Before the

Federal Communications Commission

**Washington, D.C. 20554**

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| In the Matter of  Clear Rate Communications, Inc.  Complaint Regarding  Unauthorized Change of  Subscribers’ Telecommunications Carrier | **)**  **)**  **)**  **)**  **)**  **)**  **)** | Complaint No. 2534982 |

**ORDER**

**Adopted: May 2, 2019 Released: May 3, 2019**

By the Deputy Chief, Consumer Policy Division, Consumer and Governmental Affairs Bureau:

1. In this Order, we consider the complaint[[1]](#footnote-3) alleging that Clear Rate Communications, Inc. (Clear Rate) changed Complainant’s telecommunications service provider without obtaining authorization and verification from Complainant in violation of the Commission’s rules.[[2]](#footnote-4) We conclude that Clear Rate’s actions violated the Commission’s carrier change rules, and we therefore grant Complainant’s complaint.
2. 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 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) The Commission also has adopted rules to limit the liability of subscribers when a carrier change occurs, and to require carriers involved in slamming practices to compensate subscribers whose carriers were changed without authorization.[[6]](#footnote-8)
3. We received Complainant’s complaint alleging that Complainant’s telecommunications service provider had been changed without Complainant’s authorization. Pursuant to Sections 1.719 and 64.1150 of our rules, we notified Clear Rate of the complaint.[[7]](#footnote-9) Clear Rate responded, stating that it had obtained authorization from the Complainant through independent third-party verification (TPV).[[8]](#footnote-10) However, Clear Rate failed to provide any proof of authorization, including a TPV recording. The failure of Clear Rate to provide proof of verified authorization is presumed to be clear and convincing evidence of a violation.[[9]](#footnote-11) Therefore, we find that Clear Rate’s actions resulted in a violation of our carrier change rules, and we discuss Clear Rate’s liability below.[[10]](#footnote-12)
4. Clear Rate must remove all charges incurred for service provided to Complainant for the first thirty days after the alleged unauthorized change in accordance with the Commission’s liability rules.[[11]](#footnote-13) We have determined that Complainant is entitled to absolution for the charges incurred during the first thirty days after the unauthorized change occurred and that neither the Complainant’s authorized carrier nor Clear Rate may pursue any collection against Complainant for those charges.[[12]](#footnote-14) Any charges imposed by Clear Rate on the Complainant for service provided after this 30-day period shall be paid by the Complainant to the authorized carrier at the rates the Complainant was paying the authorized carrier at the time of the unauthorized change of his telecommunications service provider.[[13]](#footnote-15)
5. 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 CFR §§ 0.141, 0.361, 1.719, the complaint against Clear Rate Communications, Inc. IS GRANTED.
6. IT IS FURTHER ORDERED that, pursuant to Section 64.1170(d) of the Commission’s rules, 47 CFR § 64.1170(d), Complainant is entitled to absolution for the charges incurred during the first thirty days after the unauthorized change occurred and that Clear Rate Communications, Inc. may not pursue any collection against Complainant for those charges.
7. IT IS FURTHER ORDERED that this Order is effective upon release.

FEDERAL COMMUNICATIONS COMMISSION



1. *See* Informal Complaint No. 2534982, filed May 31, 2018. [↑](#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 details the requirements for letter of agency form and content for written or electronically signed authorizations. *Id.* § 64.1130. [↑](#footnote-ref-7)
6. These rules require the carrier to absolve the subscriber where the subscriber has not paid his or her bill. 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. *See* *id.* §§ 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.* Where the subscriber has paid charges to the unauthorized carrier, the Commission’s rules require that the unauthorized carrier pay 150 percent of those charges to the authorized carrier, and the authorized carrier shall refund or credit to the subscriber 50 percent of all charges paid by the subscriber to the unauthorized carrier. *See id.* §§ 64.1140, 64.1170. [↑](#footnote-ref-8)
7. *Id*. § 1.719 (Commission procedure for informal complaints filed pursuant to Section 258 of the Act); *id*. § 64.1150 (procedures for resolution of unauthorized changes in preferred carrier). [↑](#footnote-ref-9)
8. *See* Clear Rate Response to Informal Complaint No. 2534982, filed July 3, 2018. [↑](#footnote-ref-10)
9. *See* 47 CFR § 64.1150(d). [↑](#footnote-ref-11)
10. If Complainant is unsatisfied with the resolution of its complaint, the Complainant may file a formal complaint with the Commission pursuant to Section 1.721 of the Commission’s rules. *Id*. § 1.721. Such filing will be deemed to relate back to the filing date of such Complainant’s informal complaint so long as the formal complaint is filed within 45 days from the date this order is mailed or delivered electronically to such Complainant. *See* *id*. § 1.719. [↑](#footnote-ref-12)
11. *See id.* § 64.1160(b). [↑](#footnote-ref-13)
12. *See id.* § 64.1160(d). [↑](#footnote-ref-14)
13. *See id.* §§ 64.1140, 64.1160. [↑](#footnote-ref-15)