



NEWS

News media Information 202 / 418-0500

TTY 202 / 418-2555

Fax-On-Demand 202 / 418-2830

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

Federal Communications Commission
445 12th 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. Circ 1974).

FOR IMMEDIATE RELEASE:
July 25, 2001

NEWS MEDIA CONTACT:
Michael Balmoris, 202-418-0253
Rosemary Kimball, 202-418-0511

DETARIFFING OF LONG DISTANCE TELEPHONE INDUSTRY TO BECOME EFFECTIVE AT THE END OF THE MONTH

Washington, D.C. – Beginning July 31, 2001, interstate domestic long distance companies will no longer file tariffs with the Federal Communications Commission (FCC). This change means that long distance telephone companies will have to make their service and rate information available to their customers. Tariffs are the legally binding contracts that outline the rates, terms and conditions of long distance companies' services. Previously, the applicable tariff would govern the rates and terms of service, even if the tariff was inconsistent with other information that long distance companies provided to consumers.

K. Dane Snowden, Chief of the FCC's Consumer Information Bureau, said "The FCC has applied minimal regulation to long distance rates in recent years and has allowed the marketplace to regulate these rates. Long distance prices have never been lower, choices have never been greater. This marketplace is serving consumers very well."

For the last few months, most long distance telephone companies have been sending their customers notices explaining that some FCC rules have changed and detailing the rates, terms, and conditions of service that will now apply instead of the federal tariffs. Consumers should read these new terms and conditions carefully. Customers considering changing to another long distance telephone company should check the rates, terms and conditions of the service from the new company as well.

The reason for these notices is a change in policy called "detariffing." Detariffing means that long distance companies may no longer simply file a document called a "tariff" to notify the FCC about the rates, terms and conditions of long distance service and make those changes effective the next day. Generally, the agreement (instead of the federal tariff) between the long distance telephone company and consumer will be subject to the same contract and consumer protection laws as any other agreement.

The full range of state laws protects consumers, including those governing contracts, consumer protection, and deceptive practices. For example, state contract law determines what constitutes an agreement between you and your long distance company.

"Consumers need accurate and clear information if they are to make informed choices in a competitive market. The same consumer protection laws and notification requirements that every other company abides by will now also apply to long distance companies, and this change will go a long way towards giving consumers the information they need to make informed choices," said Dorothy Attwood, Chief of the FCC's Common Carrier Bureau.

Consumers may contact their state consumer protection agency, Better Business Bureau, or state Attorney General Office to learn about the protections and remedies available under their state contract and consumer protection laws. Although long distance companies will no longer file tariffs with the FCC, the FCC will maintain its jurisdiction over these companies. Consumers can continue to file complaints about long distance companies with the FCC.

Starting in the early 1980s, the FCC tried to prohibit tariff-filing by carriers, but that effort was successfully challenged in court since the Communications Act of 1934 required the FCC to review telecommunications carriers' tariffs to ensure their reasonableness. The landscape changed, however, when Congress passed the Telecommunications Act of 1996, which gave the FCC authority to forbear from applying regulations if it was in the public interest. In April 2000, the U.S. Court of Appeals for the District of Columbia issued a decision permitting the FCC's efforts to detariff.

-FCC-

News about the Federal Communications Commission can also be found on the Commission's web site www.fcc.gov.