



# NEWS

Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D. C. 20554

This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See MCI v. FCC, 515 F.2d 385 (D.C. Cir. 1974).

News Media Information 202 / 418-0500

TTY 202 / 418-2555

Fax-On-Demand 202 / 418-2830

Internet: <http://www.fcc.gov>  
<ftp.fcc.gov>

## FOR IMMEDIATE RELEASE

April 2, 2001

## NEWS MEDIA CONTACT:

John Winston (202) 418-7450

### FCC PROPOSES \$1,000,000 IN TOTAL FINES AGAINST TWO CARRIERS FOR DECEPTIVE MARKETING PRACTICES

**Washington, D.C.** - Today the Federal Communications Commission (Commission) released a Notice of Apparent Liability proposing a total of \$1 million in fines against two affiliated long distance companies, NOS Communications, Inc. (NOS) and Affinity Network Incorporated (ANI), for apparently engaging in unfair and deceptive marketing practices.

Since 1997, the Commission has received nearly 900 consumer complaints against NOS and ANI alleging, among other things, misleading advertising and "bait and switch" marketing practices. Commission staff investigated many of these allegations. The proposed forfeiture is based on the companies' practice of sending to consumers marketing materials that did not clearly disclose that the advertised "cents-per-minute" rates were limited to a two-month promotional period. Further, the companies failed to disclose clearly that following the promotional period, rates would be calculated using a complex formula based on cents per "total call units." The "total call unit" formula often resulted in rates that were twice the advertised cents-per-minute rate.

The Commission determined that NOS and ANI had apparently willfully or repeatedly violated the Communications Act's prohibition against the use of unjust or unreasonable practices in connection with interstate telecommunications service. NOS and ANI have 30 days to either pay the fine, or show why it should be reduced or not imposed.

NOS is a Maryland corporation with its principal office in Las Vegas, Nevada. ANI, which also conducts business as Quantum Link Communications and Horizon One Communications, is a California corporation headquartered in Los Angeles.

Action by the Commission, March 28, 2001, by Notice of Apparent Liability (FCC 01-113. Chairman Powell, Commissioners Ness and Tristani. Commissioner Furchtgott-Roth dissenting.

File No. EB-00-TC-005

Enforcement Bureau Contacts: John Winston at (202) 418-7450 or Donna Cyrus at (202) 418-7325.