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BART GORDON  
5TH DISTRICT TENNESSEE  
COMMERCE COMMITTEE  
SCIENCE COMMITTEE  
RANKING MEMBER  
SUBCOMMITTEE ON SPACE



2368 RAYBJRN BUILDING  
WASHINGTON, DC 20515-4206  
(202) 225-4231  
FAX: (202) 225-6887

106 SOUTH MAPLE STREET  
P.O. BOX 1986  
MURFREESBORO, TN 37133  
(615) 896-1986  
FAX: (615) 896-8218

17 SOUTH JEFFERSON STREET  
P.O. BOX 1140  
COOKEVILLE, TN 38501  
(931) 528-5907

Congress of the United States  
House of Representatives

June 4, 1999  
648602

Office of the Secretary  
Room 159  
Federal Trade Commission  
6th Street and Pennsylvania Avenue, NW  
Washington, DC 20580

Re: Pay-Per-Call Rule, FTC File No. R611016

Dear Commissioners,

In the past, I have worked hard with the FTC and others to protect the legitimacy of the local telephone bill and I commend the FTC's efforts to protect consumers from the growing problem of "cramming" by revising its 900 Number rule.

In general, the proposed rules are an important step forward in curbing telephone bill cramming and other types of telephone-billed fraud. However, I want to encourage the Commission also to keep in mind its role in protecting consumers from more expensive bills as a result of potential lack of competition when considering the final rules.

New and small communications providers that offer voice mail, caller ID, wireless service, paging, Internet access and other services are currently competing vigorously in the marketplace using the local telephone billing platform. In practical terms, the phone bill is the only economically viable option currently available for these companies to reach their customers.

A number of competitive communications service providers have expressed concern to me that local exchange carriers (LECs) may be using anti-cramming initiatives as an excuse to impose anti-competitive conditions on their competitors. In specific, they are concerned that LECs that are offering services through their own subsidiaries are using these initiatives to stop billing for competitors who receive a relatively small number of cramming complaints. It is not clear whether LECs are applying the same standards to their own competing services.

Using anti-cramming policies as an excuse to discontinue

billing for services consumers might want from other companies could potentially threaten competition. Given the LECs' continuing dominance of the billing platform for communications and information services, I encourage the Commission to ensure, within the scope of the cramming rules, that the local telephone bill remains open and competitive.

In specific, I believe that the anti-cramming rules should apply equally to LECs, their subsidiaries and other similarly positioned entities, such as billing houses and vendors.

I look forward to continuing to work with you on this critical consumer issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Bart", with a stylized flourish extending from the end.

BART GORDON  
Member of Congress