

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Vox Populi Telecommunications)	IC No. 01-S64337
)	
Complaint Regarding)	
Unauthorized Change of)	
Subscriber's Telecommunications Carrier)	

ORDER ON RECONSIDERATION

Adopted: February 25, 2004

Released: February 27, 2004

By the Deputy Chief, Consumer & Governmental Affairs Bureau:

1. In this Order, we reconsider DA 02-1639 (July Order) released on July 12, 2002. In the July Order, we found that Vox Populi Telecommunications. (Vox) changed Complainant's telecommunications service provider without obtaining authorization and verification from Complainant in violation of the Commission's rules.¹ On reconsideration, we affirm that Vox's actions did result in an unauthorized change in Complainant's telecommunications service provider, and we deny Vox's Petition for Reconsideration.

2. In December 1998, the Commission released the *Section 258 Order* in which it adopted rules to implement Section 258 of the Communications Act of 1934 (Act), as amended by the Telecommunications Act of 1996 (1996 Act).² Section 258 prohibits the practice of "slamming," the submission or execution of an unauthorized change in a subscriber's selection

¹ See 47 C.F.R. §§ 64.1100 – 64.1190.

² 47 U.S.C. § 258(a); Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 (1996); *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, Second Report and Order and Further Notice of Proposed Rule Making, 14 FCC Rcd 1508 (1998) (*Section 258 Order*), *stayed in part*, *MCI WorldCom v. FCC*, No. 99-1125 (D.C. Cir. May 18, 1999); First Order on Reconsideration, 15 FCC Rcd 8158 (2000); *stay lifted*, *MCI WorldCom v. FCC*, No. 99-1125 (D.C. Cir. June 27, 2000); Third Report and Order and Second Order on Reconsideration, 15 FCC Rcd 15996 (2000), Errata, DA No. 00-2163 (rel. Sept. 25, 2000), Erratum, DA No. 00-2192 (rel. Oct. 4, 2000), Order, FCC 01-67 (rel. Feb. 22, 2001); Third Order on Reconsideration and Second Further Notice of Proposed Rule Making, 18 FCC Rcd 5099 (2003); Order, FCC 03-116, (rel. May 23, 2003). Prior to the adoption of Section 258, the Commission had taken various steps to address the slamming problem. See, e.g., *Policies and Rules Concerning Unauthorized Changes of Consumers' Long Distance Carriers*, CC Docket No. 94-129, Report and Order, 10 FCC Rcd 9560 (1995), *stayed in part*, 11 FCC Rcd 856 (1995); *Policies and Rules Concerning Changing Long Distance Carriers*, CC Docket No. 91-64, 7 FCC Rcd 1038 (1992), *reconsideration denied*, 8 FCC Rcd 3215 (1993); Investigation of Access and Divestiture Related Tariffs, CC Docket No. 83-1145, Phase I, 101 F.C.C.2d 911, 101 F.C.C.2d 935, *reconsideration denied*, 102 F.C.C.2d 503 (1985).

of a provider of telephone exchange service or telephone toll service.³ In the *Section 258 Order*, the Commission adopted aggressive new rules designed to take the profit out of slamming, broadened the scope of the slamming rules to encompass all carriers, and modified its existing requirements for the authorization and verification of preferred carrier changes. The rules require, among other things, that a carrier receive individual subscriber consent before a carrier change may occur.⁴ Pursuant to Section 258, carriers are absolutely barred from changing a customer's preferred local or long distance carrier without first complying with one of the Commission's verification procedures.⁵ Specifically, a carrier must: (1) obtain the subscriber's written or electronically signed authorization in a format that meets the requirements of Section 64.1130 authorization; (2) obtain confirmation from the subscriber via a toll-free number provided exclusively for the purpose of confirming orders electronically; or (3) utilize an independent third party to verify the subscriber's order.⁶

3. The Commission also has adopted liability rules. These rules require the carrier to absolve the subscriber where the subscriber has not paid his or her bill. In that context, if the subscriber has not already paid charges to the unauthorized carrier, the subscriber is absolved of liability for charges imposed by the unauthorized carrier for service provided during the first 30 days after the unauthorized change.⁷ Where the subscriber has paid charges to the unauthorized carrier, the Commission's rules require that the unauthorized carrier pay 150% of those charges to the authorized carrier, and the authorized carrier shall refund or credit to the subscriber 50% of all charges paid by the subscriber to the unauthorized carrier.⁸ Carriers should note that our actions in this order do not preclude the Commission from taking additional action, if warranted, pursuant to Section 503 of the Act.⁹

4. We received Complainant's complaint on September 5, 2001, alleging that Complainant's telecommunication service provider had been changed from their authorized carrier to Vox without Complainant's authorization. Pursuant to Sections 1.719 and 64.1150 of our rules,¹⁰ we notified Vox of the complaint and Vox responded on March 22, 2002.¹¹ Vox

³ 47 U.S.C. § 258(a).

⁴ See 47 C.F.R. § 64.1120.

⁵ 47 U.S.C. § 258(a).

⁶ See 47 C.F.R. § 64.1120(c). Section 64.1130 details the requirements for letter of agency form and content for written or electronically signed authorizations. 47 C.F.R. § 64.1130.

⁷ See 47 C.F.R. §§ 64.1140, 64.1160. Any charges imposed by the unauthorized carrier on the subscriber for service provided after this 30-day period shall be paid by the subscriber to the authorized carrier at the rates the subscriber was paying to the authorized carrier at the time of the unauthorized change. *Id.*

⁸ See 47 C.F.R. §§ 64.1140, 64.1170.

⁹ See 47 U.S.C. § 503.

¹⁰ 47 C.F.R. § 1.719 (Commission procedure for informal complaints filed pursuant to Section 258 of the Act); 47 C.F.R. § 64.1150 (procedures for resolution of unauthorized changes in preferred carrier).

indicated that Complainant signed a letter of agency authorizing a change in service. Vox's letter of authorization (LOA), however, failed to confirm that Complainant understands that only one carrier can be designated for interstate or intraLATA toll service, as required by our rules.¹² We found that Vox failed to produce clear and convincing evidence that Complainant authorized a carrier change.¹³ Vox now files a petition for reconsideration.

5. In its petition, Vox argues that its letter of agency (LOA) is valid because complies with the Texas Public Utility Commission's Substantive Rule 26.130(3) adopted in February of 1999. Vox does not explain, however, how its compliance with this rule relieves it of its obligation to comply with the Commission's rules. As noted above, our rules require that LOAs contain language confirming that the subscriber understands that only one carrier can be designated for interstate or intraLATA toll service. We therefore deny Vox's petition for reconsideration

6. Accordingly, IT IS ORDERED that, pursuant to Section 258 of the Communications Act of 1934, as amended, 47 U.S.C. § 258, and Sections 0.141, 0.361 and 1.719 of the Commission's rules, 47 C.F.R. §§ 0.141, 0.361, 1.719, the petition for reconsideration filed by Vox is DENIED.

7. IT IS FURTHER ORDERED that this Order is effective upon release.

FEDERAL COMMUNICATIONS COMMISSION

Margaret M. Egler, Deputy Chief
Consumer & Governmental Affairs Bureau

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¹¹ Vox Response to Informal Complaint No. IC-01-S64337, April 5, 2001.

¹² See 47 C.F.R. § 64.1130(e)(4).

¹³ See 47 C.F.R. § 64.1150(d).