Before the

Federal Communications Commission

**Washington, D.C. 20554**

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| In the Matter ofReliant Communications, Inc.Complaints Regarding Unauthorized Change ofSubscriber’s Telecommunications Carrier | **)****)****)****)****)****)** **)**))) | Complaint Nos. 11-S3283512 11-S3283546 12-S003426 12-S3317007 12-S3359291 12-S3420703 12-S003528 12-S3354858  |
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**ORDER ON RECONSIDERATION**

**Adopted: April 3, 2019 Released: April 4, 2019**

By the Deputy Chief, Consumer and Governmental Affairs Bureau:

1. **INTRODUCTION**
2. In this Order on Reconsideration, we address three petitions (collectively, Petitions) filed by Reliant Communications, Inc. (Reliant) asking us to reconsider eight Consumer Policy Division (Division) orders finding that Reliant changed consumers’ telecommunications service providers without proper authorization verified in accordance with the Commission’s carrier change rules.[[1]](#footnote-3) On reconsideration, we affirm that Reliant’s actions violated the Commission’s rules and deny the Petitions.[[2]](#footnote-4)
3. **BACKGROUND**
4. Section 258 of the Communications Act of 1934, as amended (the Act), prohibits the practice of “slamming,” the submission or execution of an unauthorized change in a subscriber’s selection of a provider of telephone exchange service or telephone toll service.[[3]](#footnote-5) The Commission’s implementing rules require, among other things, that a carrier receive individual subscriber consent and follow specific verification procedures before a carrier change may occur.[[4]](#footnote-6) 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; (2) obtain confirmation from the subscriber via a toll-free number provided exclusively for the purpose of confirming orders electronically; or (3) utilize an appropriately qualified independent third party to verify the subscriber's order.[[5]](#footnote-7) If the carrier uses an independent third party to verify the subscriber’s consent, the rules require, among other things, that the verifier elicit confirmation that “the person on the [verification] call is authorized to make the carrier change.”[[6]](#footnote-8)
5. In 2008, the Commission adopted the *Fourth Report and Order,* which, among other things, amended the third-party verification rules.[[7]](#footnote-9) There, the Commission required that “any description of the carrier change transaction . . . not be misleading” and emphasized that third-party verifiers must “convey explicitly that consumers will have authorized a carrier change, and not, for instance, an upgrade in existing service [or a] bill consolidation.”[[8]](#footnote-10) The Commission explained that “[t]he record reflects that carriers using ambiguous language to describe the nature of the transaction may lead to consumer confusion concerning the true purpose of the solicitation call.”[[9]](#footnote-11) The Commission further stated that “such practices are misleading and unreasonable, and warrant specific treatment in our rules.”[[10]](#footnote-12)
6. Eight consumers (Complainants) filed slamming complaints against Reliant, each alleging that their telecommunications service providers had been changed to Reliant without their authorization.[[11]](#footnote-13) Pursuant to Sections 1.719 and 64.1150 of the Commission’s rules, the Division notified Reliant of the complaints.[[12]](#footnote-14) In its responses, Reliant stated that the Complainants’ authorizations were received and confirmed through third-party verification recordings (TPVs).[[13]](#footnote-15) The Division reviewed these complaints, Reliant’s responses, and the TPVs in each case, and determined that Reliant’s actions violated the Commission’s carrier change rules.[[14]](#footnote-16) Specifically, the Division stated that “[a] switch from one carrier to another carrier differs from merely making changes to the customer’s service” and emphasized that “any description of the carrier change transaction . . . shall not be misleading.”[[15]](#footnote-17) Reliant seeks reconsideration of the *Division Orders*.
7. **DISCUSSION**
8. Based on the record before us, we affirm the *Division Orders* and deny Reliant’s Petitions. As discussed below, we find that Reliant violated the Commission’s carrier change rules when, in each of the eight cases, Reliant’s verifier failed to confirm that the consumer wanted to make a *carrier change* and used misleading language that obscured the true purpose of the call.
9. In each TPV, Reliant’s verifier stated that the purpose of the recorded conversation was to “confirm a change to your service as well as to facilitate accurate data.”[[16]](#footnote-18) The verifiers also ask the person on the call, “are you authorized by the telephone account owner to make changes to and incur charges on the telephone account?”[[17]](#footnote-19) Despite using this language, Reliant argues that it did not violate Section 64.1120 of the Rules because, “[w]hen taken in their entirety, the TPVs clearly demonstrate Reliant did not mislead the subscribers [who] were fully aware that the purpose of the call was to change his/her preferred carrier.”[[18]](#footnote-20) Reliant contends that the Division failed to consider the overall impression and content of the TPV recordings, and instead erroneously focuses on “one small portion of the transcript.”[[19]](#footnote-21) We disagree. Section 64.1120(c)(3) of the Rules sets forth detailed procedures that carriers using a TPV to verify consumer authorization must follow. The carrier’s verifier must confirm that the person on the call wants and authorizes a *carrier change*—not an upgrade to existing service, bill consolidation, or any other transaction.[[20]](#footnote-22) Reliant acknowledges, however, that its verifiers told the consumers that the purpose of the verification was to confirm a “change to your *service*” and asked the consumers if they were authorizing Reliant to “change [their] long distance *service*. . . .”[[21]](#footnote-23)
10. While our rules do not outline the specific language that a TPV must include, Section 64.1120(c)(3)(iii) requires that all third-party verifiers “elicit, at a minimum the identity of the subscriber; [and] confirmation that the person on the call is authorized to make the *carrier change* . . . ”.[[22]](#footnote-24) The Commission specifically stated that it “seek[s] to ensure that verifiers confirm the consumer’s intent to receive service *from a different carrier*, regardless of whether that is phrased as a ‘change,’ a ‘switch,’ or any other non-misleading term.”[[23]](#footnote-25) In the TPVs at issue here, the verifier’s statement that the purpose of the conversation was to confirm a change in service as well as to facilitate data was misleading and did not confirm that the person would be authorizing a change that would result in receiving service *from a different carrier*. It is well established that changing or upgrading service is not equivalent to changing carriers, and Reliant’s TPV statements suggesting that it was seeking verification only for a change in “service” were misleading and violated Section 64.1120(c)(3).[[24]](#footnote-26)
11. The Commission explained in its *Fourth Report and Order* that “some carriers introduce ambiguity into what should be a straightforward interaction by describing the carrier change offer as a mere ‘upgrade’ to existing service or in other ways that obscure the true purpose.”[[25]](#footnote-27) Thus, “the scripts used by the independent third-party verifier should clearly and conspicuously confirm that the subscriber has previously authorized a carrier change.”[[26]](#footnote-28) Reliant’s characterization of the Division’s findings as “parsing out portions of [the] verification recordings”[[27]](#footnote-29) does not change the fact that its TPVs did not comply with the rules. Providing “context” for the consumer through other questions and statements does not elicit the consumer’s authorization for a carrier change as the rules require. As the Commission has stated on numerous occasions, this rule is crucial to protecting consumers, particularly where the Complainants contend that they did not intend to change carriers at all.[[28]](#footnote-30)
12. For the reasons stated above, we affirm the *Division Orders* and deny Reliant’s Petitions.

1. **ORDERING CLAUSES**
2. Accordingly, IT IS ORDERED that, pursuant to Section 258 of the Communications Act of 1934, as amended, 47 U.S.C. § 258, Sections 1.106 and 1.719 of the Commission’s rules, 47 CFR §§ 1.106, 1.719, and authority delegated by Sections 0.141 and 0.361 of the Commission’s rules, 47 CFR §§ 0.141, 0.361, the Petitions for Reconsideration filed by Reliant Communications, Inc., on May 29, 2013; August 27, 2013; and October 17, 2013, ARE DENIED.
3. IT IS FURTHER ORDERED that this Order is EFFECTIVE UPON RELEASE.

FEDERAL COMMUNICATIONS COMMISSION

 Mark A. Stone

 Deputy Chief

 Consumer and Governmental Affairs Bureau

1. *See* Reliant Communications, Inc., Petition for Reconsideration (filed May 29, 2013) (Petition 1); Reliant Communications, Inc., Petition for Reconsideration (filed Aug. 27, 2013) (Petition 2); Reliant Communications, Inc., Petition for Reconsideration (filed Oct. 17, 2013) (Petition 3). The Petitions seek reconsideration of the Division orders referenced in the above-captioned proceedings. Each of Reliant’s Petitions makes the same arguments regarding the Division’s findings and therefore we address all of them in this Order. [↑](#footnote-ref-3)
2. *See* 47 CFR §§ 64.1100-64.1190. [↑](#footnote-ref-4)
3. 47 U.S.C. § 258(a). [↑](#footnote-ref-5)
4. *See* 47 CFR § 64.1120. [↑](#footnote-ref-6)
5. *See* *id.* § 64.1120(c). Section 64.1130 of the Commission’s rules details the requirements for letter of agency form and content for written or electronically signed authorizations. *Id.* § 64.1130. [↑](#footnote-ref-7)
6. *Id.* § 64.1120(c)(3)(iii). [↑](#footnote-ref-8)
7. *See 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*,Fourth Report and Order, 23 FCC Rcd 493 (2008) (*Fourth Report and Order*). The revised verification requirements in Section 64.1120(c)(3)(iii) became effective on July 30, 2008. [↑](#footnote-ref-9)
8. *See* *Fourth Report and Order,* 23 FCC Rcd at501-02, paras. 18-20; 47 CFR § 64.1120(c)(3)(iii). [↑](#footnote-ref-10)
9. *Fourth Report and Order,* 23 FCC Rcdat 501, para. 19. [↑](#footnote-ref-11)
10. *Id*. [↑](#footnote-ref-12)
11. *See* Informal Complaint Nos. 11-S3283512 (filed Nov. 28, 2011); 11-S3283546 (filed Nov. 21, 2011); 12-S003426 (filed June 6, 2012); 12-S3317007 (filed Jan. 24, 2012); 12-S3359291 (filed Mar. 26, 2012); 12-S3420703 (filed June 8, 2012); 12-S003528 (filed Nov. 14, 2012); 12-S3354858 (filed Mar. 15, 2012). [↑](#footnote-ref-13)
12. *See* 47 CFR § 1.719 (Commission procedure for informal complaints filed pursuant to Section 258 of the Act); 47 CFR § 64.1150 (procedures for resolution of unauthorized changes in preferred carrier). [↑](#footnote-ref-14)
13. As discussed above, TPV is one method a carrier may use to verify and record a consumer’s authorization to change his or her preferred long distance carrier. 47 CFR § 64.1120(c)(3). [↑](#footnote-ref-15)
14. *See Reliant Communications, Complaints Regarding Unauthorized Change of Subscriber’s Telecommunications Carrier*, Order, 28 FCC Rcd 5567 (CGB 2013) (granting six complaints); *Reliant Communications, Complaint Regarding Unauthorized Change of Subscriber’s Telecommunications Carrier*, Order, 28 FCC Rcd 10832 (CGB 2013); *Reliant Communications, Complaint Regarding Unauthorized Change of Subscriber’s Telecommunications Carrier*, Order, 28 FCC Rcd 12704 (CGB 2013) (collectively, *Division Orders*). [↑](#footnote-ref-16)
15. *See Division Orders* at para. 4. [↑](#footnote-ref-17)
16. *See* TPVs and TPV transcripts provided with Reliant’s complaint responses. [↑](#footnote-ref-18)
17. *See, e.g., Reliant Communications, Complaint Regarding Unauthorized Change of Subscriber’s Telecommunications Carrier*, Order, 28 FCC Rcd at 12706, para. 4. [↑](#footnote-ref-19)
18. *See, e.g.*, Petition 1 at 5. [↑](#footnote-ref-20)
19. *Id.* at 6. [↑](#footnote-ref-21)
20. 47 CFR § 64.1120(c)(3)(iii). [↑](#footnote-ref-22)
21. *See, e.g.*, Petition 1 at 4-5 (emphasis added). [↑](#footnote-ref-23)
22. 47 CFR § 64.1120(c)(3)(iii) (emphasis added). [↑](#footnote-ref-24)
23. *Fourth Report and* Order, 23 FCC Rcd at 502, para. 20 (emphasis added). [↑](#footnote-ref-25)
24. *See Central Telecom Long Distance, Inc.*, Forfeiture Order, 31 FCC Rcd 10392, 10396-97, para. 10 (2016); *see also, e.g*., *Consumer Telcom, Inc.*, Order on Reconsideration, 27 FCC Rcd 5340, 5345, para. 17 (CGB 2012) (finding “the verifier’s question, ‘Do you have authority to make changes to your long distance service?’ did not confirm that the person was authorizing a change that would result in receiving service *from a different carrier*”); *U.S. Telecom Long Distance, Inc*., *Complaint Regarding Unauthorized Change of Subscriber’s Telecommunications Carrier*, Order, 25 FCC Rcd 3135 (CGB 2010) (same); *Advantage Telecommunications Corp.*, Forfeiture Order, 32 FCC Rcd 3723, 3730-31, paras. 20-21 (2017) (*Advantage Forfeiture Order*). [↑](#footnote-ref-26)
25. *Fourth Report and Order*, 23 FCC Rcd at 501, para. 19 (2008). [↑](#footnote-ref-27)
26. *Id.* (quoting *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,* Second Report and Order and Further Notice of Proposed Rulemaking*,* 14 FCC Rcd 1508, 1553, para. 72 (1998)). [↑](#footnote-ref-28)
27. *See, e.g.*, Petition 1 at 6. [↑](#footnote-ref-29)
28. *See, e.g.,* *Advantage Forfeiture Order*, 32 FCC Rcd at 3730, para. 21; *Preferred Long Distance, Inc.,* Forfeiture Order, 30 FCC Rcd 13711, 13714, para. 8 (2015). [↑](#footnote-ref-30)