Charges with Respect to Non-Carrier Third-Party Charges, filed November 21, 2012. *And In the Matter of Empowering Consumers to Prevent and Detect Billing for Unauthorized Charges ("Cramming"); Consumer Information and Disclosure; Truth-in-Billing and Billing Format*, Report and Order and Further Notice of Proposed Rulemaking, 27 FCC Rcd 4436 (2012); *and Erratum after publication*, DA 12-1804 (rel. Nov. 8, 2012) (*2012 Cramming Order*).

Cramming Order,² in April 2012, in response to an inquiry from U.S. Senator Amy Klobuchar (D-Minn.), CenturyLink stated that it had voluntarily committed itself to a policy, beginning September 2012, that would restrict its billings for third-party enhanced services.³ CenturyLink explained it would continue billing for interexchange or long distance carriers, as well as certain strategic partners, such as those offering video and wireless services as packages or discounted offerings for CenturyLink customers. CenturyLink would also continue to bill for services provided to its customers by its official directory publisher. But CenturyLink would limit the kinds of charges that billing aggregators⁴ could pass to it to be included in any CenturyLink customer's bill.⁵ CenturyLink advised Senator Klobuchar's Staff orally that it was open to billing for approved, select charities, but at this time no such charges are being processed.

In implementing its commitment, CenturyLink's aggregator billings have sharply declined. Beginning September 1, 2012, CenturyLink has allowed billing aggregators to send it only a limited range of appropriate third-party charges. Primarily, these charges are for telecommunications services such as 1+ charges associated with a customer's presubscribed long distance carrier (1+ carrier), as well as interexchange calls associated with other dialing patterns, including 1010XXX carriers. Other telecommunications services would include operator services (both those offered generally to the public and those associated with correctional institutions) that offer third-party and collect-call billing, and directory assistance for consumers.⁶ The only enhanced services (or non-telecommunications) billings that CenturyLink currently allows are for dial-up Internet access. It does not allow billing aggregators to send it charges for services such as horoscopes or voice mail subscriptions, for example.

Few of CenturyLink's customers have used third-party services handled by billing aggregators and subsequently processed through CenturyLink billing. And under the new CenturyLink policy the number continues to decline. The number of customers affected by CenturyLink's billing relationship with aggregators has been reduced by about 100,000 since

² *2012 Cramming Order*, 27 FCC Rcd at 4454 ¶¶ 44 and n. 141. See also Comments of CenturyLink, CG Docket Nos. 11-116 and 09-158 and CC Docket No. 98-170 at pages 2 and 5 and n. 8, filed June 25, 2012.

³ Letter from Glen F. Post, III, CenturyLink, to The Honorable Amy Klobuchar, United States Senate, dated Apr. 5, 2012, copy enclosed.

⁴ The Commission has described "billing aggregators" as "intermediaries that funnel charges from various third parties to the carrier serving the consumer to be billed." *2012 Cramming Order*, 27 FCC Rcd at 4488 ¶¶147, citing to the *Senate Staff Report* at note 397.

⁵ Some other major carriers have announced similar policies to reduce the potential for unauthorized third-party charges appearing on telephone bills.

⁶ CenturyLink has advised its billing aggregators that no charges from Calling 10 or ILD Teleservices are to be sent to it for processing. See *In the Matter of Telseven, LLC, Calling 10, LLC, Patrick Hines a/k/a P. Brian Hines*, Apparent Liability for Forfeiture, File No. EB-TCD-12-00000416, FCC 12-146, rel. Nov. 30, 2012.

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September 1st. Although the precise number is commercially sensitive, CenturyLink can say that it processes substantially more than 11 million bills every month -- month in, month out. Currently, less than 350,000 customers have any billing aggregator third-party charges. And of these, less than 5,000 have charges for dial-up Internet access on their CenturyLink bill. It is this relatively small number of customers who are directly affected by the new requirement for separation of third-party telecommunications and non-telecommunications charges.

Separating third-party charges into telecommunications and non-telecommunications categories, and providing separate dollar totals, however, has required significant IT work and follow-up testing in CenturyLink's multiple billing systems. The requested extension of time will ensure that these billing system changes do not inadvertently compromise accuracy and reliability of invoices for any CenturyLink customer. In the meantime, relatively few customers' invoices will be affected by the requested modest delay, and any third-party charges remain in their own section of the bill (in line with CenturyLink's existing billing presentation) during the time the IT work is occurring and testing is completed.

CenturyLink values its customers and shares the Commission's goals of ensuring consumers are not subjected to unauthorized third-party charges. It appreciates the Commission's consideration of its request.

Consistent with section 1.1206(b) of the Commission's rules, CenturyLink is filing this letter in the appropriate dockets.

Respectfully submitted,

/s/Kathryn Marie Krause

Encl.



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Chief Executive Officer
& President

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April 5, 2012

The Honorable Amy Klobuchar
United States Senate
Senate Hart 302
Washington, DC 20510

Dear Senator Klobuchar:

I am writing in response to your March 21, 2012 letter about the measures that telecommunications companies can take to prevent unauthorized third-party charges on their customers' monthly bills.

CenturyLink values the trust our customers place in us, and we agree that telecommunications customers should not be subject to unwanted and unauthorized charges on their bills. To prevent such charges, CenturyLink has already taken a number of steps. We screen our third-party vendors, notifying and requiring them to abide by federal and state anti-cramming laws, terminate contracts with vendors who violate our requirements and anonymously audit third-party vendors to verify compliance with our requirements. In addition, whenever a customer has contacted us with a complaint about a third-party charge, our policy has been to immediately credit the disputed charges back to the customer and offer the option of free blocking of all third-party charges.

CenturyLink has also reevaluated its entire third-party billing policy, and will immediately take steps to discontinue such arrangements for enhanced services that are not related to the services CenturyLink provides to its customers. This change will be effective no later than September 1, 2012 and will not affect competitive long-distance services, DIRECTV and Verizon Wireless billing, in which CenturyLink maintains a greater level of control over the customer order verification process. This change will, however, substantially narrow the scope of third parties who are permitted to place charges on CenturyLink customer bills and will address the concerns we have heard from policymakers and stakeholders about problems with third-party billing.

We appreciate your continuing support for pro-consumer measures for all communications providers, and we look forward to working with you on this and other issues.

Sincerely,

A handwritten signature in black ink that reads "Glen F. Post, III".

Glen F. Post, III
CEO and President