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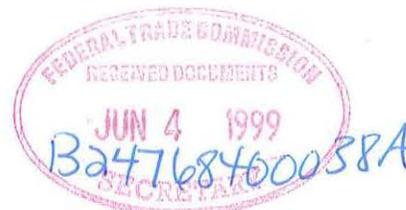
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June 4, 1999

**BY HAND**

Ms. Eileen Harrington  
Associate Director for Marketing Practices  
Federal Trade Commission  
600 Pennsylvania Avenue, N.W.  
Room H-238  
Washington, D.C. 20580

Re: **Pay-Per-Call Rule Review – Supplement to the Record  
FTC File No. R611016**

Dear Ms. Harrington:

During the Commission's public workshop in the above-referenced matter, Cable & Wireless West Indies, Ltd. ("CWWI") indicated that it would provide additional information for the record in this proceeding. Specifically, CWWI offered to describe any terminated merchant file which it keeps on pay-per-call providers and to indicate the rate of uncollectible charges which CWWI incurs in connection with audiotext numbers.

As CWWI stated in its written comments, and reiterated in the workshop, it is eager to work with the Commission and the U.S. carriers to ensure that international audiotext is consumer-friendly for U.S. callers. In that regard, CWWI already has taken the necessary steps on its part to provide callers with preambles and chargeback capabilities. Further, CWWI has had informal but encouraging discussions with U.S. carriers on *free* preambles; however, additional time is needed to initiate formal negotiations, amend bilateral agreements and implement the technical solutions.

Additionally, CWWI is willing to work with U.S. international carriers to do its part to permit them to implement separate billing and blocking for international audiotext calls. This is a complex process, however, and poses technological challenges to the U.S. carriers. New agreements between the carriers will be required and some period of time to implement the changes will be needed, perhaps as much as two years.

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As regards CWWI's existing operation, it retains information on the independent contractors and service bureaus with which it contracts for use of CWWI telephone numbers for audiotext purposes. All such entities are required to provide to CWWI additional information about their activities or customers upon request. An example of this system in action was provided recently when CWWI obtained for the FTC the identity and location of a service bureau and an information provider believed by the Commission to be engaged in deceptive advertising in the U.S.

Because CWWI operates solely outside the U.S., some of the actions needed to implement the protections in full must be performed by the U.S. international carriers (e.g., separate billing, call blocking), and are thus beyond the control of CWWI. Similarly, while CWWI requires its audiotext users to provide it with copies of advertisements and other promotional materials and transcripts of audiotext programs upon request, CWWI cannot prevent violations of its advertising guidelines by unscrupulous providers. CWWI looks to companies that control advertising to also exercise a degree of control in relation to pay per call services. To this end, CWWI is willing and eager to work with the U.S. carriers and enforcement authorities to assist in full and timely implementation of the consumer protections in any way it can, including terminating service to any number that has been the subject of deceptive advertising practices.

These efforts are especially important, in CWWI's view, because international audiotext services are nothing more than international telephone calls which may be placed from any telephone anywhere in the world. Affirmative consumer protections, such as preambles and chargeback capability, thus will be much more effective than a prohibition.

CWWI believes that its efforts to date have been effective in protecting U.S. consumers. All CWWI audiotext numbers are answered first with a preamble which indicates that international rates apply (because each U.S. carrier sets its own rates, specific charges cannot be stated); U.S. callers who terminate the call after hearing this preamble incur only a *de minimis* charge in the case of the vast majority of U.S. international carriers. Those callers who subscribe to AT&T or MCI-Worldcom and wish to receive a refund or credit may do so by contacting their carrier and requesting it (CWWI does not yet have a chargeback agreement with Sprint). These protections have served to keep consumer complaints at a very low level and have resulted in an uncollectible rate of only seven percent for CWWI.

In those situations where CWWI becomes aware that its numbers are potentially being utilized for misleading or deceptive purposes, CWWI investigates and terminates service to the number promptly. While CWWI does not maintain a formal terminated merchant file, because it contracts with only a small number of companies it is aware of the numbers it has

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terminated. I hope that this information is helpful to the Commission as it considers its final action in this rulemaking. If CWVI can be of further assistance in any way, please contact us.

Sincerely,



Danny E. Adams

DEA/ae

cc: Lisa Suits  
Richard Clingen  
Hartland J. A. Paterson  
Kin H. Yu